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DELTA REPORT

10-K

SIG - SIGNET JEWELERS LTD

10-K - FEBRUARY 03, 2024 COMPARED TO 10-K - JANUARY 28, 2023

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TOTAL DELTAS	13827
CHANGES	545
DELETIONS	11389
ADDITIONS	1893

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

FORM 10-K

☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended January 28, 2023 February 3, 2024

☐ 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 1-32349

SIGNET JEWELERS LIMITED

(Exact name of Registrant as specified in its charter)

Bermuda
(State or other jurisdiction of incorporation)

Not Applicable
(I.R.S. Employer Identification No.)

Clarendon House
2 Church Street
Hamilton HM11
Bermuda
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 296 5872

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Shares of \$0.18 each	SIG	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Act. Yes ☐ No ☒

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

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

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

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

Indicate by check mark whether the Registrant registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of voting common shares held by non-affiliates of the Registrant (based upon the closing sales price quoted on the New York Stock Exchange) as of July 30, 2022 July 29, 2023 was \$2,741,129,311. \$3,430,328,554.

Number of common shares outstanding on March 10, 2023 March 15, 2024: 45,221,840 44,503,286.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's proxy statement for its 2023 2024 annual meeting of shareholders which will be filed with the Securities and Exchange Commission within 120 days after January 28, 2023 February 3, 2024 are incorporated by reference into Part III.

SIGNET JEWELERS LIMITED

FISCAL 2023 2024 ANNUAL REPORT ON FORM 10-K

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REFERENCES

Unless the context otherwise requires, references to "Signet", the "Company", "we", "us", or "our" refer to Signet Jewelers Limited and its consolidated subsidiaries. References to the "Parent Company" are to Signet Jewelers Limited.

PRESENTATION OF FINANCIAL INFORMATION

All references to "dollars," "US dollars" and "\$" are to the lawful currency of the United States of America ("US"). Signet prepares its financial statements in US dollars. All references to "British pound(s)," "pounds," and "£" are to the lawful currency of the United Kingdom ("UK"). All references to "Canadian dollar" or "C\$" are to the lawful currency of Canada.

Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data may have been rounded. As a result of such rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

Throughout this Annual Report on Form 10-K, financial data has been prepared in accordance with accounting principles generally accepted in the US ("GAAP"). However, Signet provides certain additional non-GAAP measures in order to provide increased insight into the underlying or relative performance of the business. An explanation of each non-GAAP measure used can be found in Item 7.

Fiscal year, fourth quarter and Holiday Season

Signet's fiscal year ends on the Saturday nearest to January 31. As used herein, "Fiscal 2025", "Fiscal 2024", "Fiscal 2023", "Fiscal 2022", and "Fiscal 2021" refer to the 52-week period ending February 1, 2025, the 53-week period ending February 3, 2024, and the 52-week periods ended January 28, 2023, January 29, 2022, and January 30, 2021. Fourth quarter references relate to the 13 weeks ended January 28, 2023, February 3, 2024 ("fourth quarter") and January 29, 2022 the 13 weeks ended January 28, 2023 ("prior year fourth quarter").

As used herein, the "Holiday Season" consists of results for the months of November and December.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon management's beliefs and expectations as well as on assumptions made by and data currently available to management, appear in a number of places throughout this document and include statements regarding, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. The use of the words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "preliminary," "forecast," "objective," "plan," or "target," and other similar expressions are intended to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties which could cause the actual results to not be realized, including, but not limited to: difficulty or delay in executing or integrating an acquisition, including Diamonds Direct and Blue Nile, or Nile; executing other major business or strategic initiatives, such as expansion of the services business or realizing the benefits of our restructuring plans; the impact of the Israel-Hamas conflict on our operations; the negative impacts that the COVID-19 public health crisis, disease outbreak, epidemic or pandemic has had, and could have in the future, on our business, financial condition, profitability and cash flows; the effect of steps we take in response to the pandemic; the severity, duration and potential resurgence of the pandemic (including through variants), including whether it is necessary to temporarily reclose our stores, distribution centers and corporate facilities or for our suppliers and vendors to temporarily reclose their facilities; the pace of recovery as the pandemic subsides and the heightened impact COVID-19 has on many of the risks described herein, flows, including without limitation risks relating to disruptions shifts in our supply chain, our ability to attract and retain labor, decelerating levels of consumer confidence and consumer behaviors such as willingness to patronize shopping centers and shifts in spending away from the jewelry category, trends toward more experiential purchases such as travel, disruptions in the dating cycle caused by the COVID-19 pandemic and the pace at which such impacts on engagements are expected to recover, and the impacts of the expiration of government stimulus on overall consumer spending our level (including the recent expiration of indebtedness and covenant compliance, availability of adequate capital, our ability to execute our business plans, our lease obligations and relationships with our landlords, and asset impairments; student loan relief); general economic or market conditions, including impacts of inflation the cessation of government stimulus programs, or other pricing environment factors on our commodity costs (including diamonds) or other operating costs; a prolonged slowdown in the growth of the jewelry market or a recession in the overall economy; financial market risks; a decline in consumer discretionary spending or deterioration in consumer financial position, including due position; disruptions in our supply chain; our ability to the impacts of inflation attract and rising prices on necessities such as gas and groceries; retain labor; our ability to optimize our transformation strategies; changes to regulations relating to customer credit; disruption in the availability of credit for customers and customer inability to meet credit payment obligations; obligations, which has occurred and may continue to deteriorate; our ability to achieve the benefits related to the outsourcing of the credit portfolio, including due to technology disruptions and/or disruptions arising from changes to or termination of the relevant outsourcing agreements, as well as a potential increase in credit costs due to the current interest rate environment; deterioration in the performance of individual businesses or of our market value relative to its book value, resulting in impairments of long-lived assets or intangible assets or other adverse financial consequences; the volatility of our stock price; the impact of financial covenants, credit ratings or interest volatility on our ability to borrow; our ability to maintain adequate levels of liquidity for our cash needs, including debt obligations, payment of dividends, planned share repurchases (including execution of accelerated share repurchases and the payment of related to excise taxes) and capital expenditures as well as the ability of our customers, suppliers and lenders to access sources of liquidity to provide for their own cash needs; changes in our credit rating; potential regulatory changes; future legislative and regulatory requirements in the US and globally relating to climate change, including any new climate related disclosure or compliance

requirements, such as those recently proposed issued in the state of California or adopted by the SEC; exchange rate fluctuations; the cost, availability of and demand for diamonds, gold and other precious metals, including any impact on the global market supply of diamonds due to the ongoing Russia-Ukraine conflict or related sanctions; stakeholder reactions to disclosure regarding the source and use of certain minerals; scrutiny or detention of goods produced in certain territories resulting from trade restrictions; seasonality of our business; the merchandising, pricing and inventory policies followed by us and our ability to manage inventory levels; our relationships with suppliers including the ability to continue to utilize extended payment terms and the ability to obtain merchandise

that customers wish to purchase; the failure to adequately address the impact of existing tariffs and/or the imposition of additional duties, tariffs, taxes and other charges or other barriers to trade or impacts from trade relations; the level of competition and promotional activity in the jewelry sector; our ability to optimize our multi-year strategy to gain market share, expand and improve existing services, innovate and achieve sustainable, long-term growth; the maintenance and continued innovation of our OmniChannel retailing and ability to increase digital sales, as well as management of digital marketing costs; changes in consumer attitudes regarding jewelry and failure to anticipate and keep pace with changing fashion trends; changes in the supply and consumer acceptance of and demand for gem quality lab created diamonds and adequate identification of the use of substitute products in our jewelry; ability to execute successful marketing programs and manage social media; the ability to optimize our real estate footprint; footprint, including operating in attractive trade areas and accounting for changes in consumer traffic in mall locations; the performance of and ability to recruit, train, motivate and retain qualified team members - particularly in regions experiencing low unemployment rates; management of social, ethical and environmental risks; ability to deliver on our environmental, social and governance

goals; the reputation of Signet and its banners; inadequacy in and disruptions to internal controls and systems, including related to the migration to new information technology systems which impact financial reporting; security breaches and other disruptions to our or our third-party providers' information technology infrastructure and databases; an adverse development in legal or regulatory proceedings or tax matters, including any new claims or litigation brought by employees, suppliers, consumers or shareholders, regulatory initiatives or investigations, and ongoing compliance with regulations and any consent orders or other legal or regulatory decisions; failure to comply with labor regulations; collective bargaining activity; changes in corporate taxation rates, laws, rules or practices in the US and other jurisdictions in which our subsidiaries are incorporated, including developments related to the tax treatment of companies engaged in Internet commerce or deductions associated with payments to foreign related parties that are subject to a low effective tax rate; risks related to international laws and Signet being a Bermuda corporation; risks relating to the outcome of pending litigation; our ability to protect our intellectual property or physical assets; assets including cash which could be affected by failure of a financial institution or conditions affecting the banking system and financial markets as a whole; changes in assumptions used in making accounting estimates relating to items such as extended service plans; or the impact of weather-related incidents, natural disasters, organized crime or theft, increased security costs, strikes, protests, riots or terrorism, acts of war (including the ongoing Russia-Ukraine conflict) and Israel-Hamas conflicts), or another public health crisis or disease outbreak, epidemic or pandemic on our business.

For a discussion of these and other risks and uncertainties which could cause actual results to differ materially from those expressed in any forward-looking statement, see the "Risk Factors" section in Item 1A of this Annual Report on Form 10-K. Signet undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances, except as required by law.

PART I

ITEM 1. BUSINESS

PURPOSE & STRATEGY

Signet Jewelers Limited's ("Signet", the "Company", "we", "us", or "our") purpose Purpose is "Inspiring Love" Inspiring Love and its mission is to enable all people to "Celebrate Life and Express Love." The Company's vision is to be the world's premier jeweler by engaging customers with superior expertise, shopping and ownership experiences, connecting with them seamlessly across channels, and earning their trust and while providing superior expertise, value, products, and services to meet their lifetime jewelry needs and desires. Signet aims to be the innovation and market share leader of the jewelry category with opportunity for additional market share expansion and profitable growth as the Company leverages its flexible operating model and core strengths while investing to widen its competitive advantages.

In Fiscal 2021, Signet successfully completed a three-year transformation plan called *Path to Brilliance*, which was designed to position the Company for reliable, sustainable long-term growth. Having exceeded its overall *Path to Brilliance* goals, the Company launched its next phase of growth - *Inspiring Brilliance* - in Fiscal 2022 and continued in Fiscal 2023 and Fiscal 2024, focused on four "Where-to-Play" strategies: **Win in Big Businesses; Expand Accessible Luxury and Value; Accelerate Services; and Lead Digital Commerce**. The Company's priorities are to grow market share, deliver an annual double-digit non-GAAP operating margin, and allocate capital with a disciplined, strategic approach that invests in the business while also returning cash to shareholders and driving annual revenues toward a longer-term mid-term goal of \$9 billion to \$10 billion.

Inspiring Brilliance

As described above, the foundations of *Inspiring Brilliance* are focused on four "Where-to-Play" strategies: **Win in Big Businesses; Expand Accessible Luxury and Value; Accelerate Services; and Lead Digital Commerce**. Below is the summary of the goals within these strategies, as well as progress and accomplishments toward those goals during Fiscal 2023, 2024.

- Win in Big Businesses:** Signet is investing in and keeping its largest businesses healthy and growing by differentiating and positioning Signet banners with the customers they serve best and by leading innovation that will help ensure they win. Leveraging disciplined market segmentation - by demographics, by psychographics, by shopping behaviors, customer journey (e.g., bridal), channel and by price tiers - Signet is leveraging its banner portfolio, now covering an estimated 80% of jewelry customers, to expand the available market in which it competes and attract new and loyal customers across the portfolio. This progress helped drive an estimated 40 basis point gain to customers. Signet's US market share to 9.7% in was 9.0% as of Fiscal 2023 and 2024, up from 6.5% since in Fiscal 2020. Given the highly fragmented jewelry market landscape, we believe Signet has significant potential to further expand market share.
- Expand Accessible Luxury and Value:** The Company is expanding the mid-market segment of the jewelry category by stretching the top of the mid-tier with greater focus on tiering up into accessible luxury and the lower mid-tier with value offerings. In addition, the Company acquired Diamonds Direct, an accessible luxury banner with a highly productive operating model, in the fourth quarter of Fiscal 2022. The During Fiscal 2023, the Company also acquired Blue Nile, the leading accessible luxury online retailer of engagement rings and fine jewelry, in the third quarter of Fiscal 2023 with a more affluent, diverse, and differentiated customer base. Signet continues to drive penetration in accessible luxury and move customers up the value chain across its banners by tiering up its assortment and leading category product and services innovation while innovation. Signet also continuing continues to innovate for value-conscious customers by value-engineering new products in its our assortment, leveraging scaled vertical integration in the supply chain and by continuing to cut costs that customers don't see or care about.
- Accelerate Services: Services:** Signet is positioned to create a \$1 billion revenue stream through services - up \$600 million from Fiscal 2020 - as well as expand its known customer base and first party data with the "Vault Rewards" loyalty program. Services carry higher margin profiles, and Signet is focused on introducing consumer-driven services including personalization as well as expanding existing services such as Extended Service Plans and repair services to enhance the jewelry ownership experience.

The In Fiscal 2024, the Company continues acquired Service Jewelry & Repair, Inc. ("SJR"), a full-service jewelry and watch repair business, as well as transitioned its Blue Nile Seattle fulfillment center to a new enterprise-wide repair facility called Signet Services Washington. These investments continue to strengthen its Signet's reputation as a preferred supplier of jewelry repair services, with increased repair customer satisfaction ratings Net Promoter Score ("NPS") up 18 points since Fiscal 2020, decreased as well as decrease repair turnaround times, and innovative offerings such as digital repair tracking. The while providing cost efficiency. During Fiscal 2023, the Company launched its "Vault Rewards" the Vault Rewards loyalty program this past year online and across Jared, Kay and Zales which now has approximately 1.5 million over 5.2 million members and is showing strong month-to-month growth. Of note, loyalty members are already showing display higher purchase frequency and average transaction values ("ATV") than non-loyalty customers offering meaningful growth potential.

- **Lead Digital Commerce:** Digital innovation and capabilities are integral to the future of jewelry retail and is a cornerstone are cornerstones of Signet's growth strategy. Signet now believes it has become the digital innovation leader in specialty retail jewelry through focused investment and agile implementation. The Company's four-plus years of digital investments have yielded a NPS of 74 in Fiscal 2023, a 5 point improvement from the prior year and up 10 points versus Fiscal 2020. In Fiscal 2023, 2024, the Company implemented customer-facing digital capabilities as well as operational technologies began leveraging its customer data platform to strengthen its competitive

advantages. Innovations included enhancement to Virtual Try-On, Virtual Appointments, Chat create more personalized shopping experiences and Digital Store fronts enabling a more seamless shopping experience for our customers. Signet highly targeted marketing. The Company continues to make progress with this critical capability through both customer-facing enhancements and the use of artificial intelligence ("AI") and machine learning ("ML") in many operational parts of its business such as inventory distribution and flexible fulfillment capabilities, all intended to modernize and improve the connected commerce experience for our customers.

How to Win: The Company is executing these growth strategies with three "How to Win" priorities: a **Consumer-Inspired** mindset, **Connected Commerce** presence, and a **Culture of Innovation and Agility**.

- **Consumer Inspired:** The Company is growing its customer base by drawing inspiration from inside and outside the jewelry category to drive innovation. Signet's ability to develop unique customer insights with highly precise data analytics is emerging as a clear and sustainable competitive advantage. An example is Signet's understanding of customer desire for personalized products. Jewelry customers have a broad mindset when they think about product customization. For some, it means engraving - adding symbols or a personal message - along with precise and tailored sizing. For others, it's configuring a piece from a set of options, with a jewelry consultant or virtually. A fast-growing segment of customers want to combine and modify pieces or design a custom piece entirely from scratch - even from a hand-drawn sketch that we transform into a beautiful bespoke piece of jewelry. The Company sees this personalization trend as a \$700 million services growth opportunity across Signet. It is an investment priority this year and beyond.
- **Connected Commerce:** As part of its *Path to Brilliance* transformation, Signet moved from a brick-and-mortar-centric business model to an OmniChannel strategy. Now, through *Inspiring Brilliance*, the Company is positioning itself to win with connected commerce capabilities that enable Signet banners to engage with customers whenever, wherever and however they want to shop. No other jewelry retailer offers a comparable mix of stores and digital platforms to serve customers. In Fiscal 2023, 2024, approximately 20% 23% of sales were completed online and 75% 78% of customers in-store buyers reported that they used a banner website prior to completing their purchase, which indicates that Signet customers now use both online and in-store experiences as part of their shopping journey. These seamless, friction-free experiences lead to higher ATV and stronger conversion rates than a traditional OmniChannel strategy.

In addition, the Company is leveraging AI, machine learning ML and data-driven insights in many operational parts of its business such as inventory distribution, labor planning and real estate fleet optimization. For example, coupling new digital capabilities together with a 21% more than 500 store reduction in store our fleet (net of openings and acquisitions) resulted in an since Fiscal 2020, has driven a more than 30% increase in to sales per square foot on an annual basis of nearly 50%, and drove approximately 500 basis points of efficiency in store occupancy costs since the beginning of our transformation. Similarly, sales per labor hour in core banners increased approximately 47% 49% and inventory turnover improved nearly 40% since Fiscal 2020.

- **Culture of Innovation and Agility:** Signet has transformed its culture – achieving three four consecutive years of being named a Great Place to Work-Certified™ Company and improved scores in its Voice of the Employer survey, including how team members feel their work contributes to Signet's purpose (up 28 points) and that they believe in our strategy (up 15 points). company. With the strength of its organization, Signet is committed to be the innovation leader of every business in which it competes and to operate with the agility required to learn, grow and lead. To enable this level of performance, the Company provides industry-leading training and development through what it calls "Brilliant University." This growth-focused training improves customer experiences, drives execution and agility, and enables performance and career growth possibilities for every team member who participates in the program. The strength of Signet's culture has become a competitive advantage as it attracts top talent, enables high retention and lower attrition rates, and inspires peak performance at every level of the organization, all of which are reflected in the Company's strong business performance. For example, Signet's full-time team member retention increased 43 points in Fiscal 2023, 2024, at a time when the retail industry overall saw significant attrition. This matters because a Jewelry Consultant jewelry consultant with 2+ years' experience sells more than twice as much as a new Jewelry Consultant jewelry

consultant with tenure of ~~6~~ six months or less. Further, aggregated cost reductions and process improvements of approximately \$500 million over \$800 million have fueled strategic investments and expanded continued to expand Signet's annual non-GAAP operating margin to 10.8% in Fiscal 2023, up over 600 basis points since Fiscal 2019, the Company's transformation began.

Signet is demonstrating that it has the strategies, competitive advantages, and talent to consistently outpace the market and deliver reliable, long-term sustainable growth.

2030 Corporate Sustainability Goals

As a company with a Board level Board-level Corporate Citizenship & Sustainability Committee (the "CCS Committee") focused on its corporate sustainability strategy, Environmental, Social and Governance ("ESG") data disclosures, and a Purpose-inspired business strategy as described in the above *Inspiring Brilliance* section, Signet is committed to ongoing leadership in creating business and stakeholder value through sustainability and ESG initiatives, as an important growth driver that is critical to including the health of our business. Company's award-winning open-source Signet Responsible Sourcing Protocol. To that end, the Company has integrated integrates its 2030 Corporate Sustainability Goals ("CSGs") into its business strategy, further strengthening Signet's Corporate Citizenship and Sustainability leadership in the industry. Having already established its open-sourced Signet Responsible Sourcing Protocol which has become the industry standard for ethical and responsible sourcing, the Company now is committed to be across the jewelry category leader in supply chain due diligence and reporting. value chain.

The Company's Corporate Sustainability Goals CSGs are aligned with the UN Sustainable Development Goals in areas where Signet can have the most impact. Signet is a member of the UN Global Compact and adheres to its principles-based approach to responsible business. The Company has named a Chief ESG Officer, and under the leadership of the Chief Executive Officer, the entire Signet Leadership Team is engaged to provide governance and accountability on for the Company's goals. Leaders CSGs with leaders throughout the Company are engaged in the Company's Sustainability sustainability efforts. Banner leaders as well as functional leaders in Corporate Communications & Sustainability, Finance, Human Resources, Information Technology ("IT"), Legal, Marketing, Merchandising and Supply Chain IT and Merchandising are responsible for achieving short-term and long-term goals. Signet released its first annual update on its goals it CSGs in its Fiscal 2022 2023 Corporate Citizenship and Sustainability report published in June 2022. The Company has already achieved three of its forty-four Corporate Sustainability Goals while continuing to make steady progress towards its remaining goals.

2023.

For more information about Signet's Citizenship & Sustainability strategy and programs, please refer the Company's corporate website at www.signetjewelers.com/sustainability. sustainability which is not, and shall not be deemed to be, a part of this Form 10-K or incorporated into any of our other filings made with the US Securities and Exchange Commission (the "SEC").

OVERVIEW

Signet is the world's largest retailer of diamond jewelry. Signet is incorporated in Bermuda and its address and telephone number are shown on the cover of this document. The Company operated 2,808 stores and kiosks 2,698 retail locations as of January 28, 2023 February 3, 2024, which when combined with the Company's digital capabilities under its Connected Commerce strategy, provides customers the opportunity to use both online and in-store experiences as part of their shopping journey. Signet manages its business by geography, a description of which follows:

- The North America reportable segment operates nine banners, with the majority operating through both online and brick and mortar retail operations. The segment had 2,382 2,319 locations in the US and 93 92 locations in Canada as of January 28, 2023 February 3, 2024.
 - In the US, the segment operates under the following banners: Kay (Kay Jewelers and Kay Outlet); Zales (Zales Jewelers and Zales Outlet); Jared (Jared The Galleria Of Jewelry and Jared Vault); Banter by Piercing Pagoda; Diamonds Direct; Rocksbox; and digital banners, James Allen and Blue Nile.
 - In Canada, the segment primarily operates under the Peoples banner (Peoples Jewellers).
- The International reportable segment had 333 287 locations in the UK, Republic of Ireland and Channel Islands as of January 28, 2023 February 3, 2024, as well as and maintains an online retail presence for its principal banners, H. Samuel and Ernest Jones.

Certain Company activities are managed in the "Other" segment for financial reporting purposes, including primarily the Company's diamond sourcing function operation and its diamond polishing factory in Botswana. See Note 5 of Item 8 for additional information regarding the Company's reportable segments.

Competition and Signet Signet's Competitive Strengths

Jewelry retailing is highly fragmented and competitive. Signet competes against other specialty jewelers, as well as other retailers that sell jewelry, including department stores, mass merchandisers, discount stores, apparel and accessory fashion stores, brand retailers, online retail and auction sites, shopping clubs, home shopping television channels and direct home sellers. The jewelry category competes for customers' share-of-wallet with other consumer sectors such as electronics, clothing and furniture, as well as experience-oriented categories such as travel and restaurants. This competition for consumers' discretionary spending is particularly relevant to gift giving.

In addition to the core strengths noted above, Signet believes its competitive advantages include strong awareness for each banner, superior customer experience, branded differentiated and exclusive merchandise, data-driven marketing and advertising, a diversified real estate portfolio, an efficient and flexible supply chain, and services including financing and lease purchase options, extended service plans, repair and custom design, and piercing, among others.

Signet's Connected commerce Commerce

As Signet offers its customers a personalized and intimate shopping experience as a specialty jeweler, Signet's business differs setting it apart from many other retailers such that a purchase of merchandise from any of Signet's stores is not only viewed as an important experience but is also personal and intimate. Due to this dynamic experience, customers often retailers. Customers invest time on Signet websites through (through conversational commerce commerce) and on social media to experience the explore a range of merchandise assortments prior to before visiting brick-and-mortar physical stores to execute a purchase transaction. Approximately 75% make purchases. About 78% of in-store buyers also interact with our in-store purchasers use digital channels channels. For high-value digital transactions, our customers prefer to assist in their purchase journey. This is particularly true related to high value retail transactions, as customers will often supplement their online experience with an in-store visit prior to making a large purchase. visit.

Through Signet's banner Signet operates websites the Company educates for each of its banners that serve as educational resources for customers about the jewelry category and provides them with a source of seeking information on jewelry products brands, and available merchandise, as well as brands. These websites also offer customers the ability to buy online. To effectively service the ever-evolving needs of its digitally connected customers, Signet's websites are integrated with a customer's local store, so that merchandise ordered purchase products online may be and have them delivered to their local store or their home. Customers can easily filter product assortments by the various delivery method of choice methods, including but not limited to quick ship, buy-online-pickup-in-store ("BOPIS"), and same day same-day delivery. Customers can also see if the product is available at their local store on the product description page. Banner The Signet banner websites continue to make an important and growing contribution to the drive a modernized customer experience as well as while contributing to each banner's banner's marketing programs. Signet's

Connected Commerce strategy will continue to focus on:

Strategies

- Investments invest in technologies and digital capabilities to enhance the customer journey. These include developing AI driven journey, including AI-driven conversational commerce, the ability to virtually try on products, virtual product try-ons, visual search tools, configuration capability, alternative and flexible payment options, jewelry related jewelry-related services, enhanced personalization/behavioral targeting, creative execution, and brand differentiation.
- Prioritize customer-centric delivery options, including BOPIS, curbside pickup, same-day delivery, quick ship, ship from store and ship to UPS Access Points. The aim is to create a hassle-free customer experience, connecting websites and customers seamlessly. Approximately 30% of customers currently use these convenient and flexible delivery options.
- Introduced new payment methods this year to meet our customers' unique needs, including Google Pay, Venmo, and the option to split payments between two credit cards. In addition, Signet will continue to focus on customer-first delivery options (such as BOPIS, same day delivery, curbside pickup, quick ship and ship from store), creating a seamless customer experience between the websites and the customer. Investments we have invested in virtual and in-store selling to make it easier and more enjoyable for customers to shop whenever and however they choose. In Fiscal 2024, we launched more than 5,000 Digital Storefronts so our jewelry consultants can now connect with customers anytime, anywhere, and sell beyond the limitations of physical stores.
- The expansion of asynchronous messaging with intent recognition and the ability to route to the appropriate expert based on that intent recognition whether that be a sales expert for engagement rings, watches or other gifts, or service to an existing order or purchase. At the end of In Fiscal 2021, the Company introduced 2-way SMS as a new communication channel to speak with Virtual Jewelry Experts. The virtual jewelry experts. This channel has been growing grown almost every quarter since inception, as and now represents almost one in three digital contacts after customer preferences shift. We know shifted in

Fiscal 2024. Over the past two years, approximately 40% 35% of customers who talk engaged with Virtual Jewelry Experts via SMS purchase in stores made in-store purchases after their conversation, further solidifying our conversation. This solidifies the Company's investment in Connected Commerce strategies. The Company has implemented asynchronous messaging with intent recognition, allowing efficient routing to the appropriate expert based on customer intent. For example, sales experts can assist customers with engagement rings, watches, and other gifts, while service experts can assist with existing orders or purchases.

- In Fiscal 2022, Signet introduced launched its Vault Rewards loyalty program across the its North America American banners in Fiscal 2022 to offer benefits for incentivize repeat purchases and increase customer engagement. With over 5.2 million Vault Rewards members, it aims to increase customer engagement and increased purchases through by offering its members various benefits.

With the earning of "gems" and other member benefits. The goal of the program is to grow our loyal customer base, driving repeat purchases over time and rewarding our most loyal customers.

- Introduction introduction of a robust Customer Data Platform and Journey Analytics and Orchestration program, the Company aims to achieve gain a more comprehensive detailed and personalized view understanding of the customer, and facilitate customer. This program will enable the Company to activate cookie-less data activation which is expected to allow the Company to follow up on previous purchases as well as and anticipate customer needs.

We also personalize our messaging and onsite experiences based on our customer's purchasing preferences and behavior to build stronger connections and increase purchase confidence.

- Adding Signet has added new capabilities to Signet's digital customer clientele its Digital Customer Clientele program which enables the Company's to help jewelry consultants to build establish a more direct relationship with their customers to create and provide a more personalized customer experience. In Fiscal 2022, this program was further enhanced with improved by creating a newly created Digital In-Store Integration practice established team to lead the integration of digital into brick and mortar stores across Signet banners. This team partners tools in physical stores. Partnering closely with the information technology ("IT") IT and operations Operations teams, the team works to harmonize and enhance

existing applications and systems and use next generation in stores. The team also uses advanced training techniques to provide the right level of appropriate training and support to the field team.

Signet's Signet also leverages "virtual inventory" through supplier relationships allow that enable the Company to display suppliers' suppliers' inventories on the banner websites for sale customers to customers without purchase while not physically holding the items in its inventory until the products are ordered by customers, which are referred to as "virtual inventory." Virtual inventory expands the choice of merchandise available to customers both online and in-store. In the North America reportable segment, During Fiscal 2024, sales of virtual inventory accounted for approximately 53% 60% and 14% of online the North America reportable segment eCommerce sales and 11% of total sales, in Fiscal 2023 (see further in the Products and merchandising section below), respectively.

Our Commitment to Customer experience Experience

Signet is committed to delivering an inspiring, innovative, full service, seamlessly connected customer full-service experience for our clients regardless of their channel of choice, customers across all channels to ensure the business's success. The Company considers this an essential element prioritizes recruiting, training, and competitive advantage in the success of its business. The ability to recruit, develop and retain retaining qualified jewelry consultants is an important capability to deliver customer satisfaction. Signet has offers comprehensive recruitment, training and incentive programs, in place, including annual training conferences in the spring and fall.

Signet continues to invest in capabilities to enhance the customer experience to make it more personalized and journey focused. In Fiscal 2019, journey-focused:

- Signet implemented introduced a multi-phase Voice of the Customer program utilizing using the Net Promoter System as a component during Fiscal 2019. This was part of its the Company's Path to Brilliance transformation plan and customer first customer-first initiatives. The first phase focused initial focus was on setting up the technology, establishing stable measurements throughout the shopping ecosystem for key customer journeys, and discovering how to effectively operationalize customer feedback. feedback effectively.
- In Fiscal 2020, Signet expanded into phase two improved customer experience by providing all stores and digital properties localized access to Voice of the Customer data to manage the customer experience real-time as performance feedback is received. To further strengthen its engagement with customers, Signet for all stores and digital properties. They also implemented a closed-loop program whereby to enable field and customer care teams rapidly to respond to customers directly about their customer feedback to ensure the Company is delivering the best possible experience. In in real time.
- Signet further optimized this program in Fiscal 2021 Signet continued to optimize the program through expanded measurements and listening posts, by integrating Voice of the Customer with additional operational data sources, to drive greater sophistication in its enhancing customer and employee experience management, and develop additional developing tools to infuse the stories its customers share customer feedback into the their culture and their daily activities. practices.
- In Fiscal

2022 and Fiscal 2023, and 2022 Signet launched multiple survey programs were launched in additional channels such as BOPIS, delivery, and customer care to unlock key opportunities to drive customer centric customer-centric strategies and improve experiences across Signet.

- In Fiscal 2024, we included questions on customer buying occasions (gifting or engagement) to learn more about why our customers purchase from us and to better personalize their experience with our banners.

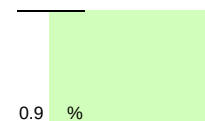
Banner operations

As noted above, the Company operates nine banners in North America and two banners in the UK, with the majority operating through both online and brick and mortar retail operations. Signet has specific operating and financial criteria that must be satisfied before investing in new stores or renewing leases on existing stores, including evaluation of the mall/trade area and market potential. The Company has reduced its store fleet by approximately 20% since beginning its transformation in Fiscal 2019, driving more than 400 basis points of gross margin leverage over that time. Substantially all the stores operated by Signet are leased. Signet continues to reposition rationalize its store portfolio footprint in a manner that it believes will drive greater store productivity. These efforts include development and implementation of innovative store concepts to improve the in-store shopping experience, execution of opportunistic store relocations and store closures aimed at exiting under-performing stores, and reducing the Company's mall-based exposure and exiting regional brands. exposure.

The store activity was as follows for Fiscal 2023 2024 and Fiscal 2022: 2023:

	February			January			Jan
	3, 2024			28, 2023	Openings	Closures	2
North America segment:				3, 2024	(1)	(1) (3)	2023 (1) (4) (1) 2021
	January 28, 2023	Openings (1) (3)	Closures (1)	January 29, 2022	Openings (1) (3)	Closures (1)	January 30, 2021

North America segment:								
Mall (2)								
Mall (2)								
Mall (2)	Mall (2)	1,551	51	(102)	1,602	59	(59)	1,602
Off-mall and outlet	Off-mall and outlet	924	32	(12)	904	45	(20)	879
Off-mall and outlet								
Off-mall and outlet								
Total North America segment store activity	Total North America segment store activity	2,475	83	(114)	2,506	104	(79)	2,481
Total North America segment store activity								
Total North America segment store activity								
International segment store activity								
International segment store activity								
International segment store activity	International segment store activity	333	2	(17)	348	3	(7)	352
Signet total	Signet total	2,808	85	(131)	2,854	107	(86)	2,833
North America Total net selling square feet (thousands)	North America Total net selling square feet (thousands)	3,818			3,784			3,764
(2)	(2)							
North America Total net selling square feet (thousands) (2)								
North America Total net selling square feet (thousands) (2)								
Increase (decrease) in net store selling space								
Increase (decrease) in net store selling space								
Increase (decrease) in net store selling space	Increase (decrease) in net store selling space	0.9 %			0.5 %		(8.7)%	(1.4) %
International Total net selling square feet (thousands)	International Total net selling square feet (thousands)	390			405			408
International Total net selling square feet (thousands)								
International Total net selling square feet (thousands)								



Decrease in net store selling space	Decrease in net store selling space	(3.7)%	(0.7)%	(14.6)%
Decrease in net store selling space				
Decrease in net store selling space				
Decrease in net store selling space			(15.4)%	(3.7) %

(1) Includes 23 13 store repositions in Fiscal 2023 2024 and 12 23 repositions in Fiscal 2022 2023.

(2) Includes mall-based kiosks for the Banter by Piercing Pagoda banner.

(3) Includes 16 stores from the divestiture of the UK prestige watch business as described in Note 4 of Item 8.

(4) Includes 23 locations acquired from Blue Nile in Fiscal 2023 and 22 Diamonds Direct off-mall locations acquired in Fiscal 2022 as described in Note 4 of Item 8.

Refer to Item 2 for additional information on the Company's real estate portfolio.

North America Banners

The North America reportable segment operates jewelry stores in malls, mall-based kiosks and off-mall locations throughout the US and Canada and online under national banners including Kay, Zales, Jared, Peoples, Banter by Piercing Pagoda and Diamonds Direct. Additionally, the Company operates online through its digital banners, James Allen, and Blue Nile and through the jewelry subscription business Rocksbox, as well as each of the individual banner websites.

Kay Jewelers ("Kay")

Kay is the largest specialty retail jewelry brand in the US based on sales. Kay operates in shopping malls, off-mall centers, outlet malls and online. Kay is positioned as the champion of modern love and gratitude, the #1 US jeweler for bridal and all occasion-based gifting offering a broad assortment of fine jewelry including bridal, diamond solitaire, fashion jewelry and watches.

Kay accounted for 36% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 38% 2023: 36%).

Zales Jewelers ("Zales")

Zales is the third largest specialty retail jewelry brand in the US based on sales. Zales operates primarily in shopping malls, outlet malls, neighborhood power centers and online. Zales "The Diamond Store" is positioned as the style and self-expression fine jewelry authority, an emphasis on fashion-oriented bridal, gifting and self-purchase consumers offering a broad range of bridal, diamond solitaire, fashion jewelry and watches.

Zales accounted for 18% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 22% 2023: 18%).

Jared The Galleria Of Jewelry ("Jared")

Jared which offers the broadest selection of merchandise, is the fourth largest US specialty retail jewelry brand by sales and is a leading off-mall destination specialty retail jewelry store chain. Jared is positioned with to curate an "accessible luxury" assortment and additional services to appeal to a higher income customer and deliver higher average price points than Kay and Zales. Every Jared store also has an on-site Design & Service Center, where most which service multiple banners, and specialize in repairs are completed within of jewelry and the same day. creation of custom jewelry designs for our guests (refer to Services section below).

Jared locations are typically free-standing sites with high visibility and traffic flow, positioned close to major roads within shopping developments. Jared stores primarily operate in retail centers that contain strong retail co-tenants, including big box, destination stores and some smaller specialty units.

Jared accounted for 17%of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 2023: 17%).

Diamonds Direct

Digital banners

On November 17, 2021 August 19, 2022, the Company acquired all of the outstanding shares of Blue Nile, Inc. ("Blue Nile"). Blue Nile is a leading online retailer of engagement rings and fine jewelry. This acquisition brought together James Allen, the world's premier online retailer of fine diamonds and bridal jewelry, and Blue Nile, as Signet's digital banners, to maximize and achieve meaningful operating synergies that increases value for both our customers and shareholders. The strategic acquisition of Blue Nile accelerated Signet's initiative to expand its bridal offerings and grow its accessible luxury portfolio as well as extending its digital leadership across the jewelry category. Blue Nile brings a lower overall price mix than James Allen, but a higher engagement ring ticket, and complements James Allen with an older demographic focused on luxury purchases, all of which has been immediately additive to the top of Signet's customer funnel.

Digital banners accounted for 9% of Signet's consolidated sales in Fiscal 2024 (Fiscal 2023: 7%).

Diamonds Direct USA Inc., a Delaware corporation ("Diamonds Direct")

Diamonds Direct is an off-mall, destination jeweler in the US, with a highly productive and efficient operating model with demonstrated growth and profitability. Diamonds Direct's strong value proposition, extensive bridal offering offerings and customer-centric, high-touch shopping experience is a destination for younger, luxury-oriented bridal shoppers. The acquisition of Diamonds Direct in Fiscal 2022 furthers Signet's accessible luxury positioning with a distinct focus on bridal, appealing to a higher income customer and delivers higher average price points compared to other banners. Diamonds Direct's stores are typically located in desirable off-mall sites proximate to high-end, destination centers alongside strong performing upscale retailers.

Diamonds Direct accounted for 6% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 2% 2023: 6%).

Banter by Piercing Pagoda ("Banter")

Banter **our invites confident creatives to explore their styles with** curated jewelry and piercing **services brand, empowers its customers to express themselves with affordably priced selections of basic and services. The assortment includes** fashion gold, silver and diamond jewelry. The brand operates primarily online and through mall-based kiosks in high-traffic areas across the US that are easily accessible and visible in regional shopping **malls. Banter opened 16 inline locations in Fiscal 2023 within shopping malls and outdoor lifestyle centers, online.** The brand also offers virtual styling sessions, giving customers **a new digital an omni-channel** shopping experience. Banter has continued to expand its facial piercing offerings with the introduction of hollow needle piercing in select markets, seeing opportunity to leverage this growing trend. **Banter also launched Permanent Jewelry in 160 locations and continues to expand its services.**

Banter accounted for 5% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 7%).

Digital pure-play banners

On August 19, 2022, the Company acquired all of the outstanding shares of Blue Nile, Inc. ("Blue Nile"). Blue Nile is a leading online retailer of engagement rings and fine jewelry. This acquisition brings together James Allen, the world's premier online retailer of fine diamonds and bridal jewelry, and Blue Nile, as Signet's digital "pure-play" banners, to maximize and achieve meaningful operating synergies that will increase value for both our consumers and shareholders. The addition of Blue Nile accelerates Signet's efforts to grow its share in bridal and enhance its connected commerce capabilities and digital leadership across the jewelry category. Blue Nile brings a lower overall price mix than James Allen, but a higher engagement ring ticket, and complements James Allen with an older demographic focused on luxury purchases, all of which is immediately additive to the top of Signet's customer funnel.

Digital pure-play banners accounted for 7% of Signet's consolidated sales in Fiscal 2023 (Fiscal 2022: 2023: 5%).

Peoples Jewellers ("Peoples")

Peoples is Canada's largest specialty jewelry retailer and is positioned as "Canada's #1 Diamond Store" emphasizing its diamond business while also offering a wide selection of gold jewelry, gemstone jewelry and watches. Peoples operates primarily in shopping malls and online.

Peoples accounted for 3% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 2023: 3%).

Rocksbox

Rocksbox

On March 29, 2021, the Company acquired all of the outstanding shares of Rocksbox Inc. ("Rocksbox"), **is** a jewelry rental subscription business that allows members to discover new looks, trends or add classic styles to their jewelry collection. Rocksbox is direct to customer, acquiring members primarily through digital advertising. **For \$21/month members receive three pieces of jewelry in a set mailed to their door. There is no limit to the number of sets that can be received every month and the \$21 monthly membership fee can be applied as a credit towards the purchase of any piece from their set.** Rocksbox accounted for less than 1% of Signet's consolidated sales in Fiscal 2023 2024 and Fiscal 2022, 2023.

International Banners

The International reportable segment operates primarily in the UK and Republic of Ireland. **The International segment transacts mainly in British pounds, as sales and the majority of operating expenses are incurred in that currency.**

H.Samuel

H.Samuel has **over** 150 years of jewelry heritage, with a target customer focused on lower-price point fashion-trend oriented, everyday jewelry. H.Samuel continues to focus on larger store formats in regional shopping centers.

H.Samuel accounted for 3% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 2023: 3%).

Ernest Jones

Ernest Jones serves the upper middle market, with a target customer focused on high-quality, timeless jewelry. **During Fiscal 2024, the Company divested its prestige watch business, which consisted primarily of 21 Ernest Jones locations (refer to Note 4 of Item 8 for further information).**

Ernest Jones accounted for 3% of Signet's consolidated sales in Fiscal 2023 2024 (Fiscal 2022: 2023: 3%).

Products and merchandising

Signet believes that a competitive strength is its industry-leading merchandising. Merchandise selection, innovation, availability and value are all critical success factors. The range of merchandise offered and the appropriate level of inventory availability are supported centrally by extensive and continuous research and testing. Signet's jewelry merchant teams are constantly evaluating global design trends, innovating, and developing new jewelry collections, including through strategic partnerships, that resonate with customers.

Suppliers

In Fiscal 2023, 2024, the five largest suppliers collectively accounted for approximately **15.3% 20%** of total purchases, with the largest supplier comprising **3.8% approximately 5%**. Signet transacts business with suppliers on a worldwide basis at various stages of the supply chain with third party diamond cutting and jewelry manufacturing being predominantly carried out in Asia.

Merchandise

Details of merchandise mix by major product category (excluding **repairs, extended sales from** service plans, **repairs, subscriptions**, loose diamonds and other miscellaneous sales) are shown below:

		North America		International	Consolidated				
Fiscal 2023		North America		International	Consolidated				
		North America		International	Consolidated				
Fiscal 2024		North America		International	Consolidated				
Bridal		Bridal		49 %	46 %	49 %	50 %	46 %	50 %
Fashion		Fashion		45 %	19 %	44 %	Fashion 45 %	21 %	44 %
Watches		Watches		4 %	35 %	5 %	Watches 4 %	33 %	5 %
Other		Other		2 %	— %	2 %	Other 1 %	— %	1 %
				100 %	100 %	100 %			
Fiscal 2022		100		100 %	100	%	100	%	100 %
Fiscal 2023		100		100 %	100	%	100	%	100 %
(1)		Bridal		47 %	47 %	47 %	50 %	46 %	50 %
Fashion		Fashion		48 %	20 %	46 %	Fashion 45 %	19 %	44 %
Watches		Watches		4 %	33 %	6 %	Watches 4 %	35 %	5 %
Other		Other		1 %	— %	1 %	Other 1 %	— %	1 %
				100 %	100 %	100 %			
		100		100 %	100	%	100	%	100 %

(1) Certain amounts have been reclassified between bridal, fashion and other merchandise categories to conform to the Company's current product categorizations.

The bridal category, which includes engagement, wedding and anniversary purchases, is predominantly diamond jewelry. All of our product categories are to an extent dependent on the economic environment as customers can trade up or down price points depending on their available budget. During Fiscal 2024, bridal and fashion represented 49% 50% and 44%, respectively, of Signet's total merchandise sales and the fashion category represents 44% of Signet's total merchandise sales during Fiscal 2023.

Merchandise is categorized as non-branded, third party third-party branded, and branded differentiated and exclusive. Non-branded merchandise includes items and styles such as bracelets, gold necklaces, solitaire diamond rings, and diamond stud earrings. Branded differentiated and exclusive merchandise are items that are branded and exclusive to Signet within its marketplaces, or that are not widely available from other jewelry retailers (e.g. Vera Wang Love®, Neil Lane®, Disney Enchanted®).

Signet believes that the development of branded differentiated and exclusive merchandise raises the profile of its banners, helps to drive sales and provides its well-trained jewelry consultants with a powerful selling proposition. Digital marketing and national television advertisements include elements that drive brand awareness and purchase intent. Signet's scale and proven record of success in developing branded differentiated and exclusive merchandise attracts offers of such programs from jewelry manufacturers, designers and others ahead of competing retailers, and enables it to leverage its supply chain strengths.

Merchandise held on consignment is used to enhance product selection and test new designs. This minimizes exposure to changes in fashion trends and provides the flexibility for the Company to return non-performing merchandise to vendors. The bulk of Signet's consignment inventory is held in the US, North America reportable segment.

Raw materials

The Company's costs, as with the jewelry industry as a whole, are generally affected by fluctuations in the price and supply of natural and lab-created diamonds, gold and, to a much lesser extent, other precious and semi-precious metals and stones. The cost of raw materials is only part of the costs involved in determining the retail selling price of jewelry, with labor costs and assembly costs from third-party vendors also being significant factors.

Diamond sourcing

Signet procures its diamonds mostly as finished jewelry and, to a smaller extent, as loose polished diamonds and rough diamonds which are in turn polished. The Company primarily polishes natural rough diamonds it procures in Signet's Botswana factory, and lab-created rough diamonds the Company procures are polished at third-

party factories.

Signet purchases finished product where management has identified compelling value based on product design, cost and availability, among other factors. Under certain types of arrangements, this method of purchasing also provides the Company with the opportunity to reserve inventory held by vendors and to make returns or exchanges with suppliers, which reduces the risk of over- or under-purchasing. Signet's scale, balance sheet and robust procurement systems enable it to purchase merchandise at advantageous prices and on favorable terms.

Signet purchases loose polished diamonds in global markets (e.g. India and Israel) from a variety of sources (e.g. polishers and traders). Signet mounts stones in settings purchased from manufacturers using third-parties third-party and in-house resources. By using these approaches, the cost of merchandise is reduced, and the consistency of quality is maintained, enabling Signet to provide better value to customers. Buying loose diamonds helps allow Signet's buyers to gain a detailed understanding of the manufacturing cost structures and, in turn, leverage that knowledge to negotiating negotiate better prices for the supply of finished products.

Signet continues to take steps to advance its vertical integration, which includes natural and lab-created rough diamond sourcing and processing. Signet's objective with this initiative is to secure additional, reliable and consistent supplies of diamonds for customers worldwide while achieving further efficiencies in the supply chain. Signet contracts with factories in India for polishing of rough lab-created diamonds it procures from producers. Signet owns a natural diamond polishing factory in Gaborone, Botswana. The Company is a DeBeers sightholder and receives contracted allocations of rough diamonds. Signet has also established a diamond liaison office in India and a diamond trading office in New York to further support its sourcing initiative. operation.

Rough Natural rough diamonds are purchased directly from the miners and then the stones are marked, cut and polished in Signet's own polishing facility. Any stones deemed unsuitable for Signet's needs are sold to third-parties third parties on the open market.

Marketing and advertising

Marketing is one of Signet's most critical investments. It generatesThe Company leverages its marketing spend to drive customer awareness, drives purchase considerations, consideration, traffic, and over time strengthens consumer revenue in the short-term, and customer loyalty, lifetime value and drives market share growth. growth over time. Effective and efficient marketing investment is a competitive advantage in the jewelry industry, which involves a discretionary purchase where most much of the merchandise is not branded, and the purchase cycle can stretch to years.

Signet's marketing investment is actively managed across multiple online and offline consumer touchpoints from online video to including linear television, social media influencers and creators, digital advertising, and in-store product storytelling, and the spend storytelling. Spend distribution evolves over time to align to changes in consumer behavior, marketing technology (e.g., AI and personalization capabilities), and economic shifts.

As marketing activities are undertaken throughout the year, digital and data capabilities provide real-time insights into customer journeys, enabling personalized communications. Signet will continue continues to evolve its marketing model by re-balancing balancing the timing and mix of its media investments, leveraging a more personalized journey-based approach, and modernizing its evolving content and messaging in order to improve effectiveness and better align to shifts in consumer media consumption. Additionally, while While the Company will maintain maintains its strong media presence during traditional time-based holidays (Valentine's (e.g., Valentine's Day, Mother's Day, and the Holiday Season), Signet will has also expand capabilities to grow expanded its share of personal visibility in milestone gifting occasions such as (e.g., birthdays and anniversaries anniversaries) and continue its emphasis in targeted "always on" bridal messaging.

The individual Signet will continue to optimize the effectiveness of its creative campaigns, building banners are highly focused on driving differentiated banner differentiation strategies. The banners value propositions across all customer touchpoints. In doing so, they work with a portfolio of media and creative agenciespartners and have built both access to an array of internal and external data, analytics, and media personalization expertise.

Details of gross advertising (i.e. advertising before vendor contributions) by segment is shown below:

Fiscal 2023								Fiscal 2022		Fiscal 2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Other sales and services

Services

The Company offers repair services to its customers that include both merchandise repairs and custom design services. These services represent less than 5% of consolidated sales; however, they represent an important opportunity to build customer loyalty. The custom design and repair business has its own field management and training structure and operates in Design & Service Centers located in Jared stores. These Design & Service Centers are staffed with skilled artisans who support the repair and custom business generated in the Kay, Zales and Jared banners. Repairs are completed in less than four days on average. Signet's custom jewelry sales use a proprietary computer selling system and in-store design capabilities. In Fiscal 2024, Signet expanded its capabilities with the acquisition of SJR in July 2023. Signet now provides business to business ("B2B") repairs and completes its own watch repairs. In addition, Signet has retained the former Blue Nile fulfillment center in Seattle, Washington, to create a central facility to perform customer repairs and extend our B2B capacity.

The North America segment sells extended service plans covering lifetime repair service for jewelry and jewelry replacement plans in Banter. The Design & Service Centers also service the lifetime repair service plans for Kay, Zales and Jared, in addition to supporting the chargeable repairs and custom businesses. The lifetime repair service plans cover services such as ring sizing, refinishing and polishing, rhodium plating of white gold, earring repair, chain soldering and the resetting of diamonds and gemstones that arise due to the normal usage of the merchandise or a replacement option if the merchandise cannot be repaired. The extended service plans are a valuable part of the customer experience and product offerings. These plans provide the Company a higher rate of profitability than merchandise sales and are a significant component of Signet's operating income. In Fiscal

2022, we the Company introduced updated extended service agreements offering unique plans for both bridal and fashion merchandise, with additional benefits including engraving for bridal merchandise. Jewelry replacement plans require the issuance of new replacement merchandise if the original merchandise is determined to be defective or damaged within a defined period in accordance with the plan agreement. The North America segment also offers customers a two-year fine watch warranty. Other services managed through recent third party third-party offerings include personal jewelry insurance and appraisals. Refer to Note 3 in Item 8 for further information on these plans.

In Fiscal 2023, we Signet introduced our the Vault Rewards loyalty program online and across Kay, Zales and Jared, which is a program that provides its members with benefits and offers once enrolled. As of the end of Fiscal 2023, 2024, the Company has had over 1.5 million 5.2 million members enrolled in this program.

Customer finance

Several factors inherent in the US jewelry business support the circumstances through which Signet is positioned to generate profitable incremental business through its partner supported consumer payment programs. These factors include a high average transaction value and a significant population of customers seeking to finance merchandise, primarily in the bridal category. Signet's financial service offerings are an integral part of its business and a major driver of customer retention. In North American markets, customers are offered revolving and promotional credit plans under Signet's private label credit card programs, a lease purchase option provided by Progressive Lease, Leasing, and installment loan and split-payment options provided by Affirm, allowing Signet to offer payment options that meet each customer's individual needs. In addition, the Company has partnerships with third-party providers who directly extend financing to its customers, and who also manage and service the customers' accounts. Refer to Note 13 of Item 8 for further information.

Below is a summary of the payment participation rate in North America which reflects activity for Signet's outsourced credit program in North America for Kay, Jared, Zales and Banter customers, as well as lease purchase customers:

(dollars in millions)	Fiscal 2024		Fiscal 2023	
Total North America sales ⁽¹⁾	\$	5,599.6	\$	6,189.8
Credit, lease and Affirm purchase sales	\$	2,463.0	\$	2,734.2
Credit, lease and Affirm purchase sales as % of total eligible North America sales ⁽¹⁾		44.0 %		44.2 %

(dollars in millions)	Fiscal 2023		Fiscal 2022	
Total North America sales ⁽¹⁾	\$	6,189.8	\$	6,700.2
Credit, lease and Affirm purchase sales	\$	2,734.2	\$	2,739.9
Credit, lease and Affirm purchase sales as % of total eligible North America sales ⁽¹⁾		44.2 %		40.9 %

⁽¹⁾ Excludes Diamonds Direct, digital banners and Rocksbox, as these banners do not participate in the Company's financing programs discussed above.

Through Signet's partnerships, the Company is able to offer a range of financing, leasing, and payment opportunities across most of its banners. The Company continues to source and develop new options to meet its customer's needs across the various merchandise price points. These offerings and partnerships allow the Company to focus on its core business of being the premier jewelry partner for its customers.

Comenity Bank and Comenity Capital Bank (collectively "Comenity") provide credit and services to the Kay, Jared, Zales and Banter banners. Concora Credit ("Concora", formerly Genesis Financial Solutions ("Genesis") Solutions) provides a second look program for applicants declined by Comenity. Progressive Leasing provides a no credit needed financing option in Kay, Jared, Zales and Banter banners. During Fiscal 2022, 2024, the Comenity and Genesis Concora program agreements were amended and restated to terminate in December 2025, 2028 and December 2025, respectively. Additionally, in Fiscal 2022 2024, Signet entered into amended and restated terminated purchase agreements with CarVal Castlelake, and Genesis Castlelake ("Investors") regarding and The Bank of Missouri, the purchase of issuer for the add-on receivables for prior non-prime accounts. In Fiscal 2024, Concora purchased the Investors' non-prime receivables maintaining add-on purchase capabilities. Servicing on such Investors' existing accounts, as well as the purchase of the Signet-owned credit card receivables portfolio for accounts that had been originated through Fiscal 2021. Servicing of these non-prime add-on receivables, including operational interfaces and customer servicing, is provided by Genesis, Concora. As a result of the amended and restated agreements entered into with Comenity Genesis, and the Investors during Fiscal 2022, Concora, Signet no longer retains has not retained any customer in-house finance receivables. In addition, on March 7, 2022, receivables since Fiscal 2022. Additionally, in Fiscal 2024, the Company entered into

Progressive Leasing program agreement was amended and restated receivable purchase agreements with CarVal and Castlelake regarding the purchase of add-on receivables on such Investors' existing accounts. Under the amended and restated agreements, The Bank of Missouri will be the issuer for the add-on receivables on these existing accounts and CarVal and Castlelake will purchase the receivables from The Bank of Missouri, to terminate in May 2031. Refer to Note 13 12 of Item 8 for further information.

HUMAN CAPITAL MANAGEMENT

Signet's People First approach

At Signet, our approach to human capital management starts with our core value of “People First” and aims at creating a truly inclusive, innovative, and collaborative company culture. As a retail company, sales and customer relationships are at the core of our business model. Our success depends on our ability to attract, develop, and retain highly engaged and motivated team members who are deeply connected to our Purpose of Inspiring Love. All team members are immersed in the Signet’s employee experience where team members are invited to be their best selves; introduced to new ideas that grow their passion, not just their jobs; and are inspired to inspire more love in the world. The execution of our *Inspiring Brilliance* business strategy is supported by our confidence in the Signet team and our commitment to their overall success and personal growth. We believe that thriving and engaged team members are integral to Signet’s success. By focusing on strong people practices, we foster improved retention rates and a better-trained workforce to delight our customers. Our emphasis on rewarding our retail team members with competitive wages and benefits provides a compelling package. We invested significantly in the wages and overall compensation Signet has maintained a minimum wage of \$15/hour for our existing team members in US operations throughout multiple acquisitions since the fall of Fiscal 2022 by raising the minimum wage to \$15/hour and our full-time, hourly paid median employee, who is a jewelry consultant, earned \$40,754 for our US operations, ahead of many retailers. For eligible jewelry consultants and sales associates in the US, our total average hourly wage Fiscal 2024 with commissions and incentives is currently \$21.93.

In Fiscal 2023, 2024, Signet was again named a is proud to be certified by Great Place to Work-Certified™ Company Work® for the third fourth consecutive year which reflects the pride, engagement, and enthusiasm of our team members throughout our organization. We are proud and honored by this recognition and we attribute this accolade to our focus on our Purpose, company culture, team member engagement and our overall human capital management strategy. In Fiscal 2023, Signet was named by Great Place to Work® and Fortune magazine as one of the 2022 Best Workplaces in Retail™ for the first time. In addition, 2024, Signet was named to two lists by Newsweek magazine, America’s Greatest Workplaces for Women 2024 and America’s Greatest Workplaces for Diversity 2024. Signet received a score of 95 out of 100 on the Bloomberg® Gender Human Rights Campaign Foundation’s 2023-2024 Corporate Equality Index, for the fifth year in a row – the only specialty retail jeweler nation’s foremost benchmarking survey and report measuring corporate policies and practices related to do so. LGBTQ+ workplace equality.

Vision for the Future

future

As noted in the Purpose and Strategy section, the Company released its 2030 Corporate Sustainability Goals CSGs in Fiscal 2022. The Company’s goals CSGs provide a roadmap for Signet’s commitment to sustainability. Under the heading “Love for Our Team,” the Chief People Officer is responsible for fifteen critical goals CSGs in the areas of Employer of Choice, Community of Inclusiveness, and Purpose and Appreciation. A full list of Signet’s goals CSGs is published on the Company’s corporate website and an annual progress report on the goals CSGs is included in the Company’s annual Corporate Citizenship and Sustainability report.

Employees and demographics

As of January 28, 2023 February 3, 2024, the number of global team members employed at Signet was 29,660 27,991 as compared to 30,856 29,660 at January 29, 2022 January 28, 2023. Approximately 87% 88% of the Company’s workforce was employed in North America.

	February 3, 2024	January 28, 2023	January 29, 2022
North America	24,639	25,794	27,162
UK	2,737	3,205	3,239
Other international	615	661	455
Total	27,991	29,660	30,856

The following table provides additional information related to the North America team members as of February 3, 2024 and January 28, 2023. Fiscal 2023 excludes Blue Nile.

	January 28, 2023	January 29, 2022	January 30, 2021
North America	25,794	27,162	23,700
UK	3,205	3,239	2,885
Other international	661	455	164
Total	29,660	30,856	26,749

North America ⁽¹⁾	January 28, 2023	January 29, 2022
Full-time	14,475	15,395
Part-time	10,704	11,174
Total	25,179	26,569
By Gender		
Women	18,367	19,613
Men	6,495	6,601

Nonbinary or chose not to identify	317	355
By Race/Ethnicity		
Number of Black or African American employees	3,344	3,715
Number of American Indian and Alaska Native employees	199	212
Number of Asian employees	1,409	1,348
Number of Caucasian and White employees	12,753	13,094
Number of Hispanic and Latino employees	3,833	4,203
Number of Native Hawaiian and Other Pacific Islander employees	117	114
Number of employees of two or more races	906	976
Number of employees of unknown ethnicities	2,618	2,907

^(a) Excludes Blue Nile in Fiscal 2023 and Diamonds Direct in Fiscal 2022

	February 3, 2024	January 28, 2023
Headcount by status		
Full-time	14,297	14,475
Part-time	10,342	10,704
Total	24,639	25,179
Demographic information		
<i>By Gender</i>		
Women	72.9 %	72.9 %
Men	26.0 %	25.8 %
Chose not to identify	1.1 %	1.3 %
<i>By Race/Ethnicity</i>		
Number of Black or African American employees	13.4 %	13.3 %
Number of American Indian and Alaska Native employees	0.8 %	0.8 %
Number of Asian employees	6.5 %	5.6 %
Number of Caucasian and White employees	49.6 %	50.6 %
Number of Hispanic and Latino employees	15.9 %	15.2 %
Number of Native Hawaiian and Other Pacific Islander employees	0.4 %	0.5 %
Number of employees of two or more races	3.6 %	3.6 %
Number of employees of unknown ethnicities	9.8 %	10.4 %

Diversity, equity, and inclusion

Inspired by our Purpose and by our core value of “People First,” we value building a diverse workforce, embracing different perspectives, and fostering an inclusive, empowering work environment **for where our team members feel they belong and customers feel welcomed. This diversity in our teams helps our customers feel comfortable in our stores and helps us understand the tastes, interests and purchase preferences of those customers.**

Our diversity, equity and inclusion efforts transcend all levels of our Company, from our retail store team members through our leadership team and Board of Directors (“Board”). **Currently, our Our Board currently includes five six female members, or 42% including one appointed in February 2024 (not reflected in table below), as well as two ethnically diverse Board members, or 17% members. Approximately 41% 40% of North America Vice Presidents and above are women and approximately 14% 15% of Vice Presidents and above are ethnically diverse. The following represents further information about the diversity of our Signet team as of the end of Fiscal 2023; 2024:**

	Total	Male	Female	Nonbinary/ chose not to identify	Non-BIPOC	BIPOC
Board	12	58 %	42 %	— %	83 %	17 %
Signet Leadership Team	21	43 %	57 %	— %	90 %	10 %
VP and Above (Support Center) ⁽¹⁾	152	59 %	41 %	— %	86 %	14 %
Directors and Above (Support Center) ⁽¹⁾	388	49 %	51 %	— %	83 %	17 %
Assistant Manager and Above (Retail Stores) ⁽¹⁾	5,482	25 %	75 %	— %	64 %	36 %

	Total	Male	Female	Chose not to identify	Non-BIPOC	BIPOC
Board	12	58.0 %	42.0 %	— %	83.0 %	17.0 %
Signet Leadership Team	22	40.9 %	59.1 %	— %	81.8 %	18.2 %

VP and Above (Support Center) ⁽¹⁾	158	60.1 %	39.9 %	— %	85.4 %	14.6 %
Directors and Above (Support Center) ⁽¹⁾	427	43.1 %	56.9 %	— %	82.9 %	17.1 %
Assistant Manager and Above (Retail Stores) ⁽¹⁾	5,406	25.4 %	74.3 %	0.3 %	62.9 %	37.1 %

⁽¹⁾ North America excludes Blue Nile

In response to the Fiscal 2023 2024 Great Place to Work® Trust Index® Employee Index™ Survey, Signet team members responded positively to statements regarding fair treatment in our Company. Of team members surveyed, 89% 88% of Signet team members responded, "People here are treated fairly regardless of their race" and 92% 91% of Signet team members responded, "People here are treated fairly regardless of their sexual orientation." Furthermore, we recognize the diversity of our customers and strive to have a workforce that is representative of the communities where we live and work. In Fiscal 2023, 2024, approximately 46% 48% of Signet's new US hires in North America our retail stores and support centers were BIPOC candidates.

persons of color.

We are committed to advancing diversity equity, and inclusion in the workplace.

- We provide workplace and fostering an inclusive culture, which includes providing team members the opportunity to select a third nonbinary option in addition to male for self-selection of gender identity, preferred pronouns, and female in our HRIS software, their name pronunciation. This innovation invites reinforces the invitation for team members to bring their whole selves to work.
- Executive sponsorship and engagement Our executive sponsors have collaborated with our eight (8) Business Resource Groups: Groups - Veterans, Signet Pride (LGBTQ+), Women, Women's, Black Employee Network, Young Professionals, Transforming Inclusivity Diversity Equity and Equality ("TIDE"), Diamante (Hispanic and Latinx) and Asian Pacific Employee Network, Network - to create a culture of inclusion. As a result of this partnership, the membership and participation rate for Signet's Business Resource Groups increased more than 40% from Fiscal 2023 to Fiscal 2024.
-

As part of our commitment to continued enhancements in our diversity, equity, and inclusion efforts, we require provide team members to undergo annual training on in various areas that support building a more inclusive workplace. This includes unconscious bias and microaggressions, inclusive leadership training.

- Signet is proud of its supplier diversity program. In program launched in Fiscal 2023 Signet spent more than \$50 million 2022. The spend with diverse suppliers.

suppliers is growing each year.

Training

We're creating an inclusive and energizing environment where all team members can be empowered to learn, grow, and have meaningful careers. Advancement opportunities through internal leadership mentorship programs, training, internships, and a recruiting strategy to ensure we pursue top diverse talent. The In addition, the Company has implemented development and sponsorship programs focused on increasing the diversity of our leadership at every level. In Fiscal 2023, 2024, Signet launched continued its Enterprise Mentoring Program to support personal and career growth. New cohorts are launched each quarter with a fresh cohort of mentoring pairs. More than 650 Signet 230 team members participated in member mentorship pairs were formed through the program in Fiscal 2023, 2024.

In Fiscal 2023, 2024, Signet continued to invest in our learning platform, Brilliant University, to support team member training, leadership development and education. The platform gives team members access to training modules from their very first day of employment. Investments in our people, such as training, allows us to recruit and retain exceptional candidates from other retailers and industries and efficiently provide them with new skills and experiences regarding Signet values, leadership traits and jewelry knowledge.

The Week One Experience is an immersive, 40-hour training for all full-time team members across our Kay, Jared, Peoples and Zales banners. Signet launched the program in Fiscal 2022 with remarkable results and improved new hire retention rates. In Fiscal 2024, Signet offered the program to more than 1,200 new team members. This highlights the value of our investment in team member development and our dedication to creating an environment where they can thrive. As expanding jewelry services is a pillar of Signet's Inspiring Brilliance business strategy, the Company successfully launched six training programs related to jewelry services to provide our retail team members with expert knowledge.

Brilliant University empowers team members to invest in learning their job, building new skills and growing their career. The Signet team member training experience is defined by Signet's seven leadership traits: (1) Vision and Purpose; (2) Critical Thinking; (3) Customer Obsession; (4) Employee Experience; (5) Diversity, Equity & Inclusion; (6) Innovative Action; and (7) Performance Excellence. Our leadership traits are foundational to the success of each leader at Signet no matter the job title. We believe in "leadership at every level" and Brilliant University provides education and training for team members to learn more about what each trait looks like at different levels in the organization.

Compensation and benefits

Benefits

Competitive benefits are critical to our success in identifying, recruiting, retaining, and incentivizing our existing and prospective team members.

- We design our benefit packages to be competitive in the marketplace and they meet provide a compelling package for team members. As a retailer, Signet is a destination employer for both full-time and part-time workers. All US team members, regardless of full-time or exceed local laws. Full-time part-time status, are eligible for a menu of benefits. All team members are eligible for health insurance, parental leave, to earn paid time off and tuition can contribute to a 401(k) Plan; a match is provided after one year. Signet offers telemedicine and adoption assistance programs. Employee Assistance Programs (EAP) to all US team members. Pet, auto, and home insurance discounts are available to all team members.

• Part-Time Team Members

In addition to the benefits mentioned above for all team members, Signet offers part-time team members Stride Health, a service to select health insurance in the private marketplace.

Full-Time Team Members

We provide our full-time team members with access to flexible and convenient medical benefits programs intended to meet their needs and the needs of their families. In Fiscal 2024, Signet introduced a buy-up medical plan as an option for both the standard PPO and HDHP programs. Signet also expanded coverage of its fertility programs to include coverage for all full-time team members of all genders and added WINFertility, a fertility program with concierge service designed to help team members navigate and maximize the fertility benefits included in the medical insurance. In Fiscal 2024, Signet added HingeHealth to provide virtual care for back and joint issues as well as Omada, a diabetes and hypertension management program. In addition to standard the benefits mentioned above for all full-time team members enrolled in the medical coverage, we offer eligible team members dental and vision coverage, health savings accounts, flexible spending accounts, hospital indemnity, critical and accident insurance, pet insurance, home and auto insurance, paid time off, employee assistance programs, short-term and long-term disability insurance, group term and voluntary life insurance for team members and their families and a 401(k) Savings Plan in the US, families. Signet provides health plan benefits and voluntary life insurance for same-sex domestic partners/spouses and LGBTQ team members. Signet provides transgender benefits in line with insurance program best practices. All full-time team members, regardless of gender, are eligible for paid parental leave benefits.

- In Fiscal 2024, Signet offers free telemedicine expanded its Bereavement Policy to all US include pregnancy loss and Canadian a more inclusive family member definition. All full-time team members, and their families, regardless of full gender or part-time status.
- Signet has not raised employee premiums on enrollment in Signet's medical benefits plans, are eligible to receive reimbursement for three years in a row adoption and surrogacy costs.

Collective bargaining

We respect our employees' rights to organize and engage in bargaining in good faith to reach a collective agreement that meets team members' needs. Our diamond polishing factory employees in Gaborone, Botswana are covered by a collective bargaining agreement (represents less than 1% of Signet's total employees). None of our employees in the UK and North America are covered by collective bargaining agreements.

Board oversight

Signet's Human Capital Management and Compensation ("HCM") Committee plays an active role in overseeing our human capital management efforts. The full Board has worked closely with the executive management team, particularly the Chief People Officer, in helping shape the succession plans and leadership development agenda. Board oversight activities in this area include review of CEO Chief Executive Officer and executive officer succession planning, review of diversity and other employee metrics, employee experience, and review of the Company's employee engagement survey results. In addition to its compensation governance responsibilities, the HCM Committee provides oversight on behalf of the Board to overall management of human capital including culture, diversity, equity and inclusion, executive compensation programs, benefits and well-being strategy, talent management (attraction, development, and retention), performance management, and succession planning. The scope of this the HCM Committee underscores our focus on the quality, performance, retention and development of our team. Signet's Human Capital Management and Compensation HCM Committee, in collaboration with the Corporate Citizenship and Sustainability CCS Committee, oversees diversity, equity and inclusion, employee team member engagement and employee team member experience practices, and Signet's Love for Our Team Corporate Sustainability Goals, practices.

MARKETS

Signet operates primarily in the US, Canada and UK markets.

US

Based on industry and transaction data from MasterCard Spending Pulse and market research company The NPD Group, Circana, we estimate that the total US jewelry and watch market declined by 5% 3% in 2022, 2023, from \$69 billion \$65 billion in the prior year to \$65 billion \$63 billion in 2022, 2023. This implies a Signet jewelry and watch market share of 9.7% 9.0%, a 40 70 basis-points increase decline from the previous year. Since 2013, the industry average annual growth rate is 2%. has been flat. Around 85% of the market is represented by jewelry, with the balance being attributable to watches. According to the latest data from the Jewelers Board of Trade, as of December 2022 2023 there were approximately 17,900 17,600 jewelry stores in the country, US, down approximately 2% from the prior year.

Canada

The average of the most recent Canada jewelry and watch market estimates published by Euromonitor in December 2022 February 2024 and Statista in June 2022 January 2024 was approximately \$5.7 billion \$6.5 billion CAD (adjusted to exclude Quebec), an increase of 5% 6% from the previous year. From 2022 through 2026, year. Since 2018, based on

the average of the of the above sources, the market is expected to grow at a 3% compound industry annual growth rate ("CAGR") has been 5%.

UK

In the UK, the jewelry and watch market was about £6.4 billion £6.7 billion in 2022 2023 based on the average of estimates published by Euromonitor in February 2023, 2024, Statista in June 2022 January 2024 and Mintel in August 2022. This was up approximately 9% 6% over the prior year. From 2022 through 2026, Since 2018, based on the average of the of the above sources, the market is expected to grow at a 4% CAGR. industry annual growth rate has been 2%.

TRADEMARKS AND TRADE NAMES

Signet is not dependent on any material patents or licenses in any of its segments. Signet has several well-established trademarks and trade names which are significant in maintaining its reputation and competitive position in the jewelry retailing industry. Some of these trademarks and trade names include the following:

- Kay®; Kay Jewelers®; Kay Jewelers Outlet®; Jared®; Jared The Galleria Of Jewelry®; Jared Vault®; Jared Foundry™; Jared Atelier®; Every Kiss Begins with Kay®; Every Kiss™; Celebrate Life Express Love®; Leo®; the The Leo Diamond™; Hearts Desire®; Chosen®; Ever Us®; James Allen®; Long Live Love®; Dare to be Devoted®; Love Brilliantly™; Brilliant Moments®; Closer Together®; Vibrant Shades™ Shades®; Love's Radiance Collection®; Forever Connected™; Unstoppable Love®; Bold Reflections® Reflections®; Vault Rewards™; Diamonds Direct®; Your Love. Our Passion®; Rocksbox®; and Blue Nile®.
- Zales®; Zales Jewelers™; Zales the Diamond Store®; Zales Outlet®; Gordon's Jewelers®; Peoples Jewellers®; Peoples the Diamond Store®; Peoples Outlet the Diamond Store®; Piercing Pagoda®; Banter™ Banter®; Arctic Brilliance®; Arctic Brilliance Canadian Diamonds®; Celebration Diamond®; Celebration Ideal™; Celebration Infinite™; From This Moment Ideal®; Let Love Shine Celebration Infinite®; Live for Love™; The Celebration Diamond Collection®; Unstoppable Love®; Endless Brilliance®; Love's Destiny®; Zales Private Collection™; and Elegant Reflections®.
- H.Samuel®; Ernest Jones®; Ernest Jones Outlet Collection™; Forever Diamonds®; Princessa Collection®; Secrets of the Sea®; It Feels Good To Gift™; The Eternal Diamond – Cut From The Stars®; H Samuel Style to Make You Smile®; and Celebrate Your Story®; and Origin by Ernest Jones®.

SEASONALITY

Signet's business is seasonal, with the fourth quarter historically accounting for approximately 35-40% of annual sales, as well as for a substantial portion of the annual operating profit. The "Holiday Season" consists of results for the months of November and December, with December being the highest volume month of the year.

REGULATION

As a company with both US and international operations, we are required to comply with numerous laws and regulations in the jurisdictions in which we operate, covering areas such as consumer protection, consumer privacy, data protection, consumer credit, consumer credit insurance, health and safety, waste disposal, supply chain integrity, truth in advertising and employment. Signet monitors changes in these laws to maintain compliance with applicable requirements.

CLIMATE CHANGE

Signet recognizes that climate change poses a systemic risk to business operations.

Adverse effects of climate change, such as extreme weather events, particularly over a prolonged period, of time, could negatively impact the Company's business and results of operations if such conditions limit our consumers' ability to access our stores, cause our consumers to limit discretionary spending, or disrupt our supply chains or distribution channels.

Adverse effects of climate change may increase the costs of diamond mining and diamond processing including cutting and polishing. Signet sources diamonds from around the world, and some locations may be more vulnerable to climate change. change than others. If the costs of natural diamonds increase, Signet may reallocate sourcing to lab-grown diamonds in line with customer preferences for cost and quality.

Signet has put a governance structure in place to monitor climate-change risks and adjust business operations accordingly. Two Board level Board-level committees at Signet are responsible for monitoring climate change risks: (1) the Audit Committee oversees risks across the Company; and (2) the Corporate Citizenship and Sustainability CCS Committee oversees enterprise-wide policy regarding Signet's 2030 Corporate Sustainability Goals, CSGs, including Signet's aspiration to shift business operations to achieve net-zero decrease greenhouse gas emissions by 2050. and the CCS Committee oversees opportunities and risks that may significantly impact the Company's CSGs and ESG objectives and related initiatives. At the Company level, Signet's Climate Action and Sustainability Committee ("CASC") is a cross-functional committee with leaders across Signet's business operations with the mandate of improving Signet's data disclosures on climate and monitoring the progress of Signet's climate-related Corporate Sustainability Goals, CSGs. Signet's greenhouse gas emission data is published in our annual Corporate Citizenship & Sustainability report, which is available on the Company's website. website, www.signetjewelers.com. Signet is in the process of instituting the policies continuously improves business processes and procedures systems required to disclose financial grade greenhouse gas emissions data with sufficient controls and assurances to improve satisfy statutory reporting requirements and applicable climate-related emissions reporting rules at the overall quality federal and transparency in our reporting, as well as in preparation for proposed SEC climate-related disclosure rules in the event they are adopted. state level.

AVAILABLE INFORMATION

Signet files annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information with the US Securities and Exchange Commission ("SEC"). SEC. Such information, and amendments to reports previously filed or furnished, is available free of charge from the Company's corporate website, www.signetjewelers.com, as soon as reasonably practicable after such materials are filed with or furnished to the SEC. The SEC also maintains an internet site at www.sec.gov that contains the Company's filings.

ITEM 1A. RISK FACTORS

Risks Related to Global and Economic Conditions

The outbreak of COVID-19 has had a significant adverse impact on our business, and this outbreak, as well as other public health crises or disease outbreaks, epidemics or pandemics, has and could continue to adversely impact our business, financial condition, results of operations and cash flows and could continue to exacerbate other risk factors.

A public health crisis or disease outbreak, epidemic or pandemic, such as COVID-19, or the threat or fear of such an event, has adversely impacted and could continue to adversely impact our business. COVID-19 significantly impacted consumer traffic and our retail sales during Fiscal 2021, due to the public health risk and government-imposed quarantines and restrictions of public gatherings and commercial activity to contain spread of the virus. Our business may be further impacted if the economy deteriorates due to the long-term effects of COVID-19 pandemic, or if additional federal or state mandates order the shutdown of our stores, support centers or distribution centers. Further, due to COVID-19, we have recorded and may continue to record non-cash asset impairment charges, which may affect our operating results under US GAAP.

Additionally, there is significant uncertainty around our customers' willingness to continue to visit retail stores, particularly if the community transmission rates or health implications of new COVID-19 variants create heightened risks. General consumer behaviors due to COVID-19 may negatively impact store traffic, which may negatively impact our sales. Such negative impacts may be exacerbated during peak traffic times such as the Holiday Season. Further, there is no guarantee that the safety protocols we have implemented will be effective or be perceived as effective, and any virus-related illnesses linked or alleged to be linked to our stores, whether accurate or not, may negatively affect our reputation, operating results and/or financial condition. The COVID-19 pandemic also has disrupted our global supply chain, and may cause additional disruptions to operations, including increased costs of production and distribution. In addition, there could be further adverse impacts if our employees become sick, or are otherwise limited in their ability to work at Company locations or travel.

The uncertainty around the duration of business disruptions; the possibility of additional periods of increases or spikes in the number of COVID-19 cases; the impact of vaccines across the globe; and the extent of the spread of the virus in the US and other areas of the world, could continue to adversely impact the national or global economy and negatively impact consumer spending, particularly discretionary spending, and our stock price. Previous COVID-19 restrictions caused disruptions in the number of people that were forming new intimate relationships. The effect of that disruption began to negatively impact sales of engagement rings in Fiscal 2023 and is expected to continue to affect those sales through at least the third quarter of Fiscal 2024. The ultimate duration of this effect on engagements is unknown and could cause unexpected changes to consumer trends in the long term. Additionally, any COVID-19 vaccine mandates by local or federal governments could negatively impact our ability to attract and retain team members. If we **We** are unable to continue to recruit and retain quality team members, including store and distribution center personnel, it could hinder our long-term strategies and success, and negatively impact our growth and profitability.

In control many of the event of a prolonged economic downturn or acute recession, significant inflation, or increased supply chain shortages impacting our customers, suppliers, employees, products, stores or the economy as a whole, **factors affecting** consumer spending, habits could be adversely affected, and we could experience lower than expected sales and profitability. Any of these factors could have a material adverse impact on our business, financial condition and operating results; our level of indebtedness and covenant compliance; our ability to raise additional capital; our ability to execute our business plans; our access to and cost of financing; our lease obligations and relationships with our landlords; asset impairments; and our ability to execute and capitalize on our strategies. The full extent of the impact of COVID-19 on our operations, financial performance, and liquidity, depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on capital and financial markets on a macro-scale and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others. Further, as the COVID-19 pandemic subsides, the pace of the economic recovery and shifts in consumer discretionary spending and gifting to other categories such as travel and restaurants have negatively impacted and may continue to negatively impact our results of operations or cash flows to the same or a greater degree.

To the extent that COVID-19 has affected and continues to adversely affect the US and global economy, our business, results of operations, cash flows, or financial condition, it has heightened, and may continue to heighten, other risks described herein. See the COVID-19 Update within Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations for a discussion of the potential impact of COVID-19 on our business operations.

A decline in consumer spending may unfavorably impact Signet's future sales and earnings, particularly if such decline occurs during the Holiday Season.

Our financial performance is highly dependent on US consumer confidence and the health of the US economy. Inflation, **increased changes in** interest rates, reduced government stimulus, shifts in spending toward travel and experiences, and general US consumer confidence have each had an effect on our revenue and **earnings for the past twelve months, earnings**. If there is further deterioration of the economic conditions in the US, Canada, UK and Europe, or if the effects of inflation, interest rates, a recession, and reduced government stimulus programs **begin to** further impact consumer spending, especially in the mid-tier or accessible luxury point products, our future sales and earnings could be further adversely impacted. Conditions in the Eurozone have a significant impact on the UK economy even though the UK is not a member of the Eurozone, which could adversely impact trading in the International segment, as well as adversely impact the US economy.

The success of our operations depends to a significant extent upon a number of factors relating to discretionary consumer spending. These include economic conditions, and perceptions of such conditions by consumers, consumer confidence, **level of customer traffic in shopping malls and other retail centers**, employment, the level of consumers' disposable income, business conditions, interest rates, consumer debt and asset values, availability of credit and levels of taxation for the economy as a whole and in international, regional and local markets where we operate. As our sales are highly seasonal, a change in any one of these economic conditions during the Holiday Season could have an increased adverse impact on our sales. While Signet has a broad-based customer demographic, our largest banners primarily operate in the mid-market for jewelry. A significant portion of customers that purchase products from our mid-market or value tiered banners have been and are likely to continue to be impacted more acutely by inflation and reductions in government stimulus than customers that shop at luxury jewelry retailers or even at our own accessible luxury banners. The **effects of recent or future**

terminations termination of temporary benefits from State or Federal government stimulus programs - such as the U.S. US Supplemental Nutrition Assistance Program (SNAP), which occurred in February 2023, and the U.S. US student loan interest and payment forbearance, which may terminate later terminated in the third quarter of Fiscal 2024 - have had an effect on macroeconomic conditions and Signet's business and the full extent of those effects are currently unknown, but like such terminations and future termination of other government stimulus programs that have previously been terminated, such terminations may further negatively impact consumer discretionary spending and our financial performance.

Consumer spending may be significantly affected by many factors outside of our control, including general economic conditions; consumer disposable income; consumer confidence; wage and unemployment levels; unexpected trends in merchandise demand; a decline in engagement or marriage rates in the regions in which we operate; significant competitive and promotional activity by other retailers; the availability, cost and level of consumer debt; inflationary pressures; the increase in general price levels; domestic and global supply chain issues; the costs of basic necessities and other goods; effects of weather and natural disasters, whether caused by climate change or otherwise; epidemics, contagious disease outbreaks, pandemics and other public health concerns, including those related to COVID-19 (including variants); or lockdowns of our stores, support centers or distribution centers due to governmental mandates, the Russia-Ukraine war or social unrest. Such decreases in consumer discretionary spending could result in a decrease in consumer traffic, same store sales, and average transaction values and could cause us to increase promotional activities, which would have a negative impact on our operating margins, all of which could negatively affect our business, results of operations, cash flows or stock price, particularly if consumer spending levels are depressed for a prolonged period of time. Furthermore, we believe government economic stimulus measures have had a positive impact on our sales and it is uncertain if or how long associated benefits may last.

Jewelry purchases are discretionary and are dependent on the above factors relating to discretionary consumer spending, particularly as jewelry is often perceived to be a luxury purchase. Consumer purchases of discretionary luxury items, such as our products, tend to decline during recessionary periods, periods of sustained high unemployment, or other times when disposable income is lower. Adverse changes in the economy and periods when discretionary spending by consumers may be under pressure have and could continue to unfavorably impact sales and earnings. We have responded in the past and may continue to respond in the future by increasing discounts or initiating marketing promotions to reduce excess inventory, which could also have a material adverse effect on our margins and operating results.

In addition, other retail categories and other forms of expenditure, such as electronics, entertainment and travel, also compete for consumers' discretionary spending, particularly during the Holiday Season. Therefore, the price of jewelry relative to other products influences the proportion of consumers' expenditures that are spent on jewelry. If the relative price of jewelry increases, or if our competitive position deteriorates, or if pent up demand due to COVID-19 restrictions causes consumers to shift consumer spending shifts to more experience oriented experience-oriented categories such as travel, concerts, and restaurants, our sales and operating profits would be adversely impacted.

An increase in general price levels (due to inflationary pressure, domestic and global supply chain issues or other macroeconomic factors) could also result in a shift in consumer demand away from jewelry and related services, which would adversely affect our sales and, at the same time, increase our operating costs including but not limited to materials, labor, fulfillment and advertising. We may not be able to adequately increase our prices over time at price points that consumers are willing to pay to offset such increased costs. An inability to increase retail prices to reflect higher commodity, labor, advertising and other operating costs, would result in lower profitability.

Particularly sharp increases in commodity costs may result in a time lag before increased commodity costs are fully reflected in retail prices or have an impact on our results of operations. As we use an average cost inventory methodology, volatility in our commodity costs may also result in a time lag before cost increases are reflected in retail prices. Further, even if price increases are implemented, there is no certainty that such increases will be sustainable or acceptable to consumers. These factors may cause decreases in gross and operating margins and earnings. In addition, any sustained increases in the cost of commodities could result in the need to fund a higher level of inventory or changes in the merchandise available to the customer, which could increase costs, disrupt our sales levels and negatively impact liquidity.

Any deterioration in consumers' financial position, changes to the regulatory requirements regarding the granting of credit to customers or disruption in the availability of credit to customers could adversely impact the Company's sales and earnings.

More than 40% of Signet's sales in the US and Canada utilize third-party customer financing or payment programs, with the additional purchases being made in cash or using third-party bank cards. Any significant deterioration in general economic conditions, including a potential recession, or increase in consumer debt levels may inhibit consumers' use of credit and decrease consumers' ability to satisfy requirements for access to customer financing or payment options, which could in turn have an adverse effect on the Company's sales.

Additionally, the ability of Signet's customers to obtain credit from our private label credit card providers and the terms of such credit depends on many factors, including continued arrangements with the parties providing the credit financing and compliance with applicable laws and regulations in the US and Canada, any of which may change from time to time. As discussed further in Note 13 12 to the consolidated financial statements in Item 8, Signet has outsourced its third-party credit programs, however, if any of those third-party credit providers were to terminate, Signet may need to enter into other arrangements with other third-parties. If Signet is unable to find other potential providers to supply a similar third-party credit program and alternative payment options, Signet's ability to extend credit to customers could be impaired, which could have an adverse effect on Signet's business.

Any new regulatory initiatives or investigations by the Bureau of Consumer Financial Protection ("CFPB") Bureau or other state authority, or ongoing compliance with the Consent Order entered into including a potential cap on January 16, 2019 with the CFPB and the Attorney General for the State of New York late fees, relating to the Company's in-store credit practices, promotions, and payment protection products could impose additional costs and/or restrictions on credit practices of the North America segment, which could have an adverse effect on the conduct of Signet's business.

Because of the highly seasonal nature of Signet's sales, any one of these factors that occurs during the Holiday Season would have an increased adverse impact.

Public health crisis or disease outbreak, epidemic or pandemic, such as COVID-19 had and could continue to have a significant adverse impact on our business, and this outbreak, as well as other public health crises or disease outbreaks, epidemics or pandemics, has and could continue to adversely impact our business, financial condition, results of operations and cash flows and could continue to exacerbate other risk factors.

A public health crisis or disease outbreak, epidemic or pandemic, such as COVID-19, or the threat or fear of such an event, has adversely impacted and could continue to adversely impact our business. COVID-19 significantly impacted consumer traffic and our retail sales during Fiscal 2021. Our business may be further impacted if the economy deteriorates due to the long-term effects of COVID-19 pandemic or other disease.

The long-term impacts of the social, economic, and financial disruptions caused by the COVID-19 pandemic and the government responses to such disruptions are unknown. Previous COVID-19 restrictions caused disruptions in the number of people that were forming new intimate relationships. The effect of that disruption began to negatively impact sales of engagement rings in Fiscal 2023 and is expected to continue to affect those sales through at least the fourth quarter of Fiscal 2025. The ultimate duration of this effect on engagements is unknown and could cause unexpected changes to consumer trends in the long term.

To the extent that COVID-19 has affected and continues to adversely affect the US and global economy, our business, results of operations, cash flows, or financial condition, it has heightened, and may continue to heighten, other risks described herein.

A reduction in traffic to, or the closing of, the other destination retailers in the shopping areas where our stores are located could significantly reduce our sales and leave us with excess inventory, which could have a material adverse effect on our business, financial condition, profitability, and cash flows.

Many Signet stores are located within shopping malls or shopping centers and benefit from heavy consumer traffic in such locations. Due to the increase in online shopping as well as COVID-19, there has been a substantial decline in shopping mall and shopping center traffic. If the Company does not focus its locations in attractive areas and/or increase its online sales, this trend away from shopping mall and shopping center purchases could adversely impact Signet's operations and financial condition. As Signet tests and develops new types of store locations and designs, there is no certainty as to their success.

Additionally, because many Signet stores are located within shopping malls or shopping centers, our sales are derived, in part, from the volume of traffic generated by the other destination retailers and the anchor stores in the malls and shopping centers where our stores are located. Customer traffic to these shopping areas may be adversely affected by the closing of such destination retailers or anchor stores, or by a reduction in traffic to such stores resulting from a regional or global economic downturn, an outbreak of flu or other viruses, a general downturn in the local area where our store is located, or a decline in the desirability of the shopping environment of a particular mall or shopping center. Such a reduction in customer traffic would reduce our sales and leave us with excess inventory, which could have a material adverse effect on our business, financial condition, profitability, and cash flows. We may respond by increasing markdowns, initiating marketing promotions, or transferring product to other stores to reduce excess inventory, which would further decrease our gross profits and net income.

Fluctuations in foreign exchange rates could adversely impact the Company's results of operations and financial condition.

Signet publishes its consolidated annual financial statements in US dollars. At January 28, 2023 February 3, 2024, Signet held approximately 90% 91% of its total assets in entities whose functional currency is the US dollar and generated approximately 91% of its sales in US dollars for the fiscal year then ended. All the remaining assets and sales are primarily in British pounds and Canadian dollars. Therefore, the Company's results of operations and balance sheet are subject to fluctuations in the exchange rates between the US dollar and both the British pound and Canadian dollar. Accordingly, any decrease in the weighted average value of the British pound or Canadian dollar against the US dollar including due to Brexit, would decrease reported sales and operating income.

The monthly average exchange rates are used to prepare the statement statements of operations and are calculated based on the daily exchange rates experienced by the International segment and the Canadian subsidiaries of the North America segment in the fiscal month. If British pounds or Canadian dollars are held or used to fund the cash flow requirements of the business, any decrease in the weighted average value of the British pound or Canadian dollar against the US dollar would reduce the amount of cash and cash equivalents.

Signet uses foreign currency derivative instruments to hedge certain exposures to currency exchange rate risks. Market conditions, particularly in the UK and Canada could result in significant volatility in currency exchange rate fluctuations and increase Signet's exposure to foreign currency rate exchange risks and reduce its ability to effectively use certain derivative instruments to hedge risks. In addition, the prices of certain materials and products bought on the international markets by Signet are denominated in foreign currencies. As a result, Signet and its subsidiaries have has exposures to exchange rate fluctuations on its cost of goods sold, as well as volatility of input prices if foreign manufacturers and suppliers are impacted by exchange rate fluctuations.

Our future results of operations may be adversely affected by input cost inflation.

Many aspects of our business have been, and may continue to be, directly affected by volatile commodity costs and other inflationary pressures. Commodities, such as diamonds and precious metals, are subject to price volatility which can be caused by commodity market fluctuations, changes in currency exchange rates, imbalances between supply and demand, and government programs, policies and sanctions among other factors. Volatile fuel costs translate into unpredictable costs for the products and services we receive from our third-party providers. While we seek to offset increased input costs with a combination of price increases to our customers, purchasing strategies, cost savings initiatives and operating efficiencies, we may be unable to fully offset our increased costs or unable to do so in a timely manner. If we are unable to fully offset such cost increases, our financial results could be materially adversely affected.

Signet's business could be adversely affected by extreme weather conditions, natural disasters, or terrorism and acts of war.

Extreme weather conditions in the areas in which the Company's stores are located negatively impacted sales in the fourth quarter of Fiscal 2023 and could negatively affect the Company's business and results of operations in the future. For example, frequent or unusually heavy snowfall, ice storms, or other extreme weather conditions, whether as a result of climate change or otherwise, over a prolonged period could make it difficult for the Company's salesforce or customers to travel to its stores and thereby reduce the Company's sales and profitability, particularly if such events occur during the Company's Holiday Season. In addition, natural disasters such as hurricanes, tornadoes, earthquakes, or wildfires,

or a combination of these or other factors, could damage or destroy the Company's facilities or make it difficult for the salesforce or customers to travel to its stores, thereby negatively affecting the Company's business and results of operations.

Terrorism, armed conflict, and acts of war (or the expectation of such events), both in the US and abroad, could also have a significant impact on Signet's business and the worldwide economy. At times throughout the past several years, volatile geopolitical conditions have impacted the financial markets. Significant market volatility, and government actions taken in response, may exacerbate some of the risks we face. Conflicts abroad could cause decreased demand for the Company's products as consumers' attention and interests are diverted from jewelry and become focused on issues relating to these events. For instance, the Russia-Ukraine conflict has adversely impacted and could continue to adversely impact, among other things, certain of our the Company's local markets and suppliers, global and local macroeconomic conditions, foreign exchange rates and financial markets, raw material, energy and transportation costs, and cause further supply chain disruptions. These actions In addition, Signet operates quality control and technology centers in Israel. The recent Israel-Hamas conflict could cause a disruption to Signet's operations including, but not limited to, delays in product quality certification, failure to maintain or timely update the eCommerce platform for its digital banners or impact its supply chain with vendors located in the Middle East. An inability to receive products after quality control, shortages of products or difficulties in procuring Signet's products, or a disruption or shutdown of its digital banner websites, among others, may adversely impact its ability to commercialize, manufacture or market its products in a timely manner, any of which could have a significant an adverse effect on macroeconomic Signet's results of operations. Furthermore, there have been travel advisories imposed related to travel to Israel, and restriction on travel, or delays and disruptions as related to imports and exports may be imposed in the future. Volatile geopolitical conditions give rise to regional instability and may result in heightened economic sanctions from the US and the international community in a manner that adversely affects our Signet's business and on an individual level, may impact the Company's its ability to manufacture and ship its merchandise for sale to customers.

Given that Signet's control over such issues, including both weather disasters and large-scale violence, is extremely limited, the Company may not have the ability to mitigate the impacts of such occurrences on its business and operations.

Risks Related to Our Operations and Seasonality

Fluctuations in the pricing and availability of commodities, particularly polished diamonds and gold, which account for the majority of Signet's merchandise costs, could adversely impact its earnings, inventory valuations and cash availability.

The jewelry industry generally is affected by fluctuations in the price and supply of natural and lab-created diamonds, gold and, to a lesser extent, other precious and semi-precious metals and stones.

The mining, production and inventory policies followed by major producers of rough diamonds can have a significant impact on natural and lab-created diamond prices and demand, as can the inventory and buying patterns of jewelry retailers and other parties in the supply chain. The demand for natural and lab-created diamonds is uncertain and could decrease, which would have an adverse impact on the Company.

The availability of natural diamonds is significantly influenced by the political situation in diamond producing countries and by the Kimberley Process, an inter-governmental agreement for the international trading of rough diamonds. Until acceptable alternative sources of diamonds can be developed, any sustained interruption in the supply of natural diamonds from significant producing countries, or to the trading in rough and polished diamonds which could occur as a result of disruption to the Kimberley Process, could adversely affect Signet, as well as the retail jewelry market as a whole. In addition, the current Kimberley Process decision-making procedure is dependent on reaching a consensus among member governments, which can result in the protracted resolution of issues, and there is little expectation of significant reform over the long-term. The impact of this review process on the supply of natural diamonds, and consumers' perception of the diamond supply chain, is unknown. In addition to the Kimberley Process, the supply of diamonds to the US is also impacted by governmental trade sanctions, such as those imposed on Zimbabwe and Russia.

The possibility of constraints in the supply of natural or lab-created diamonds of a size and quality Signet requires to meet its merchandising requirements may result in changes in Signet's supply chain practices, including for example its rough sourcing initiative. operation. In addition, Signet may from time to time choose to hold more inventory, purchase raw materials at an earlier stage in the supply chain or enter into commercial agreements of a nature that it currently does not use. Such actions could require the investment of cash and/or additional management skills. Such actions may not resolve supply constraints or result in the expected returns and other projected benefits anticipated by management.

Additionally, a material increase in the supply of gem quality lab-created diamonds, combined with a material increase in consumer acceptance and demand thereof, has impacted and could continue to impact the cost and retail pricing of lab-created diamonds, and it may also impact the supply, cost and retail pricing of natural diamonds. Signet is a leading retailer of lab-created diamonds and over the past several years the portion of our inventory, revenue and operating margin related to lab-created diamonds has been increasing along with consumer demand and acceptance. If the value or consumer demand for lab-created diamonds declines it may have a negative impact on our inventory, revenue, and operating results.

While jewelry manufacturing is the major final demand for gold, management believes that the cost of gold is predominantly impacted by investment transactions, which have resulted in significant volatility of gold prices in recent years. Signet's cost of merchandise and potentially its earnings may be adversely impacted by investment market considerations that cause the price of gold to significantly escalate.

An inability to increase retail prices to reflect higher commodity costs would result in lower profitability. Particularly sharp increases in commodity costs may result in a time lag before increased commodity costs are fully reflected in retail prices. As Signet uses an average cost inventory methodology, volatility in its commodity costs may also result in a time lag before cost increases are reflected in retail prices. Further, even if price increases are implemented, there is no certainty that such increases will be sustainable. These factors may cause decreases in gross margins and earnings. In addition, any sustained increases in the cost of commodities could result in the need to fund a higher level of inventory or changes in the merchandise available to the customer, which could increase costs and disrupt Signet's sales levels.

Lab-created diamonds are a meaningful portion of sales and inventory for Signet and the jewelry industry, and declining costs and retail prices could impact operating results and disappoint consumers.

A material increase in the supply of gem quality lab-created diamonds, combined with a material increase in consumer acceptance and demand thereof, has impacted and could continue to impact the cost and retail pricing of lab-created and natural diamonds. Signet is a leading retailer of lab-created diamonds and over the past several years the portion of our inventory, revenue and operating margin related to lab-created diamonds has been increasing along with consumer demand and acceptance. In Fiscal 2024, approximately 12% of Signet's merchandise sales were products containing lab-created diamonds. The costs of lab-created diamonds have been declining over the past several years as more supply from producers becomes available. The increased supply and lower costs have and may continue to drive down retail prices of lab-created diamonds, particularly those without specialty designs, cuts and brands, which may have a negative impact on our revenue, merchandise margins and operating results. Further, as retail prices of lab-created diamonds decline, consumers who purchased lab-created diamonds at higher prices may become disappointed in the relative value of their purchase which could negatively impact the reputation of Signet and the jewelry industry.

Alosa, a Russian diamond mining and distribution company, supplies more than 30% of the world's diamonds. Sanctions against them specifically or the Russian Oligarchs by the US government or other governments may severely limit the supply of diamonds in the world.

The world's sources of rough diamonds are highly concentrated in a limited number of countries. Varying degrees of political and economic risk exist in these countries. As a consequence, the diamond business is subject to various sovereign risks beyond Signet's control, such as changes in laws and policies affecting foreign trade and investment. In addition, Signet is subject to various political and economic risks, including the instability of foreign economies and governments, labor disputes, war and civil disturbances and other risks that could cause production difficulties or stoppages, restrict the movement of inventory or result in the deprivation or loss of contract rights or the taking of property by nationalization or expropriation without fair compensation. Signet's direct purchases from Alosa and its sourcing arrangement in Russia ceased in February 2022 and did not represent a significant part of its operations. However, any interruption in the total market supply of diamonds due to the ongoing Russia-Ukraine conflict or domestic or foreign government sanctions against Alosa or Russian diamonds may impact the ability of Signet's suppliers to provide Signet with responsibly sourced diamonds that were mined by other companies or in other countries. Beginning in March of Fiscal 2025, leaders of the G7 nations intend to phase-in further import restrictions against not only direct purchases of diamonds mined in Russia but also indirect purchases of diamonds mined in Russia (e.g. diamonds that were mined in Russia but then cut and polished in other countries). Any significant disruption of Signet's sources of supply, or restriction of inventory movement could have a material adverse effect on Signet's results of operations or cash flows.

Signet may voluntarily disclose, or pursuant to the Dodd Frank Act and SEC rules must file public disclosures regarding the country of origin of certain supplies and materials, which could damage Signet's reputation or impact the Company's ability to obtain merchandise if customers or other stakeholders react negatively to Signet's disclosures.

In August 2012, the SEC, pursuant to the Dodd-Frank Act, issued final rules, which require annual disclosure and reporting on the source and use of certain minerals, including gold, from the Democratic Republic of Congo and adjoining countries. The gold supply chain is complex and, while management believes that the rules currently cover less than 1% of annual worldwide gold production, (based upon recent estimates), the final rules require Signet (and other affected companies that file with the SEC) to make specified country of origin inquiries of Signet's suppliers, and otherwise to exercise reasonable due diligence in determining the country of origin and certain other information relating to any of the statutorily designated minerals (gold, tin, tantalum and tungsten), that are used in products sold by Signet in the US and elsewhere.

There may be reputational risks associated with the potential negative response of Signet's customers and other stakeholders to future disclosures by Signet in the event that, due to the complexity of the global supply chain, Signet is unable to sufficiently verify the origin of the relevant commodities. Also, if future responses to verification requests by suppliers of any of the materials used in Signet's products are inadequate or adverse, Signet's ability to obtain merchandise may be impaired and its compliance costs may increase. It is possible that other minerals, such as diamonds as noted above, could be subject to similar disclosure requirements or rules in the future.

Signet's sales, operating income, cash and inventory levels fluctuate on a seasonal basis.

Signet's business is highly seasonal, with a significant proportion of its sales and operating profit generated during its fourth quarter, which includes the Holiday Season. Management expects Signet to continue to experience a seasonal fluctuation in its sales and earnings. Therefore, there is limited ability for Signet to compensate for shortfalls in fourth quarter sales or earnings by changes in its operations and strategies in other quarters, or to recover from any extensive disruption, for example, due to sudden adverse changes in consumer confidence, consumer spending ability, economic conditions, unexpected trends in merchandise demand, significant competitive and promotional activity by other retailers, inclement weather conditions having an impact on a significant number of stores in the last few days immediately before Christmas Day, such as Winter Storm Elliott that impacted stores in December 2022, or disruption to warehousing and store replenishment systems. Additionally, in anticipation of increased sales activity in the Holiday Season, Signet incurs certain significant incremental expenses prior to and during peak selling seasons, including advertising and costs associated with hiring a substantial number of temporary employees to supplement the Company's existing workforce. A significant shortfall in results for the fourth quarter of any fiscal year would therefore be expected to have a material adverse effect on the annual results of operations as well as cash and inventory levels. Disruption at lesser peaks in sales at Valentine's Day and Mother's Day would also be expected to adversely impact the results.

Failure to manage inventory levels or to obtain merchandise that customers wish to purchase on a timely basis could have a materially adverse impact on sales and earnings.

In order to operate its business successfully, Signet must maintain sufficient inventory levels. This requires forecasting, especially in the case of the Holiday Season, and a balance between meeting customer demand and avoiding accumulating excess inventory. If

management misjudges expected customer demand, fails to identify changes in customer demand, or its supply chain does not respond in a timely manner, a shortage of merchandise or an accumulation of excess inventory could occur, which could adversely impact Signet's results.

Other factors that could affect the Company's inventory management and planning team's ability to accurately forecast customer demand for its products include:

- a substantial increase or decrease in demand for products of Signet's competitors;
- failure to accurately forecast trends and customer acceptance for new products;
- new product introductions, promotions or pricing strategies by competitors, particularly during holiday periods;
- changes in the Company's product offerings including seasonal items and the Company's ability to replenish these items in a timely manner;
- changes to the Company's overall seasonal promotional cadence and the number and timing of promotional events and clearance sales;
- more limited historical store sales information for stores in newer markets;
- weakening of economic conditions or consumer confidence in the future, which could reduce demand for discretionary items, such as jewelry; and
- acts or threats of war or terrorism or epidemics, which could adversely affect consumer confidence and spending or interrupt production and distribution of Signet's products and raw materials.

If the Company is unable to forecast demand accurately, it may encounter difficulties in filling customer orders or in liquidating excess inventory at discount prices and may experience significant write-offs and customers could opt to purchase jewelry from a competitor. These outcomes could have a material adverse effect on the Company's brand image, sales, gross margins, cash flow, competitive advantage and profitability.

Any difficulty or delay in executing or integrating an acquisition, a business combination or a major business or strategic initiative could have a material adverse impact on expected returns and other projected benefits from such an exercise.

We have recently made acquisitions of Diamonds Direct and Blue Nile in Fiscal 2022 and Fiscal 2023, respectively, and we may continue to make acquisitions in the future based on available opportunities in the market. All acquisitions, including these, involve numerous inherent challenges, such as our ability to properly evaluate acquisition opportunities and risks during diligence and our ability to balance resource constraints as we begin to integrate an acquired company into our existing business. Other risks and uncertainties related to our acquisitions include: failing to meet sales and profitability expectations; delayed or unrealized costs savings or synergy opportunities; unknown and underestimated liabilities; and difficulties integrating operations, personnel, financial systems and technology systems. Similarly, the acquisition of companies with operating margins lower than ours may cause a lower operating margin for Signet as a whole. Further, our ability to retain key employees of an acquired company, maintain pre-acquisition cultural dynamics and team morale, and foster the entrepreneurial spirit of an acquired company, particularly while implementing policies, procedures and compliance measures we require, may impact our ability to successfully integrate an acquisition. A significant transaction could also disrupt the operation of our current activities and divert significant management time and resources. If we are unable to execute or integrate an acquisition, major business or strategic initiative or a transformation plan, this could have a significant adverse effect on our results of operations. Our current borrowing agreements place certain limited constraints on our ability to make an acquisition, and future borrowing agreements could place tighter constraints on such actions.

Likewise, there is always the potential for difficulty or delay in execution of a strategic initiative including our direct diamond sourcing capabilities, or a strategic plan, such as our *Inspiring Brilliance* plan, that may prevent us from realizing expected returns and other projected benefits from such exercises during the anticipated timeframe or at all. The long-term growth of our business depends on the successful execution of our evolving business and strategic initiatives. Any number of factors could impact the success of these initiatives, many of which are out of our control, and there can be no assurance that they will be successful or deliver their anticipated benefits. Some initiatives may require us to devote significant management, financial and other resources and may expose us to new and unforeseen risks and challenges. We may also incur significant asset impairment and other charges in connection with any such initiative or an acquisition.

Long-term changes in consumer attitudes toward jewelry could be unfavorable and harm jewelry sales.

Consumer attitudes toward diamonds, gold and other precious metals and gemstones influence Signet's sales. Attitudes could be affected by a variety of issues including concern over the source of raw materials; the impact of mining and refining of minerals on the environment; the local community and the political stability of the producing country; labor conditions in the supply chain; and the availability of and consumer attitudes about substitute products such as cubic zirconia, moissanite and lab-created diamonds. A negative change in consumer attitudes toward jewelry could adversely impact Signet's sales and earnings. In addition, transparency regarding substitute products such as lab-created diamonds is important to maintaining consumer confidence. If the Company does not appropriately and adequately identify the use of the substitute products in its jewelry, its reputation and results could be adversely impacted.

New tariffs, trade embargoes, sanctions or other restrictions on foreign trade, if imposed on goods that the Company imports, could have an adverse effect on the Company's results of operations.

Many of the products that the Company sells, including cut and polished diamonds, are imported from foreign countries such as India, China and Botswana. Government officials in US, Canada and UK have from time-to-time placed tariffs on goods and materials that the Company imports, particularly from China. The imposition of additional tariffs by the US, UK or Canada could result in the adoption of additional tariffs by other countries as well. The escalation of trade tensions could have a significant, adverse effect on world trade and the world economy. While the Company does not believe that tariffs will materially impact its business, the imposition of additional or increased tariffs on jewelry or other items

imported by it from China or other countries, or the Company's inability to successfully manage inventory from China or other countries, could require the Company to increase prices to its customers or, if unable to do so, result in lowering its gross margin on products sold.

In addition, if taxes, trade embargos, sanctions or other restrictions on foreign trade are imposed by the US, UK or Canada on goods that the company imports from China or other foreign countries, the Company's ability to obtain the finished goods and commodities it sells at retail could be adversely impacted.

Signet depends on manufacturers and suppliers to timely provide it with sufficient quantities of quality products.

Ultimate delivery of Signet's merchandise is substantially dependent upon third-party manufacturers and suppliers. In Fiscal 2023, 2024, the five largest suppliers collectively accounted for 15.3% 20.4% of total purchases, with the largest supplier comprising 3.8% 4.9%. A manufacturer's or supplier's inability to manufacture or deliver a product on time and of appropriate quality would impair Signet's ability to respond to consumer demand, which would put the Company at a competitive disadvantage and result in lost sales. Costs would also be increased if Signet were to attempt to engage replacement manufacturers to rush orders on items that the Company needed immediately. See the risk factor above titled "The "Public health crisis or disease outbreak, of epidemic or pandemic, such as COVID-19 has had and could continue to have a significant adverse impact on our business, and this outbreak, as well as other public health crises or disease outbreaks, epidemics or pandemics, has and could continue to adversely impact our business, financial condition, results of operations and cash flows and could continue to exacerbate other risk factors." regarding the potential adverse impact COVID-19 or other public health crisis, disease or outbreak could have on the Company's supply chain.

Signet has close commercial relationships with a number of suppliers and management holds regular reviews with major suppliers to sustain continuity of these relationships. However, government requirements regarding sources of commodities, such as those required by the Dodd-Frank Act or sanctions on Arosa or its management, has and could continue to result in Signet choosing to terminate relationships with suppliers in the future due to a change in a supplier's sourcing practices or Signet's compliance with laws and internal policies. Damage to, or loss of, any of these relationships could have an adverse effect on results.

In addition, luxury and prestige watch manufacturers and distributors normally grant agencies the right to sell their ranges on a store-by-store basis. An inability to obtain or retain watch agencies for a location could harm the performance of that particular store. The In the fourth quarter of Fiscal 2024, the Company substantially completed the divestiture of its UK prestige watch brands sold by Ernest Jones, and business to a lesser extent Jared, third parties. Prestige watch brands help attract customers and build sales in all categories and discontinuing the prestige watch business in Ernest Jones has negatively impacted and will continue to negatively impact the sales at Ernest Jones in all categories. In the case of Ernest Jones, the inability to gain additional prestige watch agencies is an important factor in, and may reduce the likelihood of, opening new stores, which replace lost sales could adversely impact sales growth.

The growth in importance of other branded merchandise within the jewelry market may adversely impact Signet's sales and earnings if it is unable to obtain supplies of or further develop branded merchandise that the customer wishes to purchase. In addition, if Signet loses the distribution rights to an important branded jewelry range or is committed to continue to carry a brand that is no longer viewed as on trend, it could adversely impact sales and earnings.

Risks Related to Technology and Security

Inadequacies in and disruption to systems could result in lower sales and increased costs or adversely impact the reporting and control procedures.

Signet is dependent on the suitability, reliability and durability of its systems and procedures, including its accounting, information technology, data protection, warehousing and distribution systems, and those of its service providers. If support ceased for a critical externally supplied software package or system, management would have to implement an alternative software package or system or begin supporting the software internally. Disruption to parts of the business could result in lower sales and increased costs.

Signet is in the process of substantially modifying its enterprise resource planning systems and certain web platforms, which involves updating or replacing legacy systems with successor systems and migrating some systems, data and functionality to cloud provider servers. These system changes and upgrades can require significant capital investments and dedication of resources. When evaluating and making such changes, there can be no assurances that the Company will successfully implement such changes, that significant additional investments will not be required beyond the project budget, that such changes will occur without disruptions to its operations or maintenance of its internal control compliance programs or that the new or upgraded systems will achieve the desired business objectives. Any damage, disruption or shutdown of the Company's information systems, or the failure to successfully implement new or upgraded systems, could have a material adverse effect on Signet's results of operations.

Security breaches and other disruptions to Signet's information technology infrastructure and databases and failure of Signet's customer-facing technology to function as intended or in accordance with applicable law could interfere with Signet's operations, and could compromise Signet's and its customers' and suppliers' information or cause other harm, exposing Signet to possible business interruptions and liability, which would have a material adverse effect on Signet's business and reputation.

Signet is increasingly using mobile devices, social media and other online activities to connect with customers, staff and other stakeholders. Therefore, in the ordinary course of business, Signet relies upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including eCommerce sales, supply chain, merchandise distribution, customer invoicing and collection of payments.

Signet also uses information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Signet collects and stores this financial and other sensitive data, including intellectual property, proprietary business information, the propriety business information of its customers and suppliers, as well as personally identifiable information of Signet's customers and employees, in data centers and on information technology networks. Although we seek to prevent and detect attempts by unauthorized users to gain access to our IT systems, and incur significant costs to do so, our information technology network infrastructure has in the past been and may in the future be vulnerable to attacks by hackers, including state-sponsored organizations with significant financial and technological resources, breaches due to employee error, fraud or malice or other disruptions (including, but not limited to, computer viruses and other malware, denial of service, and ransomware), which may involve a privacy breach requiring us to notify regulators, customers or employees and enlist identity theft protection.

The secure operation of these networks, and the processing and maintenance of this information is critical to Signet's business operations and strategy. Despite security measures and business continuity plans, Signet may not timely anticipate evolving techniques used to effect security breaches that may result in damage, disruptions or shutdowns of Signet's and its third-party vendors' networks and infrastructure due to attacks by hackers, including phishing or other cyber-attacks, or breaches due to employee error or malfeasance, or other non-hostile disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise Signet's or the third-party's networks and the information stored there, including personal, proprietary or confidential information about Signet, its customers or its third-party vendors, and personally identifiable information of Signet's customers and employees could be accessed, manipulated, publicly disclosed, lost or stolen, exposing its customers to the risk of identity theft and exposing Signet or its third-party vendors to a risk of loss or misuse of this information.

Signet and its third-party vendors have experienced successful attacks and breaches from time to time, however, to date, these attacks or breaches have not had a material impact on Signet's business or operations. Any such malfunction, access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, significant breach-notification costs, lost sales and a disruption to operations (including the Company's ability to process consumer transactions and manage inventories), media attention, and damage to Signet's reputation, which could adversely affect Signet's business. In addition, it could harm Signet's reputation and ability to execute its business through service and business interruptions, management distraction and/or damage to physical infrastructure, which could adversely impact sales, costs and earnings. If Signet is the target of a material cybersecurity attack resulting in unauthorized disclosure of its customer data, the Company may be required to undertake costly notification and credit monitoring procedures. Compliance with these laws will likely increase the costs of doing business.

In addition, if Signet's online activities or other customer-facing technology systems do not function as designed or are deemed to not comply with applicable state and federal regulations concerning automated outbound contacts such as text messages and the sale,

advertisement and promotion of the jewelry it sells, the Company may experience a loss of customer confidence, data security breaches, regulatory fines, lawsuits, lost sales or be exposed to fraudulent purchases.

The regulatory environment related to information security, data collection and privacy is becoming increasingly demanding, with new and changing requirements applicable to Signet's business, including the General Data Protection Regulation and the California Consumer Privacy Act, and compliance with those requirements could result in additional costs, such as costs related to organizational changes, implementing additional protection technologies, training employees and engaging consultants. In addition, the Company could be subject to claims, fines, penalties or other liabilities for a failure to comply.

Failure to manage these risks could have a material adverse effect on Signet's results of operations, financial condition and cash flow.

The use of technology based on AI and ML presents risks related to confidentiality, creation of inaccurate and flawed outputs, and emerging regulatory risks which may result in reputational harm, competitive harm, or legal liability, and may adversely affect our business and results of operations.

The use of AI and ML involves significant technical complexity, ethical considerations and requires specialized expertise. We use AI and ML in our business to, among other things, optimize inventory distribution and flexible fulfillment. We may further incorporate AI or ML solutions into our business operations, technology systems, and product and service offerings in other ways including but not limited to personalized marketing, enhancements to website experiences or general administrative functions. Our competitors or other third parties may incorporate AI and ML into their businesses more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our business and results of operations. Our use of technology systems or applications that utilize or are based on AI or ML (or the disruption or failure of those systems or applications) could result in the disclosure of sensitive, proprietary or confidential information which could harm our business, reputation and operating results. Additionally, if the content, analyses, or recommendations that AI or ML applications assist in producing are or are alleged to be deficient, inaccurate, or biased, it may cause us to experience brand or reputational harm, competitive harm, legal liability, new or enhanced governmental or regulatory scrutiny. We may also incur additional costs to resolve such issues, each of which may adversely affect our business and results of operations.

Risks Related to Competition and Innovation

Signet's pricing compared to competitors, the increased price transparency in the market and the highly fragmented competitive nature of the retail jewelry industry, may have an adverse impact on Signet's performance.

Critical to maintaining an optimal customer experience is a multi-faceted value proposition focused on attractive brand and category assortments, availability of financing, deep customer service and relationship building with the Company's guest service professionals, as well as competitive pricing. Although not a singular differentiator to the Company's value proposition, if significant price increases are implemented by any segment or across a wide range of merchandise, the impact on earnings will depend on, among other factors, the pricing by competitors of similar products and the response by customers to higher prices. Such price increases may result in lower sales and adversely impact earnings.

The retail jewelry industry is competitive. Signet's competitors are specialty jewelry retailers, as well as other jewelry retailers, including department stores, mass merchandisers, discount stores, apparel and accessory fashion stores, brand retailers, shopping clubs, home shopping television channels, direct home sellers, online retailers and auction sites. Aggressive discounting by competitors may adversely impact Signet's performance in the short term. This is particularly the case for easily comparable pieces of jewelry, of similar quality, sold through stores that are situated near those that Signet operates. Signet faces significant competition from independent and regional specialty jewelry retailers that are able to adjust their competitive stance, for example on pricing, to local market conditions. This can put individual Signet stores at a competitive disadvantage as Signet segments have a national pricing strategy.

Consumers are increasingly shopping or starting their jewelry buying experience online, which makes it easier for them to compare prices and quality with other jewelry retailers. If Signet's brands do not offer the same or a similar item at the lowest price, or if competitors offer a better and more user-friendly website experience than Signet, or financing that is

easier to access or provides better terms, consumers may purchase their jewelry from competitors, which would adversely impact the Company's sales, results of operations and market share.

An inability to successfully develop and maintain a relevant OmniChannel experience for customers, failure to anticipate changing fashion trends in the jewelry industry, and poor execution of marketing programs and management of social media could result in a loss of confidence by consumers in Signet's brand names and have an adverse impact on sales.

Signet's business has evolved from primarily an in-store experience to interaction with customers across numerous channels, including in-store, online, mobile and social media, among others. OmniChannel retailing is rapidly evolving and Signet must keep pace with changing customer expectations and new developments by its competitors. Signet's customers are increasingly using computers, tablets, mobile phones and other devices to comparison shop, determine product availability and complete purchases online. Signet must compete and remain relevant by offering a consistent and convenient shopping experience for its customers regardless of the ultimate sales channel and by investing in, providing and maintaining digital tools for customers that have the right features and are reliable and easy to use.

The ability to differentiate Signet's stores, services, online experience and merchandise from competitors by better designs, branding and category assortments and the level and quality of customer service and marketing and advertising programs, is an important factor in attracting consumers. In today's market, this differentiation requires, among other factors, keeping pace with trends in design, as well as setting new jewelry trends, effectively implementing an OmniChannel experience, and targeting effective media campaigns, including an expansion of social media use and new social media platforms, in order to build and maintain customer confidence in the Company and in the brands it sells. As a result, the Company needs to continuously innovate and develop its OmniChannel experience and social media strategies in order to maintain broad appeal with customers and brand relevance. These initiatives may not be successful, resulting in expenses incurred without the benefit of higher revenues, increased employee engagement or brand recognition. In a distressed economic and retail environment, in which many of the Company's competitors continue to engage in aggressive promotional activities, any failure on Signet's part to react appropriately to changing consumer preferences and fashion trends, including the failure to plan in advance and invest in marketing and advertising campaigns, could have an adverse impact on sales.

In addition, adverse or inaccurate information concerning the Company or its brands may be posted on social media platforms at any time, and such information can quickly reach a wide audience. The harm may be immediate without affording the Company an opportunity for redress or correction, and it is challenging to monitor and anticipate developments on social media in order to respond in an effective and timely manner. The Company could also be exposed to these risks if it fails to use social media responsibly in its marketing efforts, including the improper disclosure of proprietary information, exposure of personally identifiable information, fraud, or out-of-date information. Regardless of its basis or validity, any unfavorable publicity could adversely affect public perception of Signet's brands. These factors could have a material adverse effect on its business.

If Signet fails to make, improve, develop or acquire relevant customer-facing technology in a timely manner, fails to keep pace with trendsetting, or if the Company's marketing and social media advertising and efforts are not to scale or miss the mark, the customer could lose confidence in any of Signet's brands, which could materially and adversely impact sales and earnings.

Risks Related to Asset Management

The Company's inability to optimize its real estate footprint could adversely impact sales and earnings.

The success of Signet's stores, as part of its Connected Commerce strategy, is dependent upon a number of factors. These include the availability of desirable property, placement of stores in easily accessible locations with high visibility, the demographic characteristics of the area around the store, the design and maintenance of the stores, the availability of attractive locations within the markets/trade areas that also meet the operational and financial criteria of management, the terms of leases and Signet's relationship with major landlords. If Signet is unable to maintain a real estate portfolio that satisfies its strategic, operational and financial criteria, through cost-effective strategic store closings and targeted, limited store openings, or if there is a disruption in its relationship with its major landlords, sales could be adversely affected.

Substantially all of Signet's retail locations are leased, requiring significant cash flow to satisfy the lease obligations. Given the typical length of retail leases, Signet is dependent upon the continued popularity of particular retail locations. Following the initial terms of each lease, it is possible that Signet will not be able to negotiate contract terms favorable to the Company for future leases. This would cause occupancy costs to rise, which would either decrease profit margins at each specific store or force Signet to close certain retail locations.

Many Signet stores are located within shopping malls or shopping centers and benefit from heavy consumer traffic in such locations. Due to the increase in online shopping as well as COVID-19, there has been a substantial decline in shopping mall and shopping center traffic. If the Company does not focus its locations in attractive areas and/or increase its online sales, this trend away from shopping mall and shopping center purchases could adversely impact Signet's operations and financial condition. As Signet tests and develops new types of store locations and designs, there is no certainty as to their success.

The rate of store footprint optimization is dependent on a number of factors including obtaining suitable real estate, the capital resources of Signet, the availability of appropriate staff and management, estimated sales transference rate and the level of the financial return on investment required by management.

The Company's ability to protect our assets, particularly inventory and cash, or intellectual property could have a material adverse impact on our brands, reputation and operating results.

Signet's jewelry products carry high value with resale potential and are therefore subject to loss by theft by customers, organized crime or other third-parties. In addition, products held by us for repair or service are also subject to risk of loss or theft. We have experienced theft in the past and loss by theft may continue or increase in the future. In addition, the security measures we take may not be effective in reducing losses. Higher rates of theft including theft by organized retail crime networks that orchestrate burglaries, "smash and grabs," looting or shoplifting operations could adversely impact our reputation, operations and ultimately, our overall financial condition. Furthermore, other costs and expenses resulting from criminal activity such as increased security costs and measures to prevent such activity, increased repair costs and increased costs to protect, retain, replace or recruit team members that may be concerned about future crime impacting our stores or the shopping centers they operate in may also adversely impact our reputation, operations and financial condition.

The Company holds significant amounts of cash on hand or short term, highly liquid investments (i.e. cash equivalents) on its balance sheet from time to time. Credit risk exists on the realizability of these assets should the counterparties fail to perform as contracted. Signet does not require collateral or other security to support cash investments or financial instruments with credit risk; however, it is Signet's policy to generally only hold cash and cash equivalent investments and to transact financial instruments with financial institutions with a certain minimum credit rating. Failure, entrance into receivership or insolvency by any of these financial institutions in response to conditions affecting the banking system and financial markets such as the recent occurrence at Silicon Valley Bank, which did not materially affect the Company, could threaten our ability to access our existing cash, cash equivalents and investments and could adversely impact the Company's financial position and results of operations.

Signet's trade names, trademarks, copyrights, patents and other intellectual property are important assets and an essential element of our strategy. The unauthorized reproduction, theft or misappropriation of our intellectual property could diminish the value of our brands or reputation and cause a decline in sales. Protection of our intellectual property and maintenance of distinct branding are particularly important as they distinguish our products and services from those of our competitors. The costs of defending intellectual property may adversely affect our operating results. In addition, any infringement or other intellectual property claim made against us, whether or not it has merit, could be time-consuming, result in costly litigation, cause product delays, or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material adverse effect on our operating results.

If the Company's goodwill, indefinite-lived intangible assets or long-lived assets become impaired, the Company may be required to record significant charges to earnings.

The Company has a substantial amount of goodwill, intangible assets and long-lived assets on its balance sheet. The Company reviews goodwill, indefinite-lived intangible assets and long-lived assets for impairment annually or whenever events or circumstances indicate impairment may have occurred. The impairment evaluation requires significant judgment and estimates by management, and unfavorable changes in these assumptions or other factors could result in future impairment charges and have a significant adverse impact on the Company's reported earnings. Such factors include the operating performance and cash flows of the Company's stores, lower than anticipated consumer traffic, changes in customer spending behavior, macroeconomic factors such as inflation and rising interest rates, changes in the Company's real estate strategy or other key business initiatives. Additionally, a general decline in the market valuation of the Company's common shares, whether related to Signet's business or overall market conditions, could adversely impact the assumptions used to perform the evaluation of its goodwill, indefinite-lived intangible assets and long-lived assets.

For further information on Signet's evaluation of impairment for goodwill, indefinite-lived intangible assets and long-lived assets, see "Critical Accounting Estimates" under Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Risks Related to Our Common Stock and Indebtedness

Signet's share price may be volatile due to Signet's results and financial condition or factors impacting the market overall, which could have a short or long-term adverse impact on an investment in Signet stock.

Signet's share price has fluctuated and may fluctuate substantially as a result of variations in the actual or anticipated results and financial conditions of Signet and other companies in the retail industry. In addition, the stock market has experienced, and may continue to experience, price and volume fluctuations that have affected the market price of many retail and other stocks, including Signet's, in a manner unrelated, or disproportionate, to the operating performance of these companies.

Signet provides public guidance on its expected operating and financial results for future periods. Such guidance consists of forward-looking statements subject to the risks and uncertainties described in this report and in Signet's other public filings and public statements. Signet's actual results may be below the provided guidance or the expectations of Signet's investors and analysts,

especially in times of economic uncertainty. In the past, when the Company has reduced its outlook related to certain measures in its previously provided guidance, the market price of its common stock has declined. If, in the future, Signet's operating or financial results for a particular period do not meet guidance or the expectations of investors and analysts or if Signet reduces its outlook related to certain measures in its guidance for future periods, the market price of its common stock may decline. In addition, if the analysts that regularly follow the Company's stock lower their rating or lower their projections for future growth and financial performance, the Company's stock price could decline.

The Company's ability to borrow is important to its operations and financial covenants, credit ratings and interest rate volatility could all impact the availability of such debt and could adversely impact the Company's financial results.

The Company's primary sources of liquidity are cash on hand, cash provided by operations and availability under its asset-based credit facility. The Company holds obligations under its 4.70% Senior Unsecured Notes and its redeemable Series A Convertible Preference Shares. The Company's ability to borrow and maintain adequate cash flow is necessary to sustain its operations, particularly given the seasonal fluctuations in inventory and staffing requirements and the concentration of sales in the fourth quarter. The

Company's debt and preferred share obligations also require maintaining sufficient cash flow to make continuing payment obligations for interest and dividends. Because a large portion of its financing is asset-based and secured, the Company's ability to draw funds is dependent on maintaining a sufficient borrowing base and it is subject to the risk of loss of such assets to foreclosure or sale to satisfy its debt obligations.

Signet's borrowing agreements include various financial and other covenants. A material deterioration in its financial performance could result in a breach of these covenants. In the event of a breach, the Company would have to renegotiate terms with its current lenders or find alternative sources of financing if current lenders required cancellation of facilities or early repayment. In addition, these covenants, in some cases, limit the Company's flexibility to adapt its operations to changing conditions. Terms under the Company's asset-based credit facility include exposure to variable interest rate debt and volatility in benchmark interest rates could adversely impact the Company's financial results.

Additionally, credit rating agencies periodically review Signet's capital structure and the quality and stability of the Company's earnings, and should Signet need to obtain more financing, a credit rating downgrade would make it more difficult, expensive and restrictive to do so. Changes in general credit market conditions could also affect Signet's ability to access capital at rates and on terms determined to be attractive.

If Signet's ability to access capital becomes constrained, it may not be able to adequately fund its ongoing operations, dividends and share repurchases or planned initiatives and the Company's interest costs will likely increase, which could have a material adverse effect on its results of operations, financial condition and cash flows.

Risks Related to Human Capital

The Company's ability to recruit, train, motivate and retain suitably qualified sales associates could adversely impact sales and earnings.

Management regards the customer experience as an essential element in the success of its business. Competition for suitable sales associates or changes in labor and healthcare laws could require Signet to incur higher labor costs. A shortage of qualified individuals, higher labor costs and the execution of strategic initiatives, including those designed to improve the customer experience, could result in disruptions to the performance of sales associates and an inability to recruit, train, motivate and retain suitably qualified sales associates, which could adversely impact sales and earnings.

Signet's success is dependent on the strength and effectiveness of its relationships with its various stakeholders whose behavior may be affected by its stakeholders. The Company's management of our 2030 Corporate Sustainability Goals CSGs as well as increased demand for environmental, social and governance ("ESG") ESG disclosures which could result in additional costs or risks.

We have established and publicly announced 2030 Corporate Sustainability Goals CSGs including commitments to address climate change and human rights. These statements reflect our plans and aspirations and are subject to a number of risks and uncertainties, many of which are outside our control. Like many companies, Signet aspires to work towards net-zero business operations. The ability for companies to adjust their operations is dependent on the energy infrastructure of the US, namely the availability and cost of low- or non-carbon-based energy sources for our physical locations as well as the availability of low or non-carbon transportation.

Signet carefully considers both investor expectations and regulatory requirements in forming our ESG disclosure strategy and when investing resources in ESG disclosure processes and tools. Standards for tracking and reporting ESG matters continue to evolve. The voluntary disclosure frameworks and standards we select, and the interpretation or application of those frameworks and standards, may be subject to change and may be different from our peers. Further, the methodologies we use for reporting ESG data may be updated and our previously reported ESG data may be adjusted to reflect improvements in data that is available to us, changing assumptions, changes in our operations and other changes in circumstances. Our processes and controls for reporting ESG matters across our operations and supply chain are continually evolving as are the differing standards for identifying, measuring, and reporting ESG metrics, including ESG-related disclosures that may be required by government agencies. Preparation for the recently issued SEC preparedness requires considerable resource requirements. climate disclosure rule is expected to require additional resources for compliance. Signet will always prioritize legally required disclosures such as greenhouse gas emissions calculations over voluntary frameworks.

Consequently, it is possible that we may fail to achieve our 2030 Corporate Sustainability Goals CSGs or that our customers, team members, investors, advocacy groups, government agencies or other stakeholders may not be satisfied with the goals CSGs we set or our efforts to achieve them. Our failure, or perceive failure, to adequately achieve, update or accurately track and report on these goals CSGs on a timely basis, or at all, could adversely affect our reputation, financial performance and growth, and may expose us to adverse consumer actions, inhibit our ability to attract and retain talent, and subject us to increased scrutiny from the investment community, special interest groups and enforcement authorities.

Collective bargaining activity could disrupt the Company's operations, increase labor costs or interfere with the ability of management to focus on executing business strategies.

The employees of Signet's diamond polishing factory in Gaborone, Botswana are covered by a collective bargaining agreement. If relationships with these employees become adverse, operations at the factory could experience labor disruptions such as strikes, lockouts, boycotts and public demonstrations, which could negatively impact the Company's diamond supply, increase costs and cause negative publicity. Labor regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses, legal costs and limitations on the Company's ability to take cost-saving measures during economic downturns. Any of these cost increases and constraints on Signet's operations could adversely impact its results of operations. Further, collective bargaining activity in other industries, such as various union strikes in the UK that were announced in December 2022 by postal and travel workers, may adversely affect traffic to our stores or delivery of online orders and in-turn negatively impact our sales.

Risks Related to Compliance

The Company's exposure to legal proceedings, tax matters, and/or regulatory or other investigations could reduce earnings and cash, as well as negatively impact debt covenants, leverage ratios and its reputation and divert management attention.

Signet is involved in legal proceedings incidental to its business. Litigation is inherently unpredictable. Any actual or potential claims against us, whether meritorious or not, or regulatory or other investigations, could be time consuming, result in costly litigation or litigation settlements, require significant amounts of management time, negatively impact Signet's reputation and result in the diversion of significant operational resources. In addition, while Signet maintains insurance to cover various types of liabilities and loss, such coverage may not be sufficient to cover the full extent of any damages and expenses and the timing of any reimbursement may not correspond to the liabilities accrued or incurred.

At any point in time, various tax years are subject to, or are in the process of, audit by various taxing authorities. To the extent that management's estimates of settlements change, or the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax in the period in which such determinations are made. **For example, should His Majesty's Revenue and Customs, or other tax authorities, assess Signet and should the tax authorities prevail in such assessments, there could be a material adverse impact on our results of operations and cash flows in future periods.**

Failure to comply with labor regulations could adversely affect the Company's business.

Various state, federal and global laws and regulations govern Signet's relationship with its employees. Some examples of these laws include requirements related to minimum wage, sick pay, overtime pay, paid time off, workers' compensation rates, and healthcare reform. These laws and regulations change frequently, and the ultimate cost of compliance cannot be precisely estimated. Failure by Signet to comply with labor regulations could result in fines and legal actions. In addition, the ability to recruit and retain staff could be harmed. These consequences could adversely affect the Company's business.

The Company's ability to comply with laws and regulations and adapt to changes thereto could adversely affect its business.

Signet's policies and procedures are designed to comply with applicable laws and regulations. Changing legal and regulatory requirements in the US and other jurisdictions in which Signet operates have increased the complexity of the regulatory environment in which the business operates and the cost of compliance. Failure to comply with the various regulatory requirements may result in damage to Signet's reputation, civil and criminal proceedings and liability, fines and penalties, and further increase the cost of regulatory compliance.

Changes in existing taxation laws, rules or practices may adversely affect the Company's financial results.

The Company operates through various subsidiaries in numerous countries throughout the world. Consequently, Signet is subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the US or jurisdictions where any subsidiaries operate or are incorporated. Tax laws, treaties and regulations are highly complex and subject to interpretation. The Company's income tax expense is based upon interpretation of the tax laws in effect in various countries at the time such expense was incurred. If these tax laws, treaties or regulations, **including the recent Bermuda Corporate Income Tax Act of 2023**, were to change or any tax authority were to successfully challenge Signet's assessment of the effects of such laws, treaties and regulations in any country, this could result in a higher effective tax rate on the Company's taxable earnings, which could have a material adverse effect on the Company's results of operations.

In addition, the Organization for Economic Co-operation and Development ("OECD") has led international efforts to devise, and to implement on a permanent basis, a two-pillar solution to address the tax challenges arising from the digitalization of the economy. Pillar One focuses on nexus and profit allocation, and Pillar Two provides for a global minimum effective corporate tax rate of 15%.

Pillar One would apply to multinational enterprises with annual global revenue above 20 billion euros and profitability above 10%, with the revenue threshold potentially reduced to 10 billion euros in the future. Based on these thresholds, we currently expect to be outside the scope of the Pillar One proposals, though we anticipate that we will be subject to Pillar One in the future if our global revenue exceeds the Pillar One thresholds. In December 2021, the OECD published detailed rules that define the scope of the Pillar Two global minimum effective tax rate proposal. A number of countries, including the UK, **are currently proposing to implement have adopted the** core elements of the Pillar Two proposal **by the start of effective for years beginning in 2024**, and the European Union has adopted a Council Directive which requires certain Pillar Two rules to be transposed into member states' national laws from such time. Based on our current understanding of the minimum revenue thresholds contained in the proposed Pillar Two rules, we expect that we may be within their scope and so their implementation could impact the amount of tax we have to pay. Additionally, these changes may result in unilateral or uncoordinated local country application of the action items. Any such inconsistencies in the tax laws of countries where the Company operates or is incorporated may lead to increased uncertainty with respect to tax positions or otherwise increase the potential for double taxation. Proposals for US tax reform also potentially could have a significant adverse effect on us. In addition, the European Commission has conducted investigations in multiple countries focusing on whether local country tax legislation or rulings provide preferential tax treatment in violation of European Union state aid rules. Any impacts of these actions could increase the Company's tax liabilities, which in turn could have a material adverse effect on the **Company's results of operations and financial condition.**

The Parent Company (as defined in Item 5) is incorporated in Bermuda. The directors intend to conduct the Parent Company's affairs such that, based on current law and practice of the relevant tax authorities, the Parent Company will not become resident for tax purposes in any other territory. At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Parent Company or by its shareholders in respect of its common shares. The Parent Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to it or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by it in respect of real property owned or leased by it in Bermuda. Given the limited duration of the Minister of Finance's assurance, the Parent Company cannot be certain that it will not be subject to Bermuda tax after March 31, 2035. In the event the Parent Company were to become subject to any Bermuda tax after such date, it could have a material adverse effect on the Parent Company's results of operations and financial condition.

International laws and regulations and foreign taxes could impact Signet's ability to continue sourcing and manufacturing materials for its products on a global scale.

Signet is engaged in sourcing and manufacturing on a global scale, and as such, could be impacted by foreign governmental laws and regulations, foreign duties, taxes, and other charges on importing products, and international shipping delays or disruptions. Signet's global operations are also subject to the Foreign Corrupt Practices Act and other such anti-corruption laws. Additionally, labor relations and general political conditions in the countries where Signet sources and manufactures its materials could impact the ultimate shipment and receipt of such supplies and products.

Stakeholders may face difficulties in enforcing proceedings against Signet Jewelers Limited as it is domiciled in Bermuda.

It is doubtful whether courts in Bermuda would enforce judgments obtained by investors in other jurisdictions, including the US, Canada and the UK, against the Parent Company or its directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against the Parent Company or its directors or officers under the securities laws of other jurisdictions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk management and strategy.

Signet recognizes the importance cybersecurity has to the success of our business. We also recognize the need to continually assess cybersecurity risk and evolve our response in the face of a rapidly and ever-changing environment. Accordingly, we aim to protect our business operations, including customer records and information, against known and evolving cybersecurity threats.

Signet manages cybersecurity risk using a cross-functional approach, which is overseen by the Company's Board. The Company's cyber risk management program is designed to anticipate, identify, assess, manage, mitigate, and respond to cybersecurity threats. This

program is integrated within the Company's enterprise risk management processes and addresses the store and corporate information technology environments, as well as third-party vendors, software, and applications upon which we rely.

The underlying controls of the cyber risk management program are based on recognized best practices and standards for cybersecurity and information technology, including the National Institute of Standards and Technology ("NIST") Cybersecurity Framework ("CSF"). Signet conducts periodic assessments against the NIST CSF and reviews key cybersecurity risks, utilizing a third party to perform this assessment of the Company's cyber risk management program. The risk assessments, together with risk-based analysis and judgment, are used to determine security controls to address identified risks. Signet has strategically integrated cybersecurity risk management into the Company's policies and broader enterprise risk management framework to promote a company-wide culture of cybersecurity. Signet considers the following factors, among others, during the process of determining how to address risks and which controls to implement: likelihood and severity of the risk; the impact on the Company, the Company's customers, employees, and shareholders; and if a risk materializes, the feasibility and cost of controls and the impact of controls on operations.

Signet has a cybersecurity operations program that monitors its global cybersecurity environment and coordinates the investigation and remediation of cybersecurity alerts. In the event of a cybersecurity incident, the Chief Information Security Officer ("CISO") is equipped with an incident response plan that includes immediate actions designed to mitigate the impact and long-term strategies for remediation and prevention of future incidents. We frequently stage incident response drills to prepare support teams to respond to a significant incident. The Company's information security program includes the following specific controls that are used to some extent: endpoint threat detection and response; identity and access management; privileged access management; logging and monitoring involving the use of security information and event management; multi-factor authentication; firewalls and intrusion detection and prevention; and vulnerability and patch management, as well as policy and technical controls governing the use of AI.

Signet partners with leading cybersecurity companies and organizations, leveraging third-party technology and expertise. Signet engages with these partners to provide or operate technical controls and technology systems, monitor, and maintain the performance and effectiveness of products and services deployed in Signet's environment, and conduct vulnerability scans and penetration testing.

Signet also maintains a risk-based approach for assessing, identifying, and managing risks from cybersecurity threats associated with third-party service providers, third-party software, third-party applications and other companies with whom we do business (such as our outsourced credit card partners). Signet utilizes industry standard tools to assess the criticality of software, data assets, and operational technology. We conduct security assessments of high-risk third-party service providers before engagement to ensure compliance with our cybersecurity standards, including review of the service providers' System and Organization Controls (SOC) report to assess their cybersecurity controls and risk assessment. This approach is designed to mitigate risks related to data breaches or other security incidents originating from or otherwise due to reliance on third parties.

Signet faces risks from cybersecurity threats that could have a material adverse effect on its business, financial condition, results of operations, cash flows or reputation. Signet does not believe that risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect our overall business strategy, results of operations, or financial condition. However, Signet (or third parties on which Signet relies) may not be able to implement security controls fully, continuously and effectively as designed or intended. As described above, the Company utilizes a risk-based approach and judgment to determine the security controls to implement, and it is possible that Signet may not implement appropriate controls if management does not recognize, or underestimates, a particular risk. In addition, security controls, no matter how well designed or implemented, may only partially mitigate, but not fully eliminate, risks. Security events, when detected by security tools or third parties, may not always be immediately understood or acted upon by the Company (or by third parties on which Signet relies). See the "Risk Factors" section in Item 1A of this Annual Report on Form 10-K for additional discussion of our cybersecurity risks.

Governance

Signet's cybersecurity program is run by our CISO, who is the head of the Company's cybersecurity team, and who reports to Signet's Chief Information Officer ("CIO"). The CISO is responsible for assessing and managing Signet's cybersecurity risk management program, regularly informing senior management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents and supervising such efforts. Our CISO and CIO have extensive experience assessing and managing cybersecurity programs and cybersecurity risk. Our CISO has served in this position with Signet since 2018, was previously CISO at multiple Fortune 500 retail and hospitality organizations, and held senior cybersecurity management roles in the financial services industry. The Signet cybersecurity team supporting the CISO has experience selecting, deploying, and operating cybersecurity technologies, initiatives, and processes around the world, and relies on threat intelligence as well as other information obtained from governmental, public, or private sources, including external consultants engaged by Signet. In addition, a cross-functional management committee has been established to assess cybersecurity breaches, should they occur, to determine whether a breach is material and requires disclosure.

The Governance and Technology Committee of the Board ("GTC") oversees Signet's cybersecurity risk exposures and the steps taken by management to monitor and mitigate cybersecurity risks. Two of the members of our GTC are technology executives employed at their respective organizations who are highly technology-fluent and well-versed on cyber risks. The CISO and CIO regularly brief the GTC on the effectiveness of Signet's cyber risk management program and risk status. In addition, cybersecurity risks are reviewed by the Board, at least annually, as part of the Company's corporate risk-mapping exercise. In addition to scheduled meetings, the GTC, CISO and CIO maintain an ongoing dialogue regarding emerging or potential cybersecurity risks. Together, they receive updates on any significant developments in the cybersecurity domain, ensuring the Board's oversight is proactive and responsive.

ITEM 2. PROPERTIES

The following table provides the location, use and size of Signet's material corporate, distribution, and other non-retail facilities required to support the Company's global retail operations as of January 28, 2023 February 3, 2024:

Location	Location	Function	Approximate square footage	Lease or Own	Lease expiration	Location	Function	Approximate square footage	Lease or Own	Lease expiration
Akron, Ohio	Akron, Ohio	Corporate and distribution	546,000	Lease	2048	Akron, Ohio	Corporate and distribution	546,000	Lease	2048
Akron, Ohio	Akron, Ohio	Training facility	11,000	Lease	2032	Akron, Ohio	Training facility	11,000	Lease	2032
Akron, Ohio	Akron, Ohio	Repair facility	38,000	Own	N/A	Akron, Ohio	Repair facility	38,000	Own	N/A
Barberton, Ohio	Barberton, Ohio	Non-merchandise fulfillment	135,000	Lease	2032	Barberton, Ohio	Non-merchandise fulfillment	135,000	Lease	2032
Brentwood, Tennessee						Brentwood, Tennessee	Repair facility	16,020	Lease	2025
Charlotte, North Carolina	Charlotte, North Carolina	Corporate and administrative	14,200	Lease	2033	Charlotte, North Carolina	Corporate and administrative	14,200	Lease	2033
Dallas, Texas	Dallas, Texas	Repair facility	31,000	Lease	2029	Dallas, Texas	Repair facility	31,000	Lease	2029
Dallas, Texas	Dallas, Texas	Administrative	190,000	Lease	2029	Dallas, Texas	Administrative	190,000	Lease	2029
Frederick, Maryland	Frederick, Maryland	Customer service	7,716	Lease	2026	Frederick, Maryland	Customer service	7,716	Lease	2026
Kent, Washington						Kent, Washington	Customer service, Virtual studios	10,500	Lease	2029
New York City, New York	New York City, New York	Administrative and fulfillment	17,000	Lease	2023	New York City, New York	Administrative and fulfillment	65,837	Lease	2032
New York City, New York	New York City, New York	Administrative and fulfillment	65,837	Lease	2032	New York City, New York	Manufacturing and distribution	10,580	Lease	2027
		Manufacturing and distribution								
New York City, New York	New York City, New York	Distribution	10,580	Lease	2027					
New York City, New York	New York City, New York	Distribution and fulfillment	1,819	Lease	2024					

[illegible]

Signet's North America segment operates stores and kiosks in the US and Canada, with substantially all of the locations being leased. In addition to a minimum annual rent cost, the majority of mall stores are also liable to pay rent based on sales above a specified base level. In Fiscal 2023, 2024, the majority of the mall stores and kiosks only made base rental payments. Under the terms of a typical lease, the

The initial term of mall and off-mall store leases, excluding Jared, Diamonds Direct and Blue Nile, are generally five years, with off-mall leases also including various options for extension or renewal. New Banter locations generally have leases with terms ranging from three to five years. Towards the end of a lease, Signet evaluates whether to renew a lease and refit the store, using similar operational and investment criteria as for a new store. Where the Company is uncertain whether the location will meet its required return on investment, but the store is profitable, the lease may be renewed for one to two years, during which time the store's performance is further evaluated. The Company not only monitors the stores' performance but also monitors other factors such as trade area and mall grade. Jared and Diamonds Direct stores are normally opened with lease terms ranging from ten to twenty years with options to extend the lease, and rents are not tied to sales levels. Blue Nile showrooms are normally opened with lease terms ranging from five to ten years with options to extend the lease.

The cost of a new Kay or Zales mall store is typically between \$0.1 million and \$1.1 million. The cost of a new Jared store is typically between \$2.2 million and \$3.2 million. The cost of a new Diamonds Direct store is typically between \$1.5 million and \$2.8 million. The cost of a new Blue Nile showroom is typically between \$1.4 million and \$1.9 million. The cost of a new Banter kiosk is approximately \$0.1 million, and the cost of a Banter Inline location is approximately \$0.4 million. The cost of remodels and refurbishments can vary greatly by location and age of store.

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Period	Total number of shares purchased	Average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 30, 2022 to November 26, 2022	379,970	\$ 63.22	379,970	\$578,151,662
November 27, 2022 to December 24, 2022	495,039	\$ 66.42	495,039	\$545,272,642
December 25, 2022 to January 28, 2023	118,306	\$ 67.69	118,306	\$537,264,890
Total	993,315	\$ 65.34	993,315	\$537,264,890

Period	Total number of shares purchased	Average price paid per share ⁽¹⁾	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
October 29, 2023 to November 25, 2023	27,528	\$ 81.72	27,528	\$680,592,459
November 26, 2023 to December 30, 2023	167,022	\$ 86.20	167,022	\$666,195,183
December 31, 2023 to February 3, 2024	51,792	\$ 99.90	51,792	\$661,021,111
Total	246,342	\$ 88.58	246,342	\$661,021,111

⁽¹⁾ The average price paid per share excludes commissions paid of \$17,880 \$4,434 in connection with the repurchases made under the 2017 Share Repurchase Program (the "2017 Program"). Program.

Performance graph

The following performance graph and related information shall not be deemed "soliciting material" or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that Signet specifically incorporates it by reference into such filing.

Historical share price performance should not be relied upon as an indication of future share price performance. The following graph compares the cumulative total return to holders of Signet's common shares against the cumulative total return of the S&P 500 Index and the S&P 500 Specialty Retail Index for the five year period ended January 28, 2023 February 3, 2024. The comparison of the cumulative total returns for each investment assumes that \$100 was invested in Signet's common shares and the respective indices on February 3, 2018 February 2, 2019 through January 28, 2023 February 3, 2024.

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Related Shareholder Matters

Signet Jewelers Limited (the "Parent Company") is classified by the Bermuda Monetary Authority as a non-resident of Bermuda for exchange control purposes. Issues and transfers of the Parent Company's common shares involving persons regarded as non-residents of Bermuda for exchange control purposes may be effected without specific consent under the Exchange Control Act 1972 of Bermuda and regulations thereunder for so long as the Parent Company's common shares are listed on an appointed stock exchange (which includes the NYSE). Issues and transfers of common shares involving persons regarded as residents in Bermuda for exchange control purposes may require specific prior approval under the Exchange Control Act 1972 of Bermuda and regulations thereunder.

The owners of common shares who are non-residents of Bermuda are not subject to any restrictions on their rights to hold or vote their shares. Because the Parent Company is classified as a non-resident of Bermuda for exchange control purposes, there are no restrictions on its ability to transfer funds into and out of Bermuda or to pay dividends, other than in respect of local Bermuda currency.

There is no reciprocal tax treaty between Bermuda and the US regarding withholding taxes. Under existing Bermuda law, there is no Bermuda income or withholding tax on dividends paid by the Parent Company to its shareholders. Furthermore, under existing Bermuda law, no Bermuda tax is levied on the sale or transfer of Signet common shares.

ITEM 6. [RESERVED]

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

The discussion and analysis in this Item 7 are intended to provide the reader with information that will assist in understanding the significant factors affecting the Company's consolidated operating results, financial condition, liquidity and capital resources. This discussion should be read in conjunction with our consolidated financial statements and notes to the consolidated financial statements included in Item 8. This discussion contains forward-looking statements and information. The Company's actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed below and elsewhere in this report, particularly in "Forward-Looking Statements" above as well as the "Risk Factors" section within Item 1A.

This management's discussion and analysis provides comparisons of material changes in the consolidated financial statements for Fiscal 2023 2024 and Fiscal 2022, 2023. For a comparison of Fiscal 2022 2023 and Fiscal 2021, 2022, refer to Item 7 included in our Annual Report on Form 10-K for the year ended January 29, 2022 January 28, 2023 filed with

the SEC on **March 17, 2022** March 16, 2023.

OVERVIEW

Diamonds Direct acquisition Overall performance

On November 17, 2021, Signet's sales decreased by 6.3% during the fourth quarter of Fiscal 2024 compared to the same period in Fiscal 2023. This overall decrease was partially offset by the impact of the 14th week in the fourth quarter of Fiscal 2024, which increased sales by \$103.2 million. Sales were down compared to the same period in the prior year due to the deep COVID-induced engagement trough, the continued impact of heightened inflationary pressure on consumers' discretionary spending, integration issues at our digital banners resulting in lower conversion rates, as well as the competitive pricing pressure that persisted throughout the year. Amidst these pressures, the Company **acquired all** launched new items which had a 700 basis point higher sell-through than the prior year while leveraging branding and value engineering to deliver an average merchandise transaction value ("ATV") nearly flat to the prior year fourth quarter in North America. During the fourth quarter of Fiscal 2024, the Company's ATV decreased by 0.6% in the North America reportable segment and decreased by 10.4% in the International reportable segment. The International ATV decline primarily reflects the underperformance of the **outstanding shares** Ernest Jones banner, overall lower-price sales stemming from macroeconomic factors as noted above, as well as the impact from the previously announced divestiture of Diamonds Direct USA Inc. ("Diamonds Direct") the prestige watch business. In addition, the Services category continued to outperform merchandise, increasing 5% compared to the prior fourth quarter.

The Company intends to continue to execute the initiatives under its *Inspiring Brilliance* strategy, which is focused on the achievement of sustainable industry-leading growth toward its previously announced mid-term goals of growing revenue to \$9 to \$10 billion, with an annual double digit non-GAAP operating margin (See Non-GAAP Measures section for **cash consideration** further information). The *Inspiring Brilliance* strategy focuses on sustainable enhancements to the differentiation of **\$503.1 million, net** Signet's banners, including the expansion of **cash acquired**. Diamonds Direct is an off-mall, destination jeweler its accessible luxury portfolio, its connected commerce and digital capabilities and its initiatives to accelerate services and optimize its real estate footprint. As described in the US operating Purpose and Strategy section within Item 1 of this Annual Report on Form 10-K, through its *Inspiring Brilliance* strategy, the Company is focused on leveraging the core strengths that it has developed since the beginning of the transformation six years ago. Signet aims to be the innovation and market share leader of the jewelry category with a **highly productive, efficient** opportunity for additional market share expansion and profitable growth as the Company leverages its flexible operating model and core strengths while investing to widen its competitive advantages.

Refer to the "Results of Operations" section below for further information on performance during the fourth quarter and full year Fiscal 2024.

Outlook

Jewelry industry revenues continued to soften in Fiscal 2024, driven by the impact of macroeconomic factors, headwinds in engagements and shifts in consumer discretionary spending. However, beginning in Fiscal 2025, the Company expects same store sales between -4.5% and +0.5% with **demonstrated** sequential improvement throughout the year, led by the expected engagement recovery acceleration in Fiscal 2025, winning new customers through the Company's marketing scale and personalization, growing product newness, enhancing in-store and online customer experiences and the continued expansion of our Service offerings. The Company also expects the integration issues at our digital banners to persist into Fiscal 2025, but anticipates these issues to be resolved in the second half of the year. While overall inflation has moderated, the Company anticipates that discretionary spending in categories such as jewelry will continue to be adversely impacted by high prices on necessities such as gas and groceries, and could further impact sales of the Company's product assortments at all price points. Consumer spending may also be impacted by customers' ability to obtain credit, and we expect elevated discounting among independent jewelers to continue.

Despite the current headwinds, the Company expects to continue strategic investments that differentiate Signet from its competitors, in particular investments in its banner value propositions, its services business, personalization of marketing, and its digital and data analytics capabilities. The Company believes that these strategic investments have positioned Signet to drive market share gains and continue building its competitive advantages. Furthermore, the Company will maintain its diligent and effective efforts to drive cost savings and leverage its flexible operating model, scale and fleet optimization. As part of its efforts to focus on growth, **and profitability**. Diamonds Direct has been immediately **accretive** the Company substantially completed the divestiture of the Company's UK prestige watch business during the fourth quarter of Fiscal 2024. The Company believes the divestiture of this non-strategic business will enable the UK to **Signet following** accelerate key elements of its transformation.

The sale of the **acquisition date**. Diamonds Direct's strong value proposition, extensive bridal offering and customer-centric, high-touch shopping experience remaining locations is **a** destination for younger, luxury-oriented bridal shoppers. Diamonds Direct strategically expands Signet's market expected to close in accessible luxury and bridal, provides access to **a new customer base and furthers Signet's opportunity to build lifetime customer relationships**. Signet the first half of Fiscal 2025. In addition, the Company plans to **grow Diamonds Direct** while driving operating margin expansion over time through operating synergies right size the Ernest Jones banner in purchasing, targeted marketing the UK, expecting to close up to 30 additional locations in Fiscal 2025, as well as further streamlining overhead in the UK support center and **connected commerce**, leveraging its digital presence to drive traffic. See Note 4 of Item 8 for additional information.

The Company continues to monitor the impacts of certain macroeconomic factors on its business, such as inflation and the Russia-Ukraine and Israel-Hamas conflicts. Signet operates quality control and technology centers in Israel, and to date, these operations have not been materially impacted by the geopolitical conflict in the Middle East. While the Company currently does not expect disruptions to its operations in Israel to have a material impact on the Company's results of operations, the Company will continue to closely monitor this conflict and any impacts on its business, as well as its team members in Israel. Uncertainties exist that could impact the Company's results of operations or cash flows in the future, such as further pricing and inflationary environment changes impacting the Company (including, but not limited to, materials, labor, fulfillment and advertising costs) or adverse shifts in consumer discretionary spending, deterioration of consumer credit, supply chain disruptions to the Company's business, the Company's ability to recruit and retain qualified team members, or organized retail crime and its impact to mall traffic. See "Forward-Looking Statements" above as well as the "Risk Factors" section within Item 1A.

Blue Nile acquisition

On August 19, 2022, the Company acquired all of the outstanding shares of Blue Nile, Inc. ("Blue Nile"), subject to the terms of a stock purchase agreement entered into on August 5, 2022. The total cash consideration was \$389.9 million, net of cash acquired, including purchase price adjustments for working capital. Blue Nile is a leading online retailer of engagement rings and fine jewelry. The addition of Blue Nile brings Signet a younger, more affluent, and diverse customer to Signet's banner portfolio that **will expand expands** Signet's accessible luxury tier. We believe the strategic acquisition of Blue Nile accelerates Signet's efforts to enhance its connected commerce capabilities and extend its digital leadership across the jewelry category – all to further achieve meaningful operating synergies for the consumers and create value for shareholders.

Overall performance

Signet's sales declined by 5.2% during the fourth quarter of Fiscal 2023 compared to the same quarter of Fiscal 2022. Sales in the Company's organic businesses were down year over year due to the continued impact of heightened inflationary pressure on consumers' discretionary spending, extreme weather disruptions in the three shopping days leading up to Christmas in the US, as well as the impact of various union strikes in the UK and the weakening of the British Pound in the International segment. These declines in the organic businesses were offset partially by the addition of Blue Nile to Signet's portfolio. The Company's overall operating results continue to reflect sustainable enhancements to the differentiation of Signet's banners, connected commerce capabilities, accelerated services, always on marketing strategy including increased penetration of digital marketing, and inventory management. During the fourth quarter of Fiscal 2023, the Company's average merchandise transaction values ("ATV") increased by 3.9% in the North America segment and 13.3% in the International segment, despite the decline in traffic and number of transactions. The increase relates to the higher penetration of the accessible luxury banners, shift in assortment architecture to higher price points and the reduced impact of Banter by Piercing Pagoda, which carries a lower ATV.

The Company has continued its focus on execution of the initiatives under its *Inspiring Brilliance* strategy, which is centered on the goal of achieving sustainable industry-leading growth with an annual double digit operating margin. As described in the Purpose and Strategy section within Item 1 of this Annual Report on Form 10-K, through its *Inspiring Brilliance* strategy, the Company is focused on leveraging its core strengths that it developed over the past five years with the goal of creating a broader mid-market and increasing Signet's share of that larger market as the industry leader. See Outlook below for further information.

Refer to the "Results of Operations" section below for further information on performance during the fourth quarter and full year Fiscal 2023.

Outlook

Following a year of heightened growth in Fiscal 2022, jewelry industry revenues softened in Fiscal 2023 and are expected to be down mid-single digits for Fiscal 2024, as the downward pressure on consumer discretionary spending is expected to continue. In addition, the Company expects headwinds to continue in engagements and weddings throughout Fiscal 2024, with expected recovery in engagements later in the year and continue to rebound in Fiscal 2025. It is anticipated that discretionary spending in jewelry will continue to be adversely impacted by rising prices on necessities such as gas and groceries, and could further impact sales of the Company's product assortments at lower and mid-tier price points. However, the magnitude and timing of both inflationary factors and the shift in spending are difficult to predict, as is whether these pressures will ultimately impact other product categories, including softening demand for products at higher price points. The Company believes that its banner value propositions and differentiation, including the additions of Diamonds Direct and Blue Nile to Signet's portfolio, the strength of the Company's product assortment and its investments in digital and flexible fulfillment capabilities are expected to continue fueling a positive response from customers across most merchandise categories and banners into Fiscal 2024. Furthermore, the Company will continue its diligent and effective efforts to drive structural cost savings and leverage its flexible operating model.

The Company continues to monitor the impacts of certain macroeconomic factors on its business, such as inflation and the conflict in Ukraine. Uncertainties exist that could continue to impact the Company's results of operations or cash flows in the future, such as further pricing and inflationary environment changes impacting the Company (including, but not limited to, materials, labor, fulfillment and advertising costs) or adverse shifts in consumer discretionary spending, supply chain disruptions to the Company's business, the potential resurgence of COVID-19 in key trade areas, the Company's ability to recruit and retain qualified team members, or organized retail crime. See "Forward-Looking Statements" above as well as the "Risk Factors" section within Item 1A.

Market and operating conditions

The Company faces a highly competitive and dynamic retail landscape throughout the geographies where it does business, as well as a challenging global macro-economic environment as described above impacting the jewelry industry. Refer to Item 1 for further information on the Company's business, markets and strategy.

Exchange translation impact

Monthly average exchange rates are used to prepare the Company's consolidated statements of operations. In Fiscal 2024, 2025, it is anticipated a five percent movement in the British pound to US dollar exchange rate would impact the Company's income before income taxes by approximately \$0.5 \$0.4 million, while a five percent movement in the Canadian dollar to US dollar exchange rate would impact the Company's income before income taxes by approximately \$1.3 million \$1.6 million.

RESULTS OF OPERATIONS

Fiscal 2023 2024 Overview

Similar to many other retailers, Signet follows the retail 4-4-5 reporting calendar. Both calendar, which included an extra week in the fourth quarter and fiscal year periods of Fiscal 2024 (the "14th week" and "53rd week", respectively). The extra week added \$103.2 million in sales in the fourth quarter and full year Fiscal 2024. Fiscal 2023 and Fiscal 2022 were a 52 week reporting periods, period.

Same store sales

Management considers same store sales useful as it is a major benchmark used by investors to judge performance within the retail industry. Same store sales growth is calculated by comparison of sales in stores that were open in both the current and the prior fiscal year. Sales from stores that have been open for less than 12 months are excluded from the comparison until their 12-month anniversary. Similarly, sales from acquired businesses made within the last 12 months are excluded from the comparison until their 12-month anniversary. Sales from stores that were acquired during the period and have not been included in the Company's results for both the current and prior period presented are also excluded from same store sales. Sales after the 12-month anniversary are compared against the equivalent prior period sales within the comparable store sales comparison. Stores closed in the current financial period are included up to the date of closure and the comparative period is correspondingly adjusted. Stores that have been relocated or expanded, but remain within the same local geographic area, are included within the comparison with no adjustment to either the current or comparative period. Stores that have been refurbished are also included within the comparison except for the period when the refurbishment was taking place, when those stores are excluded from the comparison both for the current year and for the comparative period. Same store sales are also impacted by certain accounting adjustments to sales, primarily related to the deferral of revenue from the Company's extended service plans.

eCommerce sales include all sales with customers that originate online, including direct to customer, ship to store, and buy online, pick-up in store ("BOPIS"). BOPIS, eCommerce sales are included in the calculation of same store sales for the period and the comparative figures from the 12-month anniversary of the launch of the relevant website. Brick and

mortar same store sales are calculated by removing the eCommerce sales from the same store sales calculation described above. Comparisons at the divisional level are made in local currency and consolidated

comparisons are made at constant exchange rates and exclude the effect of exchange rate movements by recalculating the prior period results as if they had been generated at the weighted average exchange rate for the current period. Same store sales exclude the 53rd 53rd week in the fiscal year in which it occurs.

Cost of sales and gross margin

Cost of sales is mostly composed of merchandise costs (net of discounts and allowances). Cost of sales also contains:

- Occupancy costs such as rent, common area repairs and maintenance, depreciation and real estate taxes.
- Store operating expenses such as utilities, displays store supplies and third-party merchant credit costs.
- Distribution and warehousing costs including freight, processing, inventory shrinkage and related payroll.

As the classification of cost of sales or selling, general and administrative expenses varies from retailer to retailer, Signet's gross margin percentage may not be directly comparable to other retailers.

Factors that influence gross margin include pricing, promotional environment, changes in merchandise costs, changes in non-merchandise components of cost of sales (as described above), changes in sales mix, foreign exchange, and the economics of services such as repairs and extended service plans. The price of diamonds varies depending on their size, cut, color and clarity.

Signet primarily uses an average cost inventory methodology and, as jewelry inventory turns slowly, the impact of movements in the cost of diamonds and gold takes time to be fully reflected in the gross margin. Signet's inventory turns faster in the fourth quarter than in the other three quarters, therefore, changes in the cost of merchandise is more impactful on the gross margin in that quarter. An increase in inventory turnover would accelerate the rate at which commodity costs impact gross margin.

Selling, general and administrative expense expenses ("SG&A")

SG&A primarily includes store staff and store administrative costs as well as advertising and promotional costs. It also includes field support center expenses such as information technology, finance, eCommerce and other operating expenses (such as private label credit costs) not specifically categorized elsewhere in the consolidated statements of operations.

The primary drivers of staffing costs are the number of full-time equivalent employees team members and the level of compensation, payroll taxes, benefits and other benefits paid. incentives. Management varies, on a store by store basis, the hours worked based on the expected level of selling activity, subject to minimum staffing levels required to operate the store. Non-store staffing levels are less variable. A significant element of compensation is performance-based and is primarily dependent on sales and operating profit.

The level of advertising expenditures can vary. The largest element of advertising expenditures has historically been national television advertising; however, Signet has continued to invest more on digital and social marketing in recent years as part of its transformational initiatives, in order to evolve its marketing allocations based on consumer habits, business needs, and maximize return on investment ("ROI") on its advertising investments.

Other operating income (expense), net

Other operating income (expense), net primarily consists of miscellaneous operating income and expense items such as interest income from customer in-house finance receivables, litigation settlements, restructuring charges, gains or losses on sales of assets (including divestitures), foreign currency gains and losses, and gains and losses from undesignated derivative contracts. See Note 12 11 in Item 8 for further detail on the Company's other operating income (expense).

COMPARISON OF FISCAL 2023 TO FISCAL 2022

- Total sales: up 0.2%.
- Same store sales: down 6.1%.
- Diluted earnings per share: \$6.64 compared to \$12.22 in Fiscal 2022., net.

(in millions)	Fiscal 2023		Fiscal 2022	
	\$	% of sales	\$	% of sales
Sales	\$ 7,842.1	100.0 %	\$ 7,826.0	100.0 %
Cost of sales	(4,790.0)	(61.1)	(4,702)	(60.1)
Gross margin	3,052.1	38.9	3,124.0	39.9
Selling, general and administrative expenses	(2,214.6)	(28.2)	(2,230.9)	(28.5)
Restructuring charges	—	—	3.3	—
Asset impairments, net	(22.7)	(0.3)	(1.5)	—
Other operating income (expense)	(209.9)	(2.7)	8.5	0.1
Operating income (loss)	604.9	7.7	903.4	11.5
Interest expense, net	(13.5)	(0.2)	(16.9)	(0.2)

Other non-operating expense, net	(140.2)	(1.8)	(2.1)	—
Income (loss) before income taxes	451.2	5.8	884.4	11.3
Income taxes	(74.5)	(1.0)	(114.5)	(1.5)
Net income (loss)	\$ 376.7	4.8 %	\$ 769.9	9.8 %

Comparison of Fiscal 2024 to Prior Year

	Fiscal 2024		Fiscal 2023	
	\$	% of sales	\$	% of sales
(in millions, except per share amounts)				
Sales	\$ 7,171.1	100.0 %	\$ 7,842.1	100.0 %
Cost of sales	(4,345.7)	(60.6)	(4,790.0)	(61.1)
Gross margin	2,825.4	39.4	3,052.1	38.9
Selling, general and administrative expenses	(2,197.7)	(30.6)	(2,214.6)	(28.2)
Asset impairments, net	(9.1)	(0.1)	(22.7)	(0.3)
Other operating income (expense), net	2.9	—	(209.9)	(2.7)
Operating income	621.5	8.7	604.9	7.7
Interest income (expense), net	18.7	0.3	(13.5)	(0.2)
Other non-operating expense, net	(0.4)	—	(140.2)	(1.8)
Income before income taxes	639.8	8.9	451.2	5.8
Income taxes	170.6	2.4	(74.5)	(1.0)
Net income	810.4	11.3	376.7	4.8
Dividends on redeemable convertible preferred shares	(34.5)	(0.5)	(34.5)	(0.4)
Net income attributable to common shareholders	\$ 775.9	10.8 %	\$ 342.2	4.4 %
Diluted earnings per share	\$ 15.01	nm	\$ 6.64	nm

nm Not meaningful.

Year to date Fiscal year sales

Signet's total sales increased 0.2% decreased 8.6% to \$7.84 billion \$7.17 billion compared to \$7.83 billion \$7.84 billion in the prior year while total sales at constant exchange rates increased 1.1%. year. Signet's same store sales decreased 6.1% 11.6%, compared to an increase a decrease of 48.5% 6.1% in the prior year. While Signet's total sales increased primarily due to the additions of Diamonds Direct and Blue Nile to Signet's portfolio, Signet's organic business declined year over year These declines were driven by the impact of the heightened inflationary pressure on consumers' discretionary spending shifts in consumer spending to experiences and travel, the impacts of lapping benefits from last year's government stimulus decline in the North America segment bridal category, driven by lower engagements. The total sales decrease was partially offset by the inclusion of the full year sales of Blue Nile, which was acquired in the third quarter of Fiscal 2023, and the weakening impact of the British Pound in the International segment. 53rd week as noted above.

eCommerce sales year to date were \$1.6 billion \$1.64 billion, up \$87.8 \$41.0 million or 5.8% 2.6% compared to \$1.5 billion \$1.60 billion in the prior year. eCommerce sales accounted for 20.4% 22.9% of year to date sales, up from 19.3% 20.4% of total sales in the prior year. Brick and mortar same store sales decreased 5.5% 11.3% from the prior period.

The increase in eCommerce sales as of percentage of sales is primarily due to the recent addition of Blue Nile to Signet's portfolio as virtually all Blue Nile sales are digital. The Company's focus on its connected commerce shopping experience, both online and in-store, helped maintain conversion rates and improve the ATV throughout in Fiscal 2023.

The breakdown of the year to date sales performance by reportable segment is set out in the table below:

	Change from previous year					
	Same store sales	Non-same store sales, net ⁽²⁾	Total sales at constant exchange rate ⁽³⁾	Exchange translation impact	Total sales as reported	Total sales (in millions)
Year to date Fiscal 2023						
North America segment	(7.0)%	7.5 %	0.5 %	(0.2)%	0.3 %	\$ 7,289.5
International segment	8.3 %	(0.4)%	7.9 %	(12.4)%	(4.5)%	\$ 470.1
Other segment ⁽¹⁾	nm	nm	nm	nm	nm	\$ 82.5
Signet	(6.1)%	7.2 %	1.1 %	(0.9)%	0.2 %	\$ 7,842.1

Fiscal 2024	Change from previous year						Total sales (in millions)
	Same store sales	Non-same store sales, net ⁽¹⁾	Impact of 53rd week on total sales	Total sales at constant exchange rate ⁽²⁾	Exchange translation impact	Total sales as reported	
North America reportable segment	(11.9)%	2.6 %	1.3 %	(8.0)%	— %	(8.0)%	\$ 6,703.8

International reportable segment	(5.3)%	(6.3)%	1.3 %	(10.3)%	1.9 %	(8.4)%	\$	430.7
Other reportable segment ⁽³⁾	nm	nm	nm	nm	nm	nm	\$	36.6
Signet	(11.6)%	1.7 %	1.3 %	(8.6)%	— %	(8.6)%	\$	7,171.1

⁽¹⁾ Includes sales from Signet's diamond sourcing initiative.

⁽²⁾ Includes sales from acquired businesses which were not included in the results for the full comparable periods presented. Blue Nile has been excluded from same store sales for the full year and Diamonds Direct began being included in same store sales for beginning in the fourth third quarter of Fiscal 2023, 2024.

⁽³⁾ The Company also provides the period-over-period change in total sales excluding the impact of foreign currency fluctuations, which is a non-GAAP measure, to provide transparency to performance and enhance investors' understanding of underlying business trends. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current year average exchange rates to prior year sales in local currency.

⁽⁴⁾ Includes sales from Signet's diamond sourcing operation.

nm Not meaningful.

ATV is an operating metric defined as net merchandise sales on a same store basis divided by the total number of customer transactions. As such, changes from The ATV is measured each period based on the reported sales for the corresponding period presented. Beginning in the second quarter of Fiscal 2024, the Company changed its presentation of ATV to be calculated based on total reported net merchandise sales, compared to a same store sales base used in prior year do not recompute within periods, as this metric is more representative of the table below comparison of reported sales period over period. The prior period amounts presented below, and throughout this discussion and analysis, have been restated to be presented comparatively.

Fiscal Year	Average Merchandise Transaction Value ⁽¹⁾⁽²⁾				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
North America segment	\$ 507	\$ 448	11.2 %	14.3 %	(17.2)%	29.2 %
International segment ⁽³⁾	£ 171	£ 129	8.9 %	(17.3)%	(2.3)%	30.7 %

Fiscal 2024	Average Merchandise Transaction Value ⁽¹⁾⁽²⁾				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
North America reportable segment	\$ 551	\$ 538	2.4 %	18.8 %	(11.5)%	(15.4)%
International reportable segment ⁽³⁾	£ 171	£ 172	(0.6)%	10.3 %	(10.6)%	(3.9)%

⁽¹⁾ Net merchandise sales within the North America reportable segment include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repairs, extended service plan, plans, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store reported sales.

⁽²⁾ Net merchandise sales within the International reportable segment include all merchandise product sales, including value added tax ("VAT"), net of discounts and returns. In addition, excluded from net merchandise sales are repairs, warranty, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store reported sales.

⁽³⁾ Amounts for the International reportable segment amounts are denominated in British pounds.

North America sales

The North America reportable segment's total sales were \$7.29 billion \$6.70 billion compared to \$7.26 billion \$7.29 billion in the prior year, up 0.3% down 8.0%. Same store sales decreased 7.0% compared to an increase of 49.5% This decrease was primarily driven by the decline in the prior year. North America's ATV increased 11.2% and the number of transactions decreased 17.2%. While North America's total sales increased primarily as a result of the additions of Diamonds Direct and Blue Nile to Signet's portfolio, same store sales in the organic core banners declined due to a combination of factors noted above such as the impacts impact of heightened inflationary pressure on consumers' discretionary spending and lapping of government stimulus.

eCommerce sales decreased 7.5% and brick and mortar sales decreased 6.8% on a same store sales basis. Overall, reported eCommerce sales increased 8.5% primarily due to the decline in the bridal category, driven by lower engagements. This decrease was partially offset by the addition of Blue Nile to Signet's North America portfolio and the impact of the 53rd week as noted above. Same store sales decreased 11.9% compared to a decrease of 7.0% in the prior year. North America's ATV increased 2.4%, driven by Blue Nile, while the number of transactions decreased 11.5%.

International sales

The International reportable segment's total sales decreased 4.5% 8.4% to \$470.1 million \$430.7 million compared to \$492.4 million \$470.1 million in the prior year, primarily due to the underperformance of the Ernest Jones banner and increased 7.9% the overall impact of heightened inflationary pressure on consumers' discretionary spending. Total sales at constant exchange rates. Same store sales increased 8.3% compared to an increase of 34.7% in the prior year, rates decreased 10.3%. The ATV increased 8.9% over prior year, and the number of transactions decreased 2.3%. The increase in same store sales reflects the reopening of all UK stores in April 2021 following the lifting of COVID restrictions.

eCommerce sales 10.6%, while ATV decreased 18.2% and brick and mortar sales increased 16.7% on a same store sales basis. 0.6% over prior year.

Fourth quarter sales

Signet's total sales decreased 5.2% 6.3% year over year to \$2.7 billion \$2.5 billion in the fourth quarter, while total sales at constant exchange rates decreased 4.3% 6.6%. Signet's same store sales decreased 9.1% 9.6%, compared to an increase a decrease of 23.8% 9.1% in the prior year quarter. These declines were driven by the impact of heightened inflationary pressure on consumers' discretionary spending weather disruptions and the decline in the three shopping days leading up to Christmas in the US, as well as the impact of various union strikes in the UK and the weakening of the British Pound in the International segment. This bridal category, driven by lower engagements. As mentioned above, this overall decrease was partially offset by the addition impact of Blue Nile the 14th week in the fourth quarter of Fiscal 2023, as noted above. 2024.

eCommerce sales in the fourth quarter of Fiscal 2023 2024 were \$650.0 \$593.4 million, up \$94.0 million down \$56.6 million or 16.9% 8.7% compared to \$556.0 \$650.0 million in the prior year fourth quarter, resulting primarily from the decline in the bridal category, driven by operational issues at the addition of Blue Nile to Signet's portfolio, digital banners that resulted in lower conversion rates. eCommerce sales accounted for 24.4% 23.8% of fourth quarter sales, up down from 19.8% 24.4% of total sales in the prior year fourth quarter. Brick and mortar same store sales decreased 9.6% 9.0% from the prior year fourth quarter.

The breakdown of the fourth quarter sales performance by reportable segment is set out in the table below:

	Change from previous year					
	Same store sales	Non-same store sales, net ⁽²⁾	Total sales at constant exchange rate ⁽³⁾	Exchange translation impact	Total sales as reported	Total sales (in millions)
Fourth Quarter of Fiscal 2023						
North America segment	(9.3)%	5.5 %	(3.8)%	(0.2)%	(4.0)%	\$ 2,503.3
International segment	(6.8)%	(0.2)%	(7.0)%	(9.5)%	(16.5)%	\$ 153.2
Other segment ⁽¹⁾	nm	nm	nm	nm	nm	\$ 9.7
Signet	(9.1)%	4.8 %	(4.3)%	(0.9)%	(5.2)%	\$ 2,666.2

	Change from previous year						
	Same store sales	Non-same store sales, net	Impact of 14 th week on total sales	Total sales at constant exchange rate ⁽¹⁾	Exchange translation impact	Total sales as reported	Total sales (in millions)
Fourth Quarter of Fiscal 2024							
North America reportable segment	(10.0)%	— %	3.9 %	(6.1)%	— %	(6.1)%	\$ 2,350.4
International reportable segment	(1.0)%	(14.3)%	3.9 %	(11.4)%	3.9 %	(7.5)%	\$ 141.7
Other reportable segment ⁽²⁾	nm	nm	nm	nm	nm	nm	\$ 5.5
Signet	(9.6)%	(0.9)%	3.9 %	(6.6)%	0.3 %	(6.3)%	\$ 2,497.6

⁽¹⁾ Includes sales from Signet's diamond sourcing initiative.

⁽²⁾ Includes sales from acquired businesses which were not included in the results for the full comparable periods presented. Blue Nile has been excluded from same store sales for the full quarter and Diamonds Direct began being included in same store sales in the fourth quarter of Fiscal 2023.

⁽³⁾ The Company also provides the period-over-period change in total sales excluding the impact of foreign currency fluctuations, which is a non-GAAP measure, to provide transparency to performance and enhance investors' understanding of underlying business trends. The effect from foreign currency, calculated on a constant currency basis, is determined by applying current year average exchange rates to prior year sales in local currency.

⁽²⁾ Includes sales from Signet's diamond sourcing operation.

nm Not meaningful.

	Average Merchandise Transaction Value ⁽¹⁾⁽²⁾				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022
Fourth Quarter						
North America segment	\$ 485	\$ 444	3.9 %	16.8 %	(12.6)%	3.6 %
International segment ⁽³⁾	£ 162	£ 141	13.3 %	2.2 %	(18.7)%	37.6 %

	Average Merchandise Transaction Value ⁽¹⁾⁽²⁾				Merchandise Transactions	
	Average Value		Change from previous year		Change from previous year	
	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023	Fiscal 2024	Fiscal 2023
Fourth Quarter						
North America reportable segment	\$ 497	\$ 500	(0.6)%	8.0 %	(6.7)%	(10.0)%
International reportable segment ⁽³⁾	£ 146	£ 163	(10.4)%	14.8 %	(2.4)%	(20.3)%

- (1) Net merchandise sales within the North America reportable segment include all merchandise product sales, net of discounts and returns. In addition, excluded from net merchandise sales are sales tax in the US, repairs, extended service plan, plans, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store reported sales.
- (2) Net merchandise sales within the International reportable segment include all merchandise product sales, including VAT, net of discounts and returns. In addition, excluded from net merchandise sales are repairs, warranty, insurance, employee and other miscellaneous sales. As a result, the sum of the changes will not agree to change in same store reported sales.
- (3) Amounts for the International reportable segment amounts are denominated in British pounds.

North America sales

The North America reportable segment's total sales were \$2.5 billion \$2.4 billion compared to \$2.6 billion \$2.5 billion in the prior year quarter, or a decrease of 4.0% 6.1%. This decrease was primarily driven by the decline in same store sales due to the impact of heightened inflationary pressure on consumers' discretionary spending particularly on and the Company's product assortments at lower price points, as well as weather disruptions decline in the US on the three shopping days leading up to Christmas. This was partially offset bridal category, driven by the addition of Blue Nile to Signet's portfolio as well as an increased ATV of 3.9% compared to the prior year quarter.

lower engagements. Same store sales decreased 9.3% 10.0% compared to an increase a decrease of 22.2% 9.3% in the prior year quarter, which is reflective of the factors discussed above and resulted in from the number of transactions decreasing by 12.6% 6.7% year over year. These declines were offset by the 14th week of sales in the fourth quarter noted above.

International sales

The International reportable segment's total sales decreased 16.5% 7.5% to \$153.2 million \$141.7 million compared to \$183.4 million \$153.2 million in the prior year primarily as a result of the weakening of the British Pound which drove 9.5% of this decline. Total same store sales decreased 6.8% compared quarter, due to an increase of 49.5% in the prior year, primarily driven by the impact of heightened inflationary pressure on consumers' discretionary spending as well as and underperformance of the Ernest Jones banner, including the impact of various union strikes the prestige watch divestiture in November 2023. This decrease was partially offset by a strengthening of the UK British Pound experienced during the fourth quarter. In the International segment, the ATV increased 13.3% year over year, while the quarter, offsetting 3.9% of this decline. Total sales at constant exchange rates decreased 11.4%. The number of transactions decreased 18.7% 2.4%, while ATV decreased 10.4% year over year.

Gross margin

In Fiscal 2023, 2024, gross margin was \$3.05 billion \$2.8 billion or 39.4% of sales compared to \$3.1 billion or 38.9% of sales compared to \$3.12 billion or 39.9% of sales in Fiscal 2022, 2023. The decrease slight increase in gross margin rate for Fiscal 2023 2024 compared to Fiscal 2022 primarily relates to the overall decrease in core sales volume and the 2023 reflects higher merchandise margins, which is led by a higher mix of Diamonds Direct services and Blue Nile's bridal business, which generally carries lower margins, which by the continued expansion from the Company's merchandise strategy of branding and newness, as well as the favorable impacts of cost savings. This impact was partially offset by a slight improvement the deleveraging of fixed costs on the lower volume as described above, primarily in the merchandise margins in the Company's organic banners, store occupancy costs.

In the fourth quarter of Fiscal 2024, gross margin was \$1.11 billion \$1.08 billion or 41.7% 43.3% of sales compared to \$1.15 billion \$1.11 billion or 41.0% 41.7% of sales in the prior year fourth quarter. The increase in gross margin rate for the fourth quarter of Fiscal 2023 2024 compared to the fourth quarter of Fiscal 2022 2023 reflects the improved health continued growth of our inventory, improved mix shift to higher priced merchandise services and the continued benefits strength of cost savings in the Company's organic businesses. These improvements in the organic banners were partially offset by the mix merchandise strategy of Diamonds Direct branding and Blue Nile's bridal business, as well as deleveraging of fixed costs on the lower volume as described above, newness driving overall higher merchandise margins.

SG&A Selling, general and administrative expenses

SG&A for Fiscal 2023 2024 was \$2.20 billion or 30.6% of sales compared to \$2.21 billion or 28.2% of sales compared to \$2.23 billion or 28.5% of sales in Fiscal 2022. The additions of Diamonds Direct and Blue Nile, together with increased investments in digital/IT, were offset by lower payroll-related costs and the benefits of structural cost savings in Signet's organic businesses, including from the Company's restructured outsourced credit agreements finalized in the second quarter of Fiscal 2022. The improved SG&A as a percentage of sales year to date was primarily driven by the cost savings initiatives and the efficiency of Diamonds Direct's operating model.

2023. In the fourth quarter of Fiscal 2023 2024 SG&A was \$702.5 million \$671.9 million or 26.3% 26.9% of sales compared to \$745.8 million \$702.5 million or 26.5% 26.3% of sales in the prior year fourth quarter. The increase in SG&A overall decreased as a percentage of sales for both the Fiscal 2024 and fourth quarter comparative periods was primarily due to the impact deleveraging of fixed costs as a result of lower sales in the organic businesses, lower payroll-related costs and core banners, which were partially offset by overall cost savings initiatives, partially offset by the additions of Diamonds Direct and Blue Nile, as well as investments in digital and IT initiatives.

Asset impairments, net

During Fiscal 2024, the Company recorded non-cash, pre-tax asset impairments related to the impairment of long-lived assets and intangible assets of \$9.1 million. During the fourth quarter of Fiscal 2024, the Company recorded non-cash, pre-tax asset impairments of \$3.4 million, primarily related to intangible assets.

During Fiscal 2023, the Company recorded non-cash, pre-tax asset impairments related to the impairment of long-lived assets of \$22.7 million. During the fourth quarter of Fiscal 2023, the Company recorded non-cash, pre-tax asset impairments of \$20.7 million, all of which related to long-lived assets and was driven by a partial impairment of the Company's Akron, Ohio headquarters.

During Fiscal 2022, the Company recorded non-cash, pre-tax asset impairments related to the impairment of long-lived assets of \$1.5 million. During the fourth quarter of Fiscal 2022, the Company recorded non-cash, pre-tax asset net gain on impairment of \$0.5 million, all of which related to long-lived assets, support center.

See Note 17 16 of Item 8 for additional information on the asset impairments.

Other operating income (expense), net

In Fiscal 2023, other operating expense was \$209.9 million compared to 2024, other operating income was \$2.9 million compared to an expense of \$8.5 million \$209.9 million in Fiscal 2022. 2023. Fiscal 2024 was primarily driven by the net gain on divestitures of \$12.3 million partially offset by restructuring charges of \$7.5 million and foreign exchange losses. Fiscal 2023 was primarily driven by pre-tax the litigation charges of \$203.8 million. Fiscal 2022 was primarily driven by interest income on the Company's non-prime credit card portfolio and UK government subsidies granted for restrictions imposed on non-essential businesses. \$203.8 million.

In the fourth quarter of Fiscal 2023, 2024, other operating expense income was \$18.4 million \$10.3 million compared to other operating an expense of \$4.7 million compared to \$18.4 million in the fourth quarter of Fiscal 2022. 2023. The fourth quarter of Fiscal 2024 was primarily driven by the net gain on divestitures of \$13.6 million partially offset by restructuring charges of \$1.9 million. The fourth quarter of Fiscal 2023 was primarily driven by charges related to a litigation matter of \$15.9 million. The fourth quarter of Fiscal 2022 was primarily driven by foreign exchange losses and charges related to previously disclosed shareholder litigation matters.

See Notes 12 11 and 28 of Item 8 for additional information.

Operating income (loss)

In the year to date period of Fiscal 2023, 2024, operating income was \$604.9 million \$621.5 million or 8.7% of sales compared to \$604.9 million or 7.7% of sales compared to \$903.4 million or 11.5% of sales in Fiscal 2022. 2023. The decrease increase in operating income for the period, compared to prior current year period, was primarily driven by due to the pre-tax lapping of charges related to litigation and asset impairment charges in Fiscal 2023 of \$203.8 million and the overall decrease in core sales volume, partially approximately \$220 million, which were substantially offset by lower payroll-related costs, the impact of the acquisitions and sales volume decline in the benefits of Signet's flexible operating model discussed above, current year.

In the fourth quarter, operating income was \$369.5 million \$416.3 million or 13.9% 16.7% of sales compared to \$402.4 million \$369.5 million or 14.3% 13.9% of sales in prior year fourth quarter. The decrease increase in operating income for was primarily the period, compared to prior year result of the support center asset impairment and litigation charges incurred in the fourth quarter reflects the overall decrease in core sales volume of Fiscal 2023 of approximately \$30 million, as well as charges related to litigation and impairment the net gain on divestitures of \$13.6 million in the current year fourth quarter noted above, partially offset by lower payroll-related costs, the impact of the acquisitions and the benefits of Signet's flexible operating model.

above.

Signet's operating income (loss) by reportable segment for the year to date period is as follows:

(in millions)	Fiscal 2023		Fiscal 2022	
	\$	% of sales	\$	% of sales
North America segment ⁽¹⁾	\$ 673.2	9.2 %	\$ 981.4	13.5 %
International segment ⁽²⁾	(0.2)	— %	14.4	2.9 %
Other segment	2.4	nm	(0.2)	nm
Corporate and unallocated expenses ⁽³⁾	(70.5)	nm	(92.2)	nm
Operating income (loss)	\$ 604.9	7.7 %	\$ 903.4	11.5 %

(in millions)	Fiscal 2024		Fiscal 2023	
	\$	% of sales	\$	% of sales
North America reportable segment ⁽¹⁾	\$ 677.0	10.1 %	\$ 673.2	9.2 %
International reportable segment ⁽²⁾	13.1	3.0 %	(0.2)	— %
Other reportable segment	(8.2)	nm	2.4	nm
Corporate and unallocated expenses	(60.4)	nm	(70.5)	nm
Operating income	\$ 621.5	8.7 %	\$ 604.9	7.7 %

⁽¹⁾ Fiscal 2024 includes: 1) \$22.0 million of acquisition and integration-related expenses, primarily severance and retention, exit and disposal costs and system decommissioning costs incurred for the integration of Blue Nile; 2) \$6.3 million of restructuring charges; 3) \$9.0 million of net asset impairment charges primarily related to restructuring and integration; and 4) a \$3.0 million credit to income related to the adjustment of a prior litigation accrual.

Fiscal 2023 includes: 1) \$13.4 million of cost of sales associated with the fair value step-up of inventory acquired in the Diamonds Direct and Blue Nile acquisitions; 2) \$14.7 million of acquisition and integration-related expenses in connection with the Blue Nile acquisition, primarily related to professional fees and severance costs; 3) \$203.8 million related to pre-tax litigation charges; and 4) net asset impairment charges of \$20.0 million.

Fiscal 2022 includes: 1) \$5.4 million of cost of sales associated with the fair value step-up of inventory acquired in the Diamonds Direct acquisition; 2) \$6.4 million of acquisition-related expenses related to Diamonds Direct and Rocksbox; 3) net asset impairment charges of \$2.0 million; 4) \$1.4 million of gains associated with the sale of customer in-house finance receivables; and 5) \$1.0 million credit to restructuring expense, primarily related to adjustments to previously recognized restructuring liabilities.

See Note 4, Note 8, 16, Note 13, Note 17, 26, and Note 28 of Item 8 for additional information.

⁽²⁾ Fiscal 2024 includes a \$12.3 million gain from the divestiture of the UK prestige watch business, net of transaction costs and \$1.2 million of restructuring charges.

Fiscal 2023 includes net asset impairment charges of \$2.7 million.

Fiscal 2022 includes net asset impairment gains of \$0.5 million.

See Note 17 of Item 8 for additional information.

⁽³⁾ Fiscal 2022 includes: 1) a charge of \$1.7 million related to the settlement of previously disclosed shareholder litigation matters; and 2) \$2.3 million credit to restructuring expense primarily related to adjustments to previously recognized restructuring liabilities.

See Note 8 4, Note 16, and Note 28 26 of Item 8 for additional information.

nm Not meaningful.

Signet's operating income (loss) by reportable segment for the fourth quarter is as follows:

(in millions)	Fourth Quarter Fiscal 2023		Fourth Quarter Fiscal 2022	
	\$	% of sales	\$	% of sales
North America segment ⁽¹⁾	\$ 372.9	14.9 %	408.3	15.7 %
International segment ⁽²⁾	14.7	9.6 %	18.4	10.0 %
Other segment	(2.1)	nm	1.2	nm
Corporate and unallocated expenses	(16.0)	nm	(25.5)	nm
Operating income (loss)	\$ 369.5	13.9 %	\$ 402.4	14.3 %

(in millions)	Fourth Quarter Fiscal 2024		Fourth Quarter Fiscal 2023	
	\$	% of sales	\$	% of sales
North America reportable segment ⁽¹⁾	\$ 396.0	16.8 %	\$ 372.9	14.9 %
International reportable segment ⁽²⁾	36.0	25.4 %	14.7	9.6 %
Other reportable segment	(3.4)	nm	(2.1)	nm
Corporate and unallocated expenses	(12.3)	nm	(16.0)	nm
Operating income	\$ 416.3	16.7 %	\$ 369.5	13.9 %

⁽¹⁾ Fiscal 2024 includes: 1) \$1.9 million of acquisition and integration-related expenses, primarily severance and retention, as well as exit and disposal costs incurred for the integration of Blue Nile; 2) \$1.9 million of restructuring charges; and 3) \$3.4 million of net asset impairment charges primarily related to restructuring and integration.

Fiscal 2023 includes: 1) \$1.8 million credit to cost of sales associated with the fair value adjustment of inventory acquired in the Blue Nile acquisition; 2) \$7.4 million of acquisition and integration-related expenses in connection with the Blue Nile acquisition, primarily related to professional fees and severance costs; 3) \$13.8 million related to pre-tax litigation charges; and 4) net asset impairment charges of \$18.1 million.

See Note 4, Note 17, 16, Note 26, and Note 28 of Item 8 for additional information.

⁽²⁾ Fiscal 2024 includes a \$13.6 million gain from the divestiture of the UK prestige watch business and a \$0.2 million credit to restructuring charges.

Fiscal 2023 includes net asset impairment charges of \$2.6 million.

See Note 17, 4, Note 16 and Note 26 of Item 8 for additional information.

nm Not meaningful.

Interest expense, income (expense), net

In Fiscal 2023, 2024, net interest income was \$18.7 million compared to net interest expense net was of \$13.5 million compared to \$16.9 million in Fiscal 2022, 2023. In the fourth quarter, net interest income was \$8.7 million compared to net interest expense net was \$2.1 million compared to \$4.5 million in the prior year fourth quarter. The overall decreases interest income recognized in both the full year and fourth quarter of Fiscal 2024 is the result of interest expense, net is related to earned on excess cash balances and higher interest income earned rates on invested cash due these accounts compared to higher interest rates, the prior year comparable periods.

Other non-operating expense, net

In Fiscal 2023, 2024, other non-operating expense was \$140.2 million \$0.4 million compared to \$2.1 million other non-operating expense of \$140.2 million in Fiscal 2022, 2023. In the fourth quarter of Fiscal 2023, 2024, other non-operating income was \$0.6 million \$2.0 million compared to other non-operating income of \$1.2 \$0.6 million in the prior year fourth quarter. The other non-operating expenses in Fiscal 2023 primarily consisted of non-cash, pre-tax settlement charges of \$133.7 million \$133.7 million related to the partial buy-out of the Signet Group Pension Scheme. See Note 23, 27 of Item 8 for additional information on the Company's retirement plans.

Income taxes

Income tax expense benefit for Fiscal 2023, 2024 was \$74.5 million \$170.6 million, with an effective tax rate ("ETR") of 16.5% (26.7)%, compared to an income tax expense of \$114.5 million \$74.5 million, with an effective tax rate of 12.9% 16.5% in Fiscal 2022, 2023. The ETR and tax benefit for Fiscal 2024 reflects the impact of a \$263.3 million deferred tax asset recorded in the fourth quarter related to the enactment of the Corporate Income Tax Act of 2023 ("Act") in Bermuda. The Act included an economic transition adjustment intended to be a fair and equitable transition into the new tax regime, and resulted in a deferred tax benefit for the Company. Other factors impacting the effective rate in Fiscal 2024 were the favorable impact of an uncertain tax position of \$20.5 million settled in the fourth quarter, the foreign rate differences and benefits from global reinsurance and financing arrangements, and other discrete tax benefits recognized. The Fiscal 2024 discrete tax benefits relate to the reclassification of remaining taxes on the pension settlement out of AOCI of \$4.1 million, the excess tax benefit for share-based compensation which vested during the year of \$7.7 million and the \$1.7 million reversal of valuation allowance related to capital losses in the UK. The ETR for Fiscal 2023 was lower than the US federal income tax rate primarily due to the favorable impacts from the Company's global reinsurance and financing arrangements, partially offset by the unfavorable impact of an uncertain tax position related to a prior year of \$20.5 million recorded in Fiscal 2023. The ETR for Fiscal

2022 was lower than the US federal income tax rate primarily due to the favorable impact of the reversal of the valuation allowance recorded against certain state deferred tax assets. Refer to Note 11 10 of Item 8 for additional information.

In the fourth quarter of Fiscal 2023, 2024, income tax expense benefit was \$89.5 million \$199.2 million, with an ETR of 24.4% (46.7)%, compared to expense of \$82.4 million, \$89.5 million, with an ETR of 20.8% 24.4% in the fourth quarter of Fiscal 2022, 2023. The ETR and tax benefit for the fourth quarter of Fiscal 2024 were primarily driven by the \$263.3 million deferred tax benefit resulting from the Bermuda economic transition adjustment discussed above and the favorable impact of an uncertain tax position of \$20.5 million settled in the fourth quarter. The ETR for the fourth quarter of Fiscal 2023 was higher than the US federal income tax rate, primarily due to the unfavorable impact of an uncertain tax position related to a prior year of \$20.5 million recorded in the fourth quarter of Fiscal 2023, partially offset by favorable impacts from the Company's global reinsurance and financing arrangements. The ETR for the fourth quarter of Fiscal 2022 approximated the US federal income tax rate.

NON-GAAP MEASURES

The discussion and analysis of Signet's results of operations, financial condition and liquidity contained in this Annual Report on Form 10-K are based upon the consolidated financial statements of Signet which are prepared in accordance with GAAP and should be read in conjunction with Signet's consolidated financial statements and the related notes included in Item 8. A number of Signet provides certain non-GAAP measures are used by management to analyze and manage the performance of the business, and the required disclosures for these non-GAAP measures are shown below.

Signet presents such non-GAAP measures information in reporting its financial results to provide give investors additional information data to evaluate its operations operations. The Company believes that non-GAAP financial measures, when reviewed in conjunction with GAAP financial measures, can provide more information to assist investors in evaluating historical trends and current period performance and liquidity. For these reasons, internal management reporting also includes these non-GAAP measures.

These non-GAAP financial position. Management does measures should be considered in addition to, and not nor does it suggest investors should, consider such superior to or as a substitute for the GAAP financial measures presented in the Company's consolidated financial statements and other publicly filed reports. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures in isolation from, or in substitution for, financial information prepared in accordance with GAAP, presented by other companies.

1. Net cash

Net cash is a non-GAAP measure defined as the total of cash and cash equivalents less loans, overdrafts and long-term debt. Management considers this metric to be helpful in understanding the total indebtedness of the Company after consideration of liquidity available from cash balances on-hand.

(in millions)	(in millions)	January 28, 2023	January 29, 2022	January 30, 2021	(in millions)	February 3, 2024	January 28, 2023	January 29, 2022
Cash and cash equivalents	Cash and cash equivalents	\$1,166.8	\$1,418.3	\$1,172.5				
Less:								
Current portion of long-term debt								
Less: Long-term debt	Less: Long-term debt	(147.4)	(147.1)	(146.7)				
Net cash	Net cash	\$1,019.4	\$1,271.2	\$1,025.8				

2. Free cash flow and adjusted free cash flow

Free cash flow is a non-GAAP measure defined as the net cash provided by operating activities less purchases of property, plant and equipment. Management considers this metric to be helpful in understanding how the business is generating cash from its operating and investing activities that can be used to meet the financing needs of the business. Adjusted free cash flow, a non-GAAP measure, excludes the proceeds from the sale of in-house finance receivables. Free cash flow and adjusted free cash flow are indicators frequently used by management in evaluating its overall liquidity needs and determining appropriate capital allocation strategies. Free cash flow and adjusted free cash flow do not represent the residual cash flow available for discretionary purposes. See Note 13 12 of Item 8 for additional information regarding the sale of the in-house credit card receivable portfolio.

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash provided by operating activities	Net cash provided by operating activities	\$797.9	\$1,257.3	\$1,372.3				
Purchase of property, plant and equipment	Purchase of property, plant and equipment	(138.9)	(129.6)	(83.0)				
Free cash flow	Free cash flow	659.0	1,127.7	1,289.3				

Proceeds from sale of in-house finance receivables	Adjusted free cash flow	Adjusted free cash flow	—	(81.3)	—
			\$659.0	\$1,046.4	\$1,289.3

3. Non-GAAP operating income and non-GAAP operating margin

Non-GAAP operating income is a non-GAAP measure defined as operating income excluding the impact of significant and unusual certain items which management believes are not necessarily reflective of normal operating operational performance during a period. Management finds the information useful when analyzing financial operating results in order to appropriately evaluate the performance of the business without the impact of these significant and unusual certain items. In particular, management Management believes the consideration of measures that exclude such items can assist in the comparison of operational performance in different periods which may or may not include such items. Management also utilizes non-GAAP operating margin, defined as non-GAAP operating income as a percentage of total sales, to further evaluate the effectiveness and efficiency of the Company's flexible operating model.

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operating income (loss)	\$ 604.9	\$ 903.4	\$ (57.7)
Charges (credits) related to transformation plan	—	(3.3)	47.6
Asset impairments, net ⁽¹⁾	15.9	(0.9)	159.0
Litigation charges ⁽²⁾	203.8	1.7	7.5
Acquisition and integration-related costs ⁽³⁾	25.8	8.6	—
Gain on sale of in-house finance receivables	—	(1.4)	—
Non-GAAP operating income	\$ 850.4	\$ 908.1	\$ 156.4

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Operating income	\$ 621.5	\$ 604.9	\$ 903.4
Litigation charges ⁽¹⁾	(3.0)	203.8	1.7
Acquisition and integration-related expenses ⁽²⁾	22.0	25.8	8.6
Restructuring charges ⁽³⁾	7.5	—	(3.3)
Asset impairments, net ⁽³⁾	7.1	15.9	(0.9)
Gain on divestitures, net ⁽⁴⁾	(12.3)	—	—
Gain on sale of in-house finance receivables	—	—	(1.4)
Non-GAAP operating income	\$ 642.8	\$ 850.4	\$ 908.1
Operating margin	8.7 %	7.7 %	11.5 %
Non-GAAP operating margin	9.0 %	10.8 %	11.6 %

⁽¹⁾ Fiscal 2024 includes a credit to income related to the adjustment of a prior litigation accrual recognized in the first quarter of Fiscal 2023. Refer to Note 28 of Item 8 for additional information.

⁽²⁾ Fiscal 2024 includes expenses related to the integration of Blue Nile, primarily severance and retention, exit and disposal costs and system decommissioning costs; Fiscal 2023 includes the impact of the fair value step-up for inventory acquired in the Diamonds Direct and Blue Nile acquisitions, as well as direct transaction-related and integration costs, primarily professional fees and severance, incurred for the acquisition of Blue Nile; Fiscal 2022 included direct transaction-related costs for the acquisition of Rocksbox and Diamonds Direct and impact of the fair value step-up for inventory from Diamonds Direct.

⁽³⁾ Fiscal 2024 restructuring and asset impairment charges were incurred primarily as a result of the Company's rationalization of store footprint and reorganization of certain centralized functions; Fiscal 2023 includes asset impairment charges related to the Company's headquarters, headquarters; Fiscal 2022 includes ROU asset impairment gains, net recorded due to various impacts of COVID-19 to the Company's business and related gains on terminations or modifications of leases, resulting from previously recorded impairments of the right of use assets in Fiscal 2021. Fiscal 2021 includes impairment charges related to the Company's goodwill, intangible assets, and long-lived assets. Refer to Note 17 16 and Note 26 of Item 8 for additional information.

⁽⁴⁾ Includes gain on sale of the UK prestige watch business, net of transaction costs. Refer to Note 4 of Item 8 for additional information.

4. Non-GAAP diluted EPS

Non-GAAP diluted EPS is a non-GAAP measure defined as diluted EPS excluding the impact of certain items which management believes are not necessarily reflective of normal operational performance during a period. Management finds the information useful when analyzing financial results in order to appropriately evaluate the performance of the business without the impact of these certain items. In particular, management believes the consideration of measures that exclude such items can assist in the comparison of performance in different periods which may or may not include such items. The Company estimates the tax effect of all non-GAAP adjustments by applying a statutory tax rate to each item. The income tax items represent the discrete amount that affected the diluted EPS during the period.

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Diluted EPS	\$ 15.01	\$ 6.64	\$ 12.22
Litigation charges ⁽¹⁾	(0.06)	3.59	0.03
Pension settlement loss ⁽²⁾	0.02	2.36	—
Acquisition and integration-related expenses ⁽³⁾	0.41	0.46	0.13
Restructuring charges ⁽⁴⁾	0.14	—	(0.05)
Asset impairments ⁽⁴⁾	0.13	0.28	(0.01)
Gain on divestitures, net ⁽⁵⁾	(0.22)	—	—
Gain on sale of in-house finance receivables	—	—	(0.02)
Tax impact of items above	(0.18)	(1.53)	(0.02)
Bermuda economic transition adjustment ⁽⁶⁾	(4.88)	—	—
Non-GAAP diluted EPS	\$ 10.37	\$ 11.80	\$ 12.28

⁽¹⁾ Fiscal 2024 includes a credit to income related to the adjustment of a prior litigation accrual recognized in the first quarter of Fiscal 2023. Refer to Note 28 of Item 8 for additional information.

⁽²⁾ Includes pension wind-up charges in Fiscal 2024. Refer to Note 27 of Item 8 for additional information.

⁽³⁾ **Acquisition** Fiscal 2024 includes expenses related to the integration of Blue Nile, primarily severance and **integration-related** retention, exit and disposal costs **include** and system decommissioning costs; Fiscal 2023 includes the impact of the fair value step-up for inventory **from** acquired in the Diamonds Direct and Blue Nile **acquisitions**, as well as direct transaction-related and integration costs, primarily professional fees and severance, incurred **related to** for the acquisition of Blue Nile in Fiscal 2023; Nile; Fiscal 2022 included direct transaction-related costs for the acquisition of Rocksbox and Diamonds Direct and impact of the fair value step-up for inventory from Diamonds Direct.

4. Leverage ratio⁽⁴⁾ Fiscal 2024 restructuring and asset impairment charges were incurred primarily as a result of the Company's rationalization of store footprint and reorganization of certain centralized functions; Fiscal 2023 includes asset impairment charges related to the Company's headquarters; Fiscal 2022 includes ROU asset impairment gains, net recorded due to various impacts of COVID-19 to the Company's business and related gains on terminations or modifications of leases, resulting from previously recorded impairments of the right of use assets in Fiscal 2021. Refer to Note 16 and Note 26 of Item 8 for additional information.

⁽⁵⁾ Includes gain on sale of the UK prestige watch business, net of transaction costs. Refer to Note 4 of Item 8 for additional information.

⁽⁶⁾ Fiscal 2024 relates to the impact of the deferred income tax benefit from the Bermuda economic transition adjustment. Refer to Note 10 of Item 8 for additional information.

5. Adjusted debt and adjusted net debt leverage ratios

The **adjusted debt and adjusted net debt leverage ratio is a ratios** are non-GAAP **measure measures** calculated by dividing Signet's adjusted **debt or adjusted net debt** by adjusted EBITDAR. Adjusted debt is a non-GAAP measure defined as debt recorded in the consolidated balance sheet, plus redeemable Series A **convertible preference shares** **Convertible Preference Shares** ("Preferred Shares"), plus an adjustment for operating leases (5x annual rent expense). **Adjusted net debt, a non-GAAP measure, is adjusted debt less the cash and cash equivalents on hand as of the balance sheet dates.** Adjusted EBITDAR is a non-GAAP measure, defined as earnings before interest and income taxes, depreciation and amortization, share-based compensation expense, **other** non-operating **income (expense) expense, net** and certain non-GAAP accounting adjustments ("Adjusted EBITDA") and further excludes minimum fixed rent expense for properties occupied under operating leases. Adjusted EBITDA and Adjusted EBITDAR are considered important indicators of operating performance as they exclude the effects of financing and investing activities by eliminating the effects of interest, depreciation and amortization costs and certain accounting adjustments. Management believes these financial measures are helpful to **enhancing investors' ability investors and analysts** to analyze trends in Signet's business and evaluate Signet's performance. **The adjusted debt leverage ratio is a key priority of the Company's capital allocation strategy used in measuring the Company's optimized capital structure. The adjusted net debt leverage ratio is supplemental to the adjusted debt ratio as it is useful to both investors and management to consider cash on hand available to pay down or issue debt.**

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Adjusted debt:								
Adjusted debt and adjusted net debt:								
Current portion of long-term debt								
Current portion of long-term debt								
Current portion of long-term debt								
Long-term debt	Long-term debt	\$ 147.4	\$ 147.1	\$ 146.7				
Redeemable Series A Convertible Preference Shares	Redeemable Series A Convertible Preference Shares	653.8	652.1	642.3				

Adjustments:	Adjustments:			
5x Rent expense	2,232.5	2,216.5	2,263.0	
5x rent expense				
5x rent expense				
5x rent expense				
Adjusted debt	Adjusted debt	\$3,033.7	\$3,015.7	\$3,052.0
Less: Cash and cash equivalents				
Adjusted net debt				
Adjusted EBITDAR:	Adjusted EBITDAR:			
Net income (loss)	\$ 376.7	\$ 769.9	\$ (15.2)	
Adjusted EBITDAR:				
Adjusted EBITDAR:				
Net income				
Net income				
Net income				
Income taxes	Income taxes	74.5	114.5	(74.5)
Interest expense, net	13.5	16.9	32.0	
Interest (income) expense, net				
Depreciation and amortization on property, plant and equipment (1)	Depreciation and amortization on property, plant and equipment (1)	162.2	162.4	175.1
Amortization of definite-lived intangibles (1)	Amortization of definite-lived intangibles (1)	2.3	1.1	0.9
Amortization of unfavorable contracts	Amortization of unfavorable contracts	(1.8)	(3.3)	(5.4)
Share-based compensation	Share-based compensation	42.0	45.8	14.5
Other non-operating expense, net (1) (2)	Other non-operating expense, net (1) (2)	140.2	2.1	—
Other accounting adjustments (2) (3)	Other accounting adjustments (2) (3)	245.5	4.7	214.5
Adjusted EBITDA	Adjusted EBITDA	\$1,055.1	\$1,114.1	\$ 341.9
Rent expense	Rent expense	446.5	443.3	452.6
Adjusted EBITDAR	Adjusted EBITDAR	\$1,501.6	\$1,557.4	\$ 794.5
Adjusted leverage ratio	Adjusted leverage ratio	2.0x	1.9x	3.8x
Adjusted leverage ratio				
Adjusted leverage ratio		2.3x	2.0x	1.9x
Adjusted net leverage ratio				
Adjusted net leverage ratio				
Adjusted net leverage ratio		1.3x	1.2x	1.0x

Total amount of depreciation and amortization reflected on the consolidated statement of cash flows for Fiscal 2023, Fiscal 2022 and Fiscal 2021 equals \$164.5 million, \$163.5 million and \$176 million, respectively, which includes \$2.3 million, \$1.1 million and \$0.9 million, respectively, related to the amortization of definite-lived intangibles, primarily favorable leases and trade names.

Fiscal 2023 includes pension settlement charges of \$133.7 million.

Fiscal 2024 includes: 1) \$22.0 million of acquisition and integration-related expenses related to the integration of Blue Nile, primarily severance and retention, exit and disposal costs and system decommissioning costs; 2) \$7.5 million and \$7.1 million of restructuring and asset impairment charges, respectively, incurred as a result of the Company's rationalization of store footprint and reorganization of certain centralized functions; 3) \$12.3 million related to the gain on sale of the UK prestige watch business; and 4) a \$3.0 million credit to income related to the adjustment of a prior litigation accrual recognized in the first quarter of Fiscal 2023.

Fiscal 2023 includes: 1) \$203.8 million related to litigation charges; 2) \$25.8 million of acquisition and integration-related costs including the impact of the fair value step-up for inventory from Diamonds Direct and Blue Nile, as well as direct transaction-related and integration costs, primarily professional fees and severance, incurred related to the acquisition of Blue Nile in Fiscal 2023; 2) and 3) \$15.9 million of asset impairments; and 3) \$203.8 million related to litigation charges, impairments

Fiscal 2022 includes: 1) \$0.9 million of net asset impairment gains related to long-lived assets; 2) \$3.3 million credit to restructuring expense, primarily related to adjustments to previously recognized restructuring liabilities in connection with the Company's transformation plan; 3) \$1.7 million related to the settlement of previously disclosed shareholder litigation matters; 4) \$8.6 million of charges related to professional fees for direct transaction-related costs incurred for the acquisitions of Rocksbox and Diamonds Direct in Fiscal 2022, as well as includes the impact of the fair value step up for inventory from Diamonds Direct; and 5) \$1.4 million gain associated with the sale of customer in-house finance receivables.

Fiscal 2021 includes: 1) \$159.0 million in asset impairments related to goodwill, intangible assets, and long-lived assets; 2) \$47.6 million related to charges in connection with the Company's transformation plan; 3) \$7.5 million related to charges related to settlement of shareholder litigation, net of insurance proceeds; and 4) \$0.4 million related to cost of extinguishment of debt.

LIQUIDITY AND CAPITAL RESOURCES

Overview and capital strategy

The Company's primary sources of liquidity are cash on hand, cash provided by operations and availability under its senior unsecured secured asset-based revolving credit facility (the "ABL Revolving Facility"). As of January 28, 2023 February 3, 2024, the Company had \$1.2 \$1.4 billion of cash and cash equivalents, \$147.7 million \$147.8 million of outstanding debt related to the 4.70% senior unsecured notes due in June 2024 (the "Senior Notes"), and no outstanding borrowings on the ABL Revolving Facility. The available borrowing capacity on the ABL Revolving Facility was \$1.4 \$1.1 billion as of January 28, 2023 February 3, 2024.

The tenets of Signet's Company has a disciplined approach to capital strategy are: allocation, utilizing the following capital priorities: 1) investing invest in its business to drive growth in line with the Company's overall business strategy; through both organic investments and acquisitions; 2) ensuring adequate liquidity through a strong cash position optimize its capital structure and financial flexibility under its debt arrangements; and 3) returning excess cash to shareholders. Over time, Signet's strategy is to sustain maintain an adjusted leverage ratio below 2.75x. Adjusted leverage ratio is a (a non-GAAP measure as defined in the Non-GAAP Measures section above. above) of less than 2.75x; and 3) return cash to shareholders through share repurchases and dividends.

Investing in growth

Since the Company's transformation strategies began in Fiscal 2019, the Company has delivered substantially against its strategic priorities to establish the Company as the OmniChannel jewelry category leader and position its business for sustainable long-term growth. The investments and new capabilities built during the past few years laid the foundation for the Company's accelerated growth, post-pandemic, including prioritizing digital investments in both digital technology and talent, data analytics, enhancing the Company's new and modernized eCommerce platform and optimizing a connected commerce shopping journey for its customers. In addition, cost reductions and structural improvements since the Company's transformation began have generated annual cost savings of more than \$800 million, which has fueled the investments described above. The Company's cash discipline has led to more efficient working capital, through both the extension of payment days with the Company's vendor base, as well as through improvement in productivity and overall health of the Company's inventory, utilizing a disciplined approach to drive continued reductions in sell down and clearance inventory. In addition, cost reductions and process improvements since the Company's transformation strategy began have generated annual costs savings of approximately \$500 million.

As the Company continues to execute on its Inspiring Brilliance strategy, it will intends to continue to focus on working capital efficiency, optimizing its real estate footprint, and prioritizing transformational productivity to drive future further cost savings opportunities, all of which are expected to be used to fuel strategic investments, grow the business, and enhance liquidity. In addition, During Fiscal 2024, the Company invested \$210.5 million for capital investments in Fiscal 2023, which included \$138.9 \$125.5 million for capital expenditures and \$71.6 \$58.3 million related to investments in digital and cloud IT initiatives.

In addition, during the past two years, the The Company has made three various strategic acquisitions in line with its Inspiring Brilliance strategy. On March 29, 2021, growth strategy over the Company acquired all past three years, investing nearly \$900 million for the acquisitions of the outstanding shares of Rocksbox, a jewelry rental subscription business, for cash consideration of \$14.6 million, net of cash acquired. The acquisition was driven by Signet's initiatives to accelerate growth in its services offerings. On November 17, 2021, the Company acquired Diamonds Direct for cash consideration of \$503.1 million, net of cash acquired. in Fiscal 2022, Blue Nile in Fiscal 2023 and SJR in Fiscal 2024. The acquisition of Diamonds Direct accelerated the Company's growth in accessible luxury and bridal. See Note 4 of Item 8 for more details.

During the third quarter of Fiscal 2023, bridal, and the Company acquired all is focused on doubling the pace of the outstanding shares store openings, extending its reach into even more key markets. The addition of Blue Nile subject to the terms of a stock purchase agreement entered into on August 5, 2022. The total cash consideration was \$389.9 million, net of cash acquired, including purchase price adjustments for working capital. Blue Nile is a leading online retailer of engagement rings and fine jewelry. The strategic acquisition of Blue Nile accelerates accelerated Signet's efforts to enhance its connected commerce capabilities and broaden its digital leadership across the jewelry category – all to while further achieve achieving meaningful operating synergies for the consumers and create creating value for shareholders. The acquisition of certain assets of SJR in the second quarter of Fiscal 2024, as well as the transition of the former Blue Nile Seattle fulfillment center to a new enterprise-wide repair facility, is expected to expand the Company's services capacity and capabilities.

In addition to the acquisitions, the Company divested the operations and certain assets related to the prestige watch business in the UK during the fourth quarter of Fiscal 2024 for approximately \$54 million. The Company believes the divestiture of this non-strategic business will enable the UK to accelerate key elements of its transformation. The proceeds of the sale will be used for general corporate purposes. See Note 4 of Item 8 for further details.

Optimized capital structure

Liquidity and financial flexibility

During The Company has made significant progress over the past two few years the Company made significant progress in line with its Inspiring Brilliance growth strategy through three key financial milestones. First, strategic priority to ensure a strong cash and overall liquidity position, including fully outsourcing credit, significantly reducing its outstanding debt, and eliminating the UK Pension Scheme. In addition, in Fiscal 2022, the Company renegotiated its \$1.5 billion ABL Facility, as further described in Note 24 22 of Item 8, to extend the maturity until 2026 and allow overall greater financial flexibility to grow the business and provide an additional option to address the calendar year 2024 maturities for its Senior Notes debt and Preferred Shares, if necessary.

Second, as described in Note 13 The Company maintained a 2.3x adjusted leverage ratio through the end of Item 8, Fiscal 2024, well below the Company's stated goal of less than 2.75x. As a result of the progress and the strength of the Company's financial position, the Company entered into amended and restated receivable purchase agreements with CarVal and Castlake regarding the purchase of add-on receivables on such Investors' existing accounts, as well as the purchase of the Company-owned credit card receivables portfolio for accounts that had been originated through Fiscal 2021. These agreements provide Signet with improved terms for the next two years, as well as remove consumer credit risk from the balance sheet. In March 2022, the Company entered into amended and restated receivable purchase agreements with the Investors regarding the purchase of add-on receivables on such Investors' existing accounts. Under the amended and restated agreements, The Bank of Missouri will is reducing its goal to be the issuer for the add-on receivables on these existing accounts and the Investors will purchase the receivables from The Bank of Missouri. In conjunction with the above agreements in March 2022, the Company entered into agreements with the Investors to transfer all existing cardholder accounts previously originated by Signet to The Bank of Missouri. Therefore, the Company no longer originates any credit receivables with customers.

Finally, the Company has substantially completed the buy-out of its UK Pension plan over the past two years, which eliminates the long term balance sheet risk of this benefit obligation, as well as will reduce ongoing pension funding obligations and preserve free cash flow.Refer to Note 23 of Item 8 for further information on the UK Pension plan buy-out.

at or below 2.5x.

Returning excess cash to shareholders

The Company remains committed to its goal to return excess cash to shareholders. During Fiscal 2022 and Fiscal 2023, the Company has declared the Fiscal 2022 preferred share dividends payable in cash, and beginning This includes our goal to be a dividend growth company. Beginning in the second quarter of Fiscal 2022, Signet elected to reinstate the dividend program on its common shares. The Company also increased its common dividends from \$0.18 per share in Fiscal 2022, to \$0.20 per share in Fiscal 2023, to \$0.23 per share in Fiscal 2024, and beginning in Fiscal 2024 2025 increased it again to \$0.23 \$0.29 per share. In addition, during the third quarter of The Company also remains focused on share repurchases under its 2017 Share Repurchase Program (the "2017 Program"). During Fiscal 2022, Fiscal 2023 and Fiscal 2024 the Board authorized increases in the remaining amount of Directors shares authorized a reinstatement of repurchases for repurchase under the 2017 Program by

\$559 million, \$500 million, and \$263 million, respectively, bringing the total authorization to approximately \$560 million during Fiscal 2022 and authorized an additional \$500 million in June 2022, \$1.9 billion as of February 3, 2024. Since the reinstatement of share repurchases in Fiscal 2022, the Company has repurchased approximately 9.3 11.2 million shares for \$687.9 \$827.2 million under the 2017 Program, including \$376.1 million \$139.3 million in Fiscal 2023, 2024. Subsequent to year-end, the Board approved a further \$263 million increase to the multi-year authorization under the 2017 Program bringing the total remaining authorization to approximately \$775 million \$850 million (net of approximately \$25 million \$7.0 million of share repurchases made in the first quarter of Fiscal 2024 2025 through March 15, 2023 March 19, 2024). See Note 8 7 of Item 8 for more details.

additional information related to share repurchases.

The Company believes that cash on hand, cash flows from operations and available borrowings under the ABL Revolving Facility will be sufficient to meet its ongoing business requirements for at least the 12 months following the date of this report, including funding working capital needs, projected investments in the business (including capital expenditures), debt service and maturities, including Preferred Shares, and returns to shareholders through either dividends or and share repurchases.

Primary sources and uses of operating cash flows

Operating activities provide the primary source of cash for the Company and are influenced by a number of factors, the most significant of which are operating income and changes in working capital items, such as:

- changes in the level of inventory as a result of sales and other strategic initiatives;
- changes and timing of accounts payable and accrued expenses, including variable compensation; and
- changes in deferred revenue, reflective of the revenue from performance of extended service plans.

Signet derives most of its operating cash flows through the sale of merchandise and extended service plans. As a retail business, Signet receives cash when it makes a sale to a customer or when the payment has been processed by Signet or the relevant bank if the payment is made by third-party credit or debit card. As further discussed further in Note 13 12 of Item 8, the Company has outsourced its entire credit card portfolio, and it receives cash from its outsourced financing partners (net of applicable fees) generally within two days of the customer sale. Offsetting these receipts, the Company's largest operating expenses are the purchase of inventory, payroll and payroll-related benefits, store occupancy costs (including rent), and payroll and payroll-related benefits. advertising.

Summary cash flows flow

The following table provides a summary of Signet's cash flow activity for Fiscal 2023, Fiscal 2022 2024 and Fiscal 2021; 2023:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021

(in millions)				
(in millions)				
Net cash provided by operating activities				
Net cash provided by operating activities				
Net cash provided by operating activities	Net cash provided by operating activities	\$ 797.9	\$ 1,257.3	\$ 1,372.3
Net cash used in investing activities	Net cash used in investing activities	(545.4)	(642.7)	(77.8)
Net cash used in investing activities				
Net cash used in investing activities				
Net cash used in financing activities	Net cash used in financing activities	(490.0)	(366.6)	(498.6)
(Decrease) increase in cash and cash equivalents				
		(237.5)	248.0	795.9
Net cash used in financing activities				
Net cash used in financing activities				
Increase (decrease) in cash and cash equivalents				
Increase (decrease) in cash and cash equivalents				
Increase (decrease) in cash and cash equivalents				
Increase (decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	1,418.3	1,172.5	374.5
(Decrease) increase in cash and cash equivalents				
		(237.5)	248.0	795.9
Cash and cash equivalents at beginning of period				
Cash and cash equivalents at beginning of period				
Increase (decrease) in cash and cash equivalents				
Increase (decrease) in cash and cash equivalents				
Increase (decrease) in cash and cash equivalents				
Effect of exchange rate changes on cash and cash equivalents				
Effect of exchange rate changes on cash and cash equivalents				
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(14.0)	(2.2)	2.1
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$ 1,166.8	\$ 1,418.3	\$ 1,172.5
Cash and cash equivalents at end of period				
Cash and cash equivalents at end of period				

Operating activities

Net cash provided by operating activities in Fiscal 2023 2024 was \$797.9 million \$546.9 million compared to net cash provided by operating activities of \$1.3 billion \$797.9 million in the prior year comparable period. This overall decrease is primarily due to lower income and in operating cash flows was driven by the payment of litigation settlements as noted below, offset by higher cash outflows inflows for working capital compared to the prior period. period and lower net tax payments. The significant movements in operating cash flows are further described below:

- Net income was \$376.7 million \$810.4 million compared to \$769.9 million net income of \$376.7 million in the prior year period, a decrease an increase of \$393.2 million. \$433.7 million. This decrease increase was primarily related to the change in deferred taxes noted below; non-cash, pre-tax pension settlement charges of \$133.7 million \$133.7 million and pre-tax accrued litigation charges of \$203.8 million \$203.8 million during Fiscal 2023, 2023; partially offset by lower overall sales volume in Fiscal 2024. See Note 12 11 of Item 8 for additional information.
- Change The change in current income taxes was a use of \$3.0 million in the current period compared to a source of \$98.5 million \$98.5 million in the prior year. The year over year change was primarily the result of net income tax payments of \$13.0 million in the current year and lower forecasted taxable income, compared to net cash payments of \$74.6 million in the prior year period. Deferred taxes were a use of \$180.3 million in the current period compared to a use of \$6.7 million \$99.3 million in the

prior year. Deferred taxes was year, primarily as a use result of \$99.3 million in the current period compared deferred tax asset related to a source of \$0.1 million in the prior year. Cash paid for income taxes was \$74.6 million in Fiscal 2023 and \$120.7 million in Fiscal 2022. Bermuda economic transition adjustment. Refer to Note 11 of Item 8 for additional information.

- During the prior year, the Company sold its existing customer in-house finance receivables, as well as collected the payment obligation of the remaining 5% of the receivables previously sold in June 2018. This resulted in cash proceeds of \$81.3 million. See Note 13 of Item 8 for further information.
- Cash used for provided by inventory was \$16.5 million \$182.5 million compared to a source use of \$198.3 million \$16.5 million in the prior year period period. The inventory reduction in the current year was driven by the Company's inventory management initiatives in the current year, compared to prior year which was driven by the replenishment of inventories to healthier normalized in-stock levels.
- Cash used by accounts payable was \$101.6 million \$134.5 million compared to a source use of \$35.7 million \$101.6 million in the prior year period. Accounts payable decreased in the current year primarily as a result of merchandise replenishment during the first half of the year. In addition, the Company continued to utilize extended terms with its vendors lower inventory purchases and has maintained these extended terms throughout the current year, payment timing.
- Cash provided used by changes in operating leases accrued expenses and other liabilities was \$18.2 million, \$251.1 million compared to a use source of \$64.1 million \$120.0 million in the prior year period. This difference was driven by accrued litigation charges which were accrued in the Company's deferral prior year period and paid during the first quarter of rent payments due beginning in April 2020, a substantial portion of which was repaid in Fiscal 2022, 2024. See Note 18 of Item 8 for more additional information.
- Cash provided by deferred revenue was \$27.9 million compared to \$100.5 million in the prior year, primarily due to increased warranty plan sales associated with higher overall sales volume in Fiscal 2022. See Note 3 of Item 8 for further information.

Investing activities

Net cash used in investing activities in Fiscal 2023 2024 was \$545.4 million \$75.8 million compared to \$642.7 million a use of \$545.4 million in the prior period. Cash used in Fiscal 2023 2024 was primarily related to the acquisition of Blue Nile for \$389.9 million, net of cash acquired, and capital expenditures of \$138.9 million. \$125.5 million, partially offset by cash received of \$53.8 million for the sale of the Company's UK prestige watch business. Capital expenditures are primarily associated with new stores, remodels of existing stores, and strategic capital investments in digital and IT initiatives, IT. In Fiscal 2022, 2023, net cash used in investing activities included \$515.8 million was primarily related to the acquisition of Blue Nile for the acquisitions of Diamonds Direct and Rocksbox \$389.9 million and capital expenditures of \$129.6 \$138.9 million. See Note 4 of Item 8 for more information on all acquisitions.

the acquisition and divestiture.

Stores opened and closed in Fiscal 2023; 2024:

Store count by segment	Store count by segment	Opened and Closed				Store count by segment	January 28, 2023	Opened (2)	Closed (2)(3)	February 3, 2024
		January 29, 2022	acquired (2) (3)	Closed (2)	January 28, 2023					
North America segment (1)	North America segment (1)	2,506	83	(114)	2,475					
North America segment (1)										
North America segment (1)										
International segment (1)										
International segment (1)										
International segment (1)	International segment (1)	348	2	(17)	333					
Signet	Signet	2,854	85	(131)	2,808					

(1) The net change in selling square footage for Fiscal 2023 2024 for the North America and International segments was 0.9% (1.4)% and (3.7) (15.4)%, respectively.

(2) Includes 23 13 store repositions in Fiscal 2023; 2024.

(3) Includes 23 locations acquired 16 stores from Blue Nile in Fiscal 2023 the divestiture of the UK prestige watch business as described in Note 4 of Item 8.

Financing activities

Net cash used in financing activities in Fiscal 2024 was \$259.7 million, consisting of the repurchase of \$139.3 million of common shares, preferred and common share dividends paid of \$72.8 million, and payments for taxes withheld related to the settlement of the Company's share-based compensation awards of \$47.6 million.

Net cash used in financing activities in Fiscal 2023 was \$490.0 million, consisting of the repurchase of \$376.1 million of common shares, preferred and common share dividends paid of \$69.5 million, and payments for withholding taxes withheld related to the settlement of the Company's share-based compensation awards of \$44.4 million, and preferred and

common share dividends paid of \$69.5 million. See Note 8 of Item 8 for more information.

Net cash used in financing activities in Fiscal 2022 was \$366.6 million, comprised primarily of \$43.6 million for dividend payments on common and preferred shares and common share repurchases of \$311.8 million, \$44.4 million.

Movement in Cash and Indebtedness

Cash and cash equivalents at January 28, 2023 February 3, 2024 were \$1.2 billion \$1.4 billion compared to \$1.4 billion \$1.2 billion as of January 29, 2022 January 28, 2023. The increase year over year was primarily driven by cash flow from operations partially offset by the payment of litigation charges and share repurchases, as described above. Signet has cash and cash equivalents invested in various 'AAA' rated government money market funds and at a number of large, highly-rated financial institutions. The amount invested in each liquidity fund or at each financial institution takes into account the credit rating and size of the liquidity fund or financial institution and is invested for short-term durations.

As further described in Note 24.22 of Item 8, on July 28, 2021, the Company entered into an agreement to amend the ABL Revolving Facility. Facility on July 28, 2021. The amendment extends extended the maturity of the ABL Revolving Facility to July 28, 2026 and allows the Company to increase the size of the ABL Revolving Facility by up to \$600 million.

At January 28, 2023 and January 29, 2022, Signet had \$147.7 million of outstanding debt, consisting entirely of There were no borrowings under the Senior Notes.

ABL Revolving Facility during Fiscal 2024 or Fiscal 2023. The Company had stand-by letters of credit on the ABL Revolving Facility of \$18.1 million \$18.2 million as of January 28, 2023 February 3, 2024 that reduced remaining borrowing availability. Available borrowings borrowing capacity under the ABL Revolving Facility were \$1.4 billion was \$1.1 billion as of February 3, 2024.

At February 3, 2024 and January 28, 2023, Signet had \$147.8 million and \$147.7 million, respectively, of outstanding debt, consisting entirely of the Senior Notes. The Senior Notes are due in June 2024 and the redemption is expected to be funded with cash on hand.

Net cash was \$1.0 billion \$1.2 billion as of January 28, 2023 February 3, 2024 compared to net cash of \$1.3 billion \$1.0 billion as of January 29, 2022 January 28, 2023. Refer to the Non-GAAP Measures section above for the definition of net cash and reconciliation to its most comparable financial measure presented in accordance with GAAP.

As of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, the Company was in compliance with all debt covenants.

Capital availability

Signet's level of borrowings and cash balances fluctuates during the year reflecting the seasonality of its cash flow requirements and business performance. Management believes that cash balances and the committed borrowing facilities (including the ABL Facility described more fully in Note 24.22 of Item 8) currently available to the business are sufficient for both its present and near-term requirements. The following table provides a summary of these items as of January 28, 2023 February 3, 2024, January 29, 2022 January 28, 2023 and January 30, 2021 January 29, 2022:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	January 30, 2021	(in millions)	February 3, 2024	January 28, 2023	January 29, 2022
Working capital ⁽¹⁾	Working capital ⁽¹⁾	\$1,259.0	\$1,659.7	\$1,583.3				
Capitalization:	Capitalization:							
Current portion of long-term debt	Current portion of long-term debt							
Current portion of long-term debt	Current portion of long-term debt							
Long-term debt	Long-term debt	147.4	147.1	146.7				
Redeemable Series A Convertible Preference Shares	Redeemable Series A Convertible Preference Shares	653.8	652.1	642.3				
Shareholders' equity	Shareholders' equity	1,578.6	1,564.0	1,190.3				
Total capitalization	Total capitalization	2,379.8	2,363.2	1,979.3				
Additional amounts available under credit agreements	Additional amounts available under credit agreements	\$1,406.6	\$1,245.9	\$1,320.8				
Additional amounts available under credit agreements	Additional amounts available under credit agreements							
Additional amounts available under credit agreements	Additional amounts available under credit agreements							

⁽¹⁾ Includes cash and cash equivalents and current portion of long-term debt

If the excess availability under the ABL Revolving Facility falls below the threshold specified in the ABL Facility agreement, the Company will be required to maintain a fixed charge coverage ratio of not less than 1.00 to 1.00. As of January 28, 2023 February 3, 2024, the threshold related to the fixed coverage ratio was approximately \$126 million \$114 million. The ABL Facility places certain restrictions upon the Company's ability to, among other things, incur additional indebtedness, pay dividends, grant liens and make certain loans, investments and divestitures. The ABL Facility contains customary events of default (including payment defaults, cross-defaults to certain of the Company's other indebtedness, breach of representations and covenants and change of control). The occurrence of an event of default under the ABL Facility would permit the lenders to accelerate the indebtedness and terminate the ABL Facility.

Credit ratings

The following table provides Signet's credit ratings as of January 28, 2023 February 3, 2024:

Rating Agency	Corporate	Senior Notes
Standard & Poor's	BB-	BB-
Moody's	Ba3	B2
Fitch	BB	BB

OFF-BALANCE SHEET ARRANGEMENTS

Merchandise held on consignment

Signet The Company held \$623.0 million \$530.3 million of consignment inventory at February 3, 2024 compared to \$623.0 million at January 28, 2023, which is not recorded on the consolidated balance sheet at January 28, 2023, as compared to \$533.2 million at January 29, 2022. sheets. The principal terms of the consignment agreements, which can generally be terminated by either party, are such that Signet the Company can return any or all of the inventory to the relevant supplier suppliers without financial or commercial penalty. penalties and the supplier can adjust the inventory costs prior to sale.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting policies covering areas of greater complexity that are subject to the exercise of judgment due to the reliance on key estimates are listed below. A comprehensive listing of Signet's significant accounting policies is set forth in Note 1 of the consolidated financial statements in Item 8.

Revenue recognition for extended service plans and lifetime warranty agreements ("ESP")

The Company recognizes revenue related to ESP sales in proportion to when the expected costs will be incurred. The deferral periods for ESP sales are determined from patterns of claims costs, including estimates of future claims costs expected to be incurred. Management reviews the trends in historical claims to assess whether changes are required to the revenue and cost recognition rates utilized. All direct costs associated with the sale of these the ESP plans are deferred and amortized in proportion to the revenue recognized and disclosed as either other current assets or other assets in the consolidated balance sheets. These direct costs primarily include sales commissions and credit card fees. Amortization of deferred ESP selling costs is included within selling, general and administrative expenses SG&A in the consolidated statements of operations.

The North America reportable segment sells ESP, subject to certain conditions, to perform repair work over the life of the product. Customers generally pay for ESP at the store or online at the time of merchandise sale. Revenue from the sale of the lifetime ESP is recognized consistent with the estimated patterns of claim costs expected to be incurred by the Company in connection with performing under the ESP obligations. Lifetime ESP revenue is deferred and recognized over a maximum of 13 years after the sale of the warranty contract. Although claims experience varies between the Company's national banners, thereby resulting in different recognition rates, approximately 60% to 65% of revenue is recognized within the first two years on a weighted average basis. Management estimates that a 1% change in the recognition rates between years for ESP sales, based on the level of ESP plans sold in Fiscal 2023 2024 and assuming no change in the life over which the Company is expected to fulfil fulfill its obligations under the warranty, would impact revenue recognized on current year ESA plan sales by approximately \$5 million.

As noted above, the Company utilizes historical claims data to estimate the expected future patterns of claims cost and the related revenue recognition rates utilized. These claims patterns are subject to change based primarily on revisions to the Company's ESP product offerings and changes in customer behavior over time. The Company refreshes its analysis of the claims pattern on at least an annual basis, or more often if circumstances dictate such a review is required (such as occurred as a result of the disruption from COVID-19). A significant change in either the overall claims pattern or the life over which the Company is expected to fulfil fulfill its obligation under the warranty could result in material change to revenues.

Goodwill and intangibles

In a business combination, the Company estimates and records the fair value of all assets acquired and liabilities assumed, including identifiable intangible assets and liabilities. The fair value of these intangible assets and liabilities is estimated based on management's assessment, including selection of appropriate valuation techniques, inputs and assumptions in the determination of fair value. Significant estimates in valuing intangible assets and liabilities acquired include, but are not limited to, future expected cash flows associated with the acquired asset or liability, expected life and discount rates. The excess purchase price over the estimated fair values of the assets acquired and liabilities assumed is recognized as goodwill. Goodwill is recorded by the Company's reporting units based on the acquisitions made by each.

Goodwill and other indefinite-lived intangible assets, such as indefinite-lived trade names, are evaluated for impairment annually as of the beginning end of the fourth reporting period, with the exception of newly acquired reporting units which are completed no later than twelve months after the date of acquisition. Additionally, if events or conditions were to indicate the carrying value of a reporting unit or an indefinite-lived intangible asset may be greater than its fair value, the Company would evaluate the reporting unit or asset for impairment at that time. Impairment testing compares the carrying amount of the reporting unit or other indefinite-lived intangible assets with its fair value. When the carrying amount of the reporting unit or other intangible assets exceeds its fair value, an impairment charge is recorded.

The impairment test for goodwill involves estimating the fair value of the reporting unit through either estimated discounted future cash flows or market-based methodologies. The impairment test for other indefinite-lived intangible assets involves estimating the fair value of the asset, which is typically performed using the relief from royalty method for indefinite-lived trade names.

The fair value methodologies used by Due to various impacts of the current market conditions on key inputs and assumptions, such as rising interest rates and the sustained inflationary pressure on consumers' discretionary spending, the Company determined that quantitative impairment assessments were required for the Diamonds Direct and Digital Banners reporting units as well as the indefinite-lived intangible assets assigned to those reporting units as of the annual impairment testing date during the second quarter of Fiscal 2024. As part of the assessments, it was determined that an increase in **testing goodwill** the discount rates was required to reflect the rising interest rates due to current market conditions. This higher discount rate, in conjunction with revised cash flow projections associated with the impact of the decline in consumer trends relative to engagement related purchases expected in Fiscal 2024, resulted in lower than previously projected discounted future cash flows for the reporting units and indefinite-lived intangible assets **include** which negatively affected the valuation compared to previous valuations.

Based on the results of the quantitative impairment assessments, the Company determined that no impairment was required as the estimated fair value of the Digital Banners reporting unit as well as the James Allen trade name substantially exceeded their respective carrying values. Due to the recent acquisition of the Blue Nile trade name, the carrying value of \$96 million approximated its estimated fair value as of the annual impairment testing date and no impairment was required. For the Diamonds Direct reporting unit, as well as its related trade name, the estimated fair values exceeded their carrying values by approximately 13% and 6%, respectively.

Due to a lower than expected sales during the fourth quarter of Fiscal 2024, combined with softening of sales expected in Fiscal 2025, the Company determined that an interim quantitative impairment assessment was required for the Blue Nile indefinite-lived intangible trade name asset as of the end of Fiscal 2024. As a result of this interim quantitative impairment assessment of the Blue Nile trade name, the carrying value of \$96 million continues to approximate its estimated fair value and thus no impairment was required.

The Company noted that an increase in the discount rate and/or a further softening of sales and operating income trends for the Diamonds Direct reporting unit and related trade name as well as the Blue Nile trade name, could result in a decline in the estimated fair values of the indefinite-lived intangible assets, including goodwill, which could result in future material impairment charges. For

instance, an increase in the discount rate of 0.5%, assuming no other changes to assumptions, would result in an impairment charge of approximately \$5 million on the Blue Nile trade name.

The Company will continue to monitor events or circumstances that could trigger the need for an interim impairment test in Fiscal 2025. The Company believes that the estimates and assumptions related to sales and operating income trends, discount rates, royalty rates and other assumptions **that are judgmental in nature. If future reasonable, but they are subject to change from period to period.** Future economic conditions or operating performance, such as declines in sales or increases in discount rates, **are different than** could differ from those projected by management in its most recent impairment tests for **goodwill and** indefinite-lived intangible assets, **including goodwill. This could impact our estimates of fair values and may result in future material impairment charges may be required. charges.** See Note 19 18 of Item 8 for further details.

Long-lived assets

Long-lived assets of the Company consist primarily of property and equipment, definite-lived intangible assets and operating lease right-of-use ("ROU") assets. Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Potentially impaired assets or asset groups are identified by reviewing the undiscounted cash flows of individual stores. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the store asset group, based on the Company's internal business plans. If the undiscounted cash flow for the store asset group is less than its carrying amount, the long-lived assets are measured for potential impairment by estimating the fair value of the asset group, and recording an impairment loss for the amount that the carrying value exceeds the estimated fair value. The Company primarily utilizes the replacement cost method to estimate the fair value of its property and equipment, and the income capitalization method to estimate the fair value of its ROU assets, which incorporates historical store level sales, internal business plans, real estate market capitalization and rental rates, and discount rates.

The uncertainty of the current macroeconomic environment **on to** the Company's business could continue to further negatively affect the operating performance and cash flows of the previously impaired stores or additional stores, including the impacts of inflation, continued changes in consumer behavior and shifts in discretionary spending, the inability to achieve or maintain cost savings initiatives included in the business plans, changes in real estate strategy or other macroeconomic factors which influence consumer behavior. In addition, key assumptions used to estimate fair value, such as sales trends, capitalization and market rental rates, and discount rates could impact the fair value estimates of the store-level assets in future periods.

Income taxes

Income taxes are accounted for using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are recognized by applying statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. A valuation allowance is established against deferred tax assets when it is more likely than not that all or a portion of the deferred tax assets will not be realized, based on management's evaluation of all available evidence, both positive and negative, including reversals of deferred tax liabilities, projected future taxable income and results of recent operations. The Company has a valuation allowance of **\$19.0 million \$18.3 million and \$27.9 million \$19.0 million**, as of **January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023**, respectively, due to uncertainties related to the Company's ability to utilize certain of its deferred tax assets, primarily consisting of net operating losses **foreign tax credits** and capital losses carried forward.

The annual effective tax rate is based on annual income, statutory tax rates and tax planning strategies available in the various jurisdictions in which the Company operates. The Company does not recognize tax benefits related to positions taken on certain tax matters unless the position is more likely than not to be sustained upon examination by tax authorities. At any point in time, various tax years are subject to or are in the process of being audited by various taxing authorities. The Company records a reserve for uncertain tax positions, including interest and penalties. To the extent that management's estimates of settlements change, or the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made. See Note 11 10 of Item 8 for additional information regarding deferred tax assets and unrecognized tax benefits.

Leases

Signet occupies certain properties and holds machinery and vehicles under operating leases. Signet determines if an arrangement is a lease at the agreement's inception. Certain operating leases include predetermined rent increases, which are charged to store occupancy costs within cost of sales on a straight-line basis over the lease term, including any construction period or other rental holiday. Other variable amounts paid under operating leases, such as taxes and common area maintenance, are charged to cost of sales as incurred. Premiums paid to acquire short-term leasehold properties and inducements to enter into a lease are recognized on a straight-line basis over the lease term. Certain leases provide for contingent rent based on a percentage of sales in excess of a predetermined level. Certain leases provide for variable rent increases based on indexes specified within the lease agreement. The variable increases based on an index are initially measured as part of the operating lease liability using the index at the commencement date. Contingent rent and subsequent changes to variable increases based on indexes will be recognized in the variable lease cost and included in the determination of total lease cost when it is probable that the expense has been incurred and the amount is reasonably estimable. Operating leases are included in operating lease ROU assets and current and non-current operating lease liabilities in the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental secured borrowing rate based on the information available at the lease commencement date, including the underlying term and currency of the lease, in measuring the present value of lease payments. Lease terms, which include the period of the lease that cannot be canceled, may also include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with an initial term of twelve months or less are not recorded on the balance sheet, and we recognize short-term lease expense for these leases on a straight-line basis over the lease term. The operating lease ROU asset may also include initial direct costs, prepaid and/or accrued lease payments and the unamortized balance of lease incentives received. ASC 842, "Leases", allows a lessee, as an accounting policy election by class of underlying asset, to choose not to separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. We have elected this practical expedient as presented in ASC 842, and do not separate non-lease components for all underlying asset classes. ROU assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable in accordance with the Company's long-lived asset impairment assessment policy.

Payments arising from operating lease activity, as well as variable and short-term lease payments not included within the operating lease liability, are included as operating activities on the Company's consolidated statement of cash flows. Expenditures made to ready an asset for its intended use (i.e. leasehold improvements) are represented within investing activities within the Company's consolidated statements of cash flows.

SUPPLEMENTAL GUARANTOR FINANCIAL INFORMATION

The Company and certain of its subsidiaries, which are listed on Exhibit 22.1 to this Annual Report on Form 10-K, have guaranteed obligations under the Senior Notes.

The Senior Notes were issued by Signet UK Finance plc (the "Issuer"). The Senior Notes rank senior to the Preferred Shares and common shares. The Senior Notes are effectively subordinated to our existing and future secured indebtedness to the extent of the assets securing that indebtedness. The Senior Notes are fully and unconditionally guaranteed on a joint and several basis by the Company, as the parent entity (the "Parent") of the Issuer, and certain of its subsidiary guarantors (each, a "Guarantor" and collectively, the "Guarantors").

The Senior Notes are structurally subordinated to all existing and future debt and other liabilities, including trade payables, of our subsidiaries that do not guarantee the Senior Notes (the "Non-Guarantors"). The Non-Guarantors will have no obligation, contingent or otherwise, to pay amounts due under the Senior Notes or to make funds available to pay those amounts. Certain Non-Guarantors may be limited in their ability to remit funds to us by means of dividends, advances or loans due to required foreign government and/or currency exchange board approvals or limitations in credit agreements or other debt instruments of those subsidiaries.

The Guarantors jointly and severally, irrevocably and unconditionally guarantee on a senior unsecured basis the performance and full and punctual payment when due of all obligations of Issuer, as defined in the Indenture, in accordance with the Senior Notes and the related Indentures, as supplemented, whether for payment of principal of or interest on the Senior Notes when due and any and all costs and expenses incurred by the trustee or any holder of the Senior Notes in enforcing any rights under the guarantees (collectively, the "Guarantees"). The Guarantees and Guarantors are subject to release in limited circumstances only upon the occurrence of certain customary conditions.

Although the Guarantees provide the holders of Senior Notes with a direct unsecured claim against the assets of the Guarantors, under US federal bankruptcy law and comparable provisions of US state fraudulent transfer laws, in certain circumstances a court could cancel a Guarantee and order the return of any payments made thereunder to the Guarantor or to a fund for the benefit of its creditors.

A court might take these actions if it found, among other things, that when the Guarantors incurred the debt evidenced by their Guarantee (i) they received less than reasonably equivalent value or fair consideration for the incurrence of the debt and (ii) any one of the following conditions was satisfied:

- the Guarantor entity was insolvent or rendered insolvent by reason of the incurrence;
- the Guarantor entity was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- the Guarantor entity intended to incur or believed (or reasonably should have believed) that it would incur, debts beyond its ability to pay as those debts matured.

In applying the above factors, a court would likely find that a Guarantor did not receive fair consideration or reasonably equivalent value for its Guarantee, except to the extent that it benefited directly or indirectly from the issuance of the Senior Notes. The

determination of whether a Guarantor was or was not rendered insolvent when it entered into its Guarantee will vary depending on the law of the jurisdiction being applied. Generally, an entity would be considered insolvent if the sum of its debts (including contingent or unliquidated debts) is greater than all of its assets at a fair valuation or if the present fair salable value of its assets is less than the amount that will be required to pay its probable liability on its existing debts, including contingent or unliquidated debts, as they mature.

If a court canceled a Guarantee, the holders of the Senior Notes would no longer have a claim against that Guarantor or its assets.

Each Guarantee is limited, by its terms, to an amount not to exceed the maximum amount that can be guaranteed by the applicable Guarantor without rendering the Guarantee, as it relates to that Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Guarantor is a consolidated subsidiary of Parent at the date of each balance sheet presented. The following tables present summarized financial information for Parent, Issuer, and the Guarantors on a combined basis after elimination of (i) intercompany transactions and balances among Parent, Issuer, and the Guarantors and (ii) equity in earnings from and investments in any Non-Guarantor.

Summarized Balance Sheets		Summarized Balance Sheets			
		January 28, 2023		January 29, 2022	
(in millions)	(in millions)	2023	2022	(in millions)	(in millions)
Total current assets	Total current assets	\$3,225.3	\$3,507.0		
Total non-current assets	Total non-current assets	2,056.3	2,245.3		
Total current liabilities	Total current liabilities	2,555.5	2,309.3		
Total non-current liabilities	Total non-current liabilities	3,192.3	3,407.0		
Redeemable preferred shares	Redeemable preferred shares	653.8	652.1		
Total due from Non-Guarantors	Total due from Non-Guarantors				
(1)	(1)	425.1	311.4		
Total due to Non-Guarantors	Total due to Non-Guarantors				
(1)	(1)	1,798.3	1,666.9		

(1) Amounts included in asset and liability subtotals above.

(in millions)	Summarized Statements of Operations	
	Fiscal 2023	Fiscal 2022
Sales	\$ 6,705.7	\$ 7,188.9
Gross margin	2,786.0	3,014.9
Income before income taxes (2)	546.0	939.7
Net income (2)	490.1	827.9

(in millions)	Summarized Statements of Operations	
	Fiscal 2024	Fiscal 2023
Sales	\$ 6,048.8	\$ 6,705.7
Gross margin	2,539.9	2,786.0
Income before income taxes (2)	991.5	546.0

Net income ⁽²⁾	914.1	490.1

⁽²⁾ Includes net income from intercompany transactions with Non-Guarantors of \$311.6 million for Fiscal 2024, and net income of \$128.3 million for Fiscal 2023, and income of \$49.8 million for Fiscal 2022. 2023. Intercompany transactions primarily include intercompany dividends and interest.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Signet is exposed to market risk arising from fluctuations in foreign currency exchange rates, interest rates and precious metal prices, which could affect its consolidated financial position, earnings and cash flows. Signet monitors and manages these market exposures as a fundamental part of its overall risk management program, which recognizes the volatility of financial markets and seeks to reduce the potentially adverse effects of this volatility on Signet's operating results. Signet manages its exposure to market risk through its regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Signet uses derivative financial instruments as risk management tools and not for trading purposes.

As a portion of the International reportable segment's purchases are denominated in US dollars and its net cash flows are in British pounds, Signet's policy is to enter into forward foreign currency exchange contracts and foreign currency swaps to manage the exposure to the US dollar. Signet may enter into derivative transactions to hedge a significant portion of forecasted merchandise purchases using commodity forward purchase contracts, options, net zero premium collar arrangements, or some combination thereof. Additionally, the North America reportable segment enters into forward foreign currency exchange contracts to manage the currency fluctuations associated with the Company's Canadian operations. These contracts are entered into with large, reputable financial institutions, thereby minimizing the credit exposure from the Company's counterparties.

Signet has significant amounts of cash and cash equivalents invested at several financial institutions. The amount invested at each financial institution takes into account the long-term credit rating and size of the financial institution. The interest rates earned on cash and cash equivalents will fluctuate in line with short-term interest rates.

MARKET RISK MANAGEMENT POLICY

A committee The Finance Committee of the Board is responsible for the implementation of monitoring market and liquidity risk management policies within the Company's treasury policies and guidelines framework, which are deemed to be appropriate by the Board for the management of market risk.

Signet's exposure to market risk is managed by Signet's Treasury Committee, senior management. Where deemed necessary to achieve the objective of reducing market risk volatility on Signet's operating results, certain derivative instruments are entered into after review and approval by the Treasury Committee, Company's Chief Financial Officer ("CFO"). Signet uses derivative financial instruments for risk management purposes only.

A description of Signet's accounting policies for derivative instruments is included in Note 1 of Item 8. Signet's current portfolio of derivative financial instruments consists entirely of forward foreign currency exchange contracts. An analysis quantifying the fair value change in derivative financial instruments held by Signet to manage its exposure to foreign exchange rates is detailed in Note 21 20 of Item 8.

Foreign Currency Exchange Rate Risk

Approximately 90% 91% of Signet's total assets were held in entities whose functional currency is the US dollar at January 28, 2023 February 3, 2024 and the Company generated approximately 91% of its sales in US dollars in Fiscal 2023, 2024. Remaining assets and sales are primarily in British pounds and Canadian dollars.

In translating the results of the International reportable segment and the Canadian subsidiary of the North America reportable segment, Signet's results are subject to fluctuations in the exchange rates between the US dollar and both the British pound and Canadian dollar. Any depreciation in the value of the US dollar against the British pound or Canadian dollar could increase reported revenues and operating profit and any appreciation in the value of the US dollar against the British pound or Canadian dollar could decrease reported revenues and operating profit.

The International reportable segment buys certain products and materials on international markets that are priced in US dollars, and therefore has an exposure to exchange rates on the cost of goods sold. Signet uses certain derivative financial instruments to hedge a portion of this exposure within treasury guidelines and approved by the Board, Signet CFO. In Fiscal 2023, 2024, approximately 32% of the International reportable segment's goods purchased were transacted in US dollars (Fiscal 2022: 35% 2023: 32%).

Signet holds a fluctuating amount of British pounds reflecting the cash generating characteristics of the International reportable segment. Signet's objective is to minimize net foreign exchange exposure to the consolidated statements of operations on British pound denominated items through managing this level of cash, British pound denominated intercompany balances and US dollar to

British pound swaps. In order to manage the foreign exchange exposure and minimize the level of British pound cash held by Signet, the British pound denominated subsidiaries periodically pay dividends as needed to their immediate holding companies and excess British pounds are sold in exchange for US dollars.

Commodity Price Risk

Signet's results are subject to fluctuations in the cost of diamonds, gold and certain other precious metals which are key raw material components of the products sold by Signet.

When deemed appropriate by management, it is Signet's policy to minimize the impact of precious metal commodity price volatility on operating results through the use of commodity forward purchase contracts, or by entering into either purchase options or net zero premium collar arrangements, within treasury guidelines and approved by the Board, Signet CFO. It is not possible to hedge against fluctuations in the cost of diamonds.

Interest Rate Risk

Signet's interest income and expense is exposed to volatility in interest rates. This exposure is driven by both the currency denomination of the cash or debt, the mix of fixed and floating rate debt used, the type of cash investments and the total amount of cash and debt outstanding. As of January 28, 2023 February 3, 2024, a hypothetical 100 basis point increase in interest rates would result in no additional annual interest expense since all of the Company's variable rate debt has been repaid.

Sensitivity Analysis

Management has used a sensitivity analysis technique that measures the change in the fair value of Signet's financial instruments from hypothetical changes in market rates as shown in the table below.

Fair value gains (losses) arising from:

(in millions)		Fair		10%		Fair		Fair		10%		10%			
(in millions)		Value		depreciation		Value		Value		depreciation		depreciation			
(in millions)		January		of		January		February		of		of			
(in millions)		28, 2023		\$ against £		29, 2022		3, 2024		\$ against £		\$ against C\$			
Foreign exchange contracts	Foreign exchange contracts	\$ (0.6)		\$ 0.1		\$ (1.0)									

The amounts generated from the sensitivity analysis quantify the impact of market risk assuming that certain adverse market conditions, specified in the table above, occur. They are not forward-looking estimates of market risk. Actual results in the future are likely to differ materially from those projected due to changes in the portfolio of financial instruments held and actual developments in the global financial markets.

Any changes in the portfolio of financial instruments held and developments in the global financial markets may cause fluctuations in interest rates, exchange rates and precious metal prices to exceed the hypothetical amounts disclosed in the table above. The sensitivity scenarios are intended to allow an expected risk measure to be applied to the scenarios, as opposed to the scenarios themselves being an indicator of the maximum expected risk.

The fair value of derivative financial instruments is determined based on market value equivalents at period end, taking into account the current foreign currency forward rates.

The estimated changes in the fair value for foreign exchange rates are based on a 10% depreciation of the US dollar against British pound and Canadian dollar from the levels applicable at January 28, 2023 February 3, 2024 with all other variables remaining constant. There were no foreign exchange contracts outstanding in other foreign currencies as of January 28, 2023 February 3, 2024.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Signet Jewelers Limited:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Signet Jewelers Limited and subsidiaries (the Company) as of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, the related consolidated statements of operations, comprehensive income, (loss), cash flows, and shareholders' equity for each of the 53 week period ended February 3, 2024 and the 52 week periods ended January 28, 2023 (fiscal year 2023), and January 29, 2022, and January 30, 2021, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of January 28, 2023 February 3, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, and the results of its operations and its cash flows for each of the 53 week period ended February 3, 2024 and the 52 week periods ended January 28, 2023, and January 29, 2022, and January 30, 2021, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 28, 2023 February 3, 2024 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

The Company acquired Blue Nile, Inc. during fiscal year 2023, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of January 28, 2023, Blue Nile, Inc.'s internal control over financial reporting associated with 8% of total assets and 3% of total sales included in the consolidated financial statements of the Company as of and for the year ended January 28, 2023. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Blue Nile, Inc.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was

maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition related to extended service plans

As discussed in Note 3 to the consolidated financial statements, the Company recognized revenue related to the extended service plans (ESP) of **\$479.9 million** **\$505.6 million**, which included revenue related to lifetime ESP. Lifetime ESP revenue is recognized in proportion to when the expected costs will be incurred. To determine the amount of revenue to recognize, the Company estimates the deferral periods and patterns of future claims costs.

We identified the evaluation of revenue recognition related to lifetime ESP as a critical audit matter. Subjective auditor judgment was required to evaluate the estimated deferral periods and patterns of future claims costs used to recognize lifetime ESP revenue, which included assessing the historical claims trends by year of contract sale and estimates of future claims, because a change in these estimates could materially impact revenues. In addition, valuation professionals with specialized skills and knowledge were required to evaluate the Company's models used to estimate the deferral periods and patterns of future claims costs.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's revenue recognition process, including controls related to the development of assumptions used to estimate the deferral periods and patterns of future claims costs. We evaluated the historical claims trends used by the Company in estimating the future claims costs on a sample basis by selecting claims and tracing them back to the original proof of sale. We assessed the calculations used by the Company to determine lifetime ESP revenue recognized for consistency with the estimated deferral periods and patterns of future claim costs. We involved valuation professionals with specialized skills and knowledge, who assisted by evaluating the Company's models used to develop the deferral periods and patterns of future claims costs by (1) developing parallel models to estimate the deferral periods and patterns of future claims costs, and (2) comparing the results to the Company's estimated deferral periods and patterns of future claims costs.

/s/ KPMG LLP

We have served as the Company's auditor since 2011.

Cleveland, Ohio

March 16, 2023 20, 2024

SIGNET JEWELERS LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share amounts)		(in millions, except per share amounts)					(in millions, except per share amounts)						
		Fiscal 2023	Fiscal 2022	Fiscal 2021	Notes			Fiscal 2024		Fiscal 2023		Fiscal 2022	Notes
Sales	Sales	\$7,842.1	\$7,826.0	\$5,226.9	3	Sales		\$7,171.1	\$	\$7,842.1	\$	\$7,826.0	3
Cost of sales	Cost of sales	(4,790.0)	(4,702.0)	(3,493.0)									
Restructuring charges - cost of sales		—	—	(1.4)	6								
Gross margin													
Gross margin													
Gross margin	Gross margin	3,052.1	3,124.0	1,732.5									
Selling, general and administrative expenses	Selling, general and administrative expenses	(2,214.6)	(2,230.9)	(1,587.4)									
Selling, general and administrative expenses													
Selling, general and administrative expenses													
Restructuring charges		—	3.3	(46.2)	6								
Asset impairments, net	Asset impairments, net	(22.7)	(1.5)	(159.0)	17								
Other operating income (expense)		(209.9)	8.5	2.4	12								
Operating income (loss)		604.9	903.4	(57.7)	5								
Interest expense, net		(13.5)	(16.9)	(32.0)									
Asset impairments, net													
Asset impairments, net								(9.1)		(22.7)		(1.5)	16
Other operating income (expense), net						Other operating income (expense), net		2.9		(209.9)		11.8	11
Operating income						Operating income		621.5		604.9		903.4	5
Interest income (expense), net													
Other non-operating expense, net	Other non-operating expense, net	(140.2)	(2.1)	—	12								
Income (loss) before income taxes		451.2	884.4	(89.7)									
Other non-operating expense, net													
Other non-operating expense, net								(0.4)		(140.2)		(2.1)	11
Income before income taxes													
Income taxes	Income taxes	(74.5)	(114.5)	74.5	11								
Net income (loss)		376.7	769.9	(15.2)									
Income taxes													
Income taxes								170.6		(74.5)		(114.5)	10
Net income													

Unrealized (loss) gain	(0.4)	—	(0.4)	(0.3)	—	(0.3)	0.2	—	0.2	
Unrealized loss										
Unrealized loss										
Unrealized loss										
Cash flow hedges:	Cash flow hedges:									
Unrealized gain (loss)	1.8	(0.3)	1.5	0.6	—	0.6	(1.0)	0.2	(0.8)	
Cash flow hedges:										
Cash flow hedges:										
Unrealized (loss) gain										
Unrealized (loss) gain										
Unrealized (loss) gain										
Reclassification adjustment for (gains) losses to earnings	Reclassification adjustment for (gains) losses to earnings	(1.7)	0.3	(1.4)	1.0	(0.3)	0.7	(16.8)	4.2	(12.6)
Pension plan:	Pension plan:									
Actuarial (loss) gain	(0.5)	0.1	(0.4)	(71.4)	13.5	(57.9)	5.4	(1.0)	4.4	
Actuarial loss										
Actuarial loss										
Actuarial loss										
Reclassification adjustment for amortization of actuarial losses to earnings	Reclassification adjustment for amortization of actuarial losses to earnings	3.5	(0.7)	2.8	2.1	(0.3)	1.8	1.0	(0.2)	0.8
Reclassification adjustment for amortization of net prior service costs to earnings	Reclassification adjustment for amortization of net prior service costs to earnings	0.3	—	0.3	0.1	—	0.1	0.1	—	0.1
Reclassification adjustment for amortization of net prior service costs to earnings										
Reclassification adjustment for amortization of net prior service costs to earnings										
Reclassification adjustment for pension settlement loss to earnings	Reclassification adjustment for pension settlement loss to earnings	133.7	(25.3)	108.4	—	—	—	—	—	—
Total other comprehensive income (loss)	Total other comprehensive income (loss)	\$112.6	\$(25.9)	\$ 86.7	\$(73.3)	\$ 12.9	\$(60.4)	\$ 0.1	\$ 3.2	\$ 3.3
Total comprehensive income (loss)				\$463.4			\$709.5			\$(11.9)
Total comprehensive income										

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

SIGNET JEWELERS LIMITED
CONSOLIDATED BALANCE SHEETS

(in millions, except par value per share amount)	(in millions, except par value per share amount)	January 28, 2023	January 29, 2022	Notes	(in millions, except par value per share amount)	February 3, 2024	January 28, 2023	Notes
Assets	Assets							
Current assets:	Current assets:							
Current assets:								
Current assets:								
Cash and cash equivalents								

Cash and cash equivalents											
Cash and cash equivalents	Cash and cash equivalents	\$1,166.8	\$1,418.3	1	\$	1,378.7	\$	\$1,166.8	1	1	
Accounts receivable	Accounts receivable	14.5	19.9	14	Accounts receivable	9.4	14.5	14.5	13	13	
Other current assets	Other current assets	165.9	208.6								
Income taxes	Income taxes	9.6	23.2								
Income taxes											
Inventories											
Inventories	Inventories	2,150.3	2,060.4	15		1,936.6	2,150.3	2,150.3	14	14	
Total current assets	Total current assets	3,507.1	3,730.4								
Non-current assets:											
Non-current assets:											
Property, plant and equipment, net											
Property, plant and equipment, net											
Property, plant and equipment, net	Property, plant and equipment, net	586.5	575.9	16		497.7	586.5	586.5	15	15	
Operating lease right-of-use assets	Operating lease right-of-use assets	1,049.3	1,206.6	18	Operating lease right-of-use assets	1,001.8	1,049.3	1,049.3	17	17	
Goodwill	Goodwill	751.7	484.6	19	Goodwill	754.5	751.7	751.7	18	18	
Intangible assets, net	Intangible assets, net	407.4	314.2	19	Intangible assets, net	402.8	407.4	407.4	18	18	
Other assets	Other assets	281.7	226.1								
Deferred tax assets	Deferred tax assets	36.7	37.3	11							
Deferred tax assets											
Deferred tax assets						300.5			36.7	10	
Total assets	Total assets	\$6,620.4	\$6,575.1								
Liabilities, Redeemable convertible preferred shares, and Shareholders' equity											
Liabilities, Redeemable convertible preferred shares, and Shareholders' equity											
Liabilities, Redeemable convertible preferred shares, and Shareholders' equity											
Current liabilities:											
Current liabilities:											
Current liabilities:											
Current portion of long-term debt											
Current portion of long-term debt											
Current portion of long-term debt											
Accounts payable	Accounts payable	\$ 879.0	\$ 899.8								
Accrued expenses and other current liabilities											
Accrued expenses and other current liabilities											
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	638.7	501.6	25		400.2	638.7	638.7	23	23	

Treasury shares at cost: 25.8 shares (2023: 25.1 shares)					(1,646.9)		(1,574.7)	7
Retained earnings	Retained earnings	3,144.8	2,877.4					
Accumulated other comprehensive loss								
Accumulated other comprehensive loss								
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(264.2)	(350.9)	10	(265.3)	(264.2)	(264.2)	9
Total shareholders' equity	Total shareholders' equity	1,578.6	1,564.0					
Total liabilities, redeemable convertible preferred shares and shareholders' equity	Total liabilities, redeemable convertible preferred shares and shareholders' equity	\$6,620.4	\$6,575.1					
Total liabilities, redeemable convertible preferred shares and shareholders' equity								
Total liabilities, redeemable convertible preferred shares and shareholders' equity								

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

SIGNET JEWELERS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Operating activities	Operating activities							
Net income (loss)		\$ 376.7	\$ 769.9	\$ (15.2)				
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Net income								
Net income								
Net income								
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization	Depreciation and amortization	164.5	163.5	176.0				
Amortization of unfavorable contracts	Amortization of unfavorable contracts	(1.8)	(3.3)	(5.4)				
Share-based compensation	Share-based compensation	42.0	45.8	14.5				
Deferred taxation	Deferred taxation	(99.3)	0.1	141.8				
Asset impairments, net								
Asset impairments		22.7	1.5	159.0				
Restructuring charges		—	—	14.7				
Net loss on extinguishment of debt		—	—	0.4				

Pension settlement loss	Pension settlement loss	133.7	—	—
Pension settlement loss				
Pension settlement loss				
Gain on divestitures				
Other non-cash movements	Other non-cash movements	7.2	4.8	0.3
Changes in operating assets and liabilities, net of acquisitions:				
Decrease (increase) in accounts receivable		5.5	12.4	(50.1)
Changes in operating assets and liabilities, net of acquisitions and divestitures:				
Accounts receivable				
Accounts receivable				
Accounts receivable				
Proceeds from sale of in-house finance receivables	Proceeds from sale of in-house finance receivables	—	81.3	—
Decrease (increase) in other assets and other receivables		10.6	(39.9)	181.9
(Increase) decrease in inventories		(16.5)	198.3	308.0
(Decrease) increase in accounts payable		(101.6)	35.7	577.8
Increase (decrease) in accrued expenses and other liabilities		120.0	(30.1)	(185.8)
Change in operating lease assets and liabilities		18.2	(64.1)	31.2
Increase in deferred revenue		27.9	100.5	73.1
Changes in income tax receivable and payable		98.5	(6.7)	(45.5)
Other assets and other receivables				
Inventories				
Accounts payable				
Accrued expenses and other liabilities				
Operating lease assets and liabilities				
Deferred revenue				
Income tax receivable and payable				
Pension plan contributions	Pension plan contributions	(10.4)	(12.4)	(4.4)
Net cash provided by operating activities	Net cash provided by operating activities	797.9	1,257.3	1,372.3
Investing activities	Investing activities			

Purchase of property, plant and equipment				
Purchase of property, plant and equipment				
Purchase of property, plant and equipment	Purchase of property, plant and equipment	(138.9)	(129.6)	(83.0)
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	(391.8)	(515.8)	—
Acquisitions, net of cash acquired				
Acquisitions, net of cash acquired				
Divestitures				
Other investing activities, net	Other investing activities, net	(14.7)	2.7	5.2
Net cash used in investing activities	Net cash used in investing activities	(545.4)	(642.7)	(77.8)
Financing activities				
Dividends paid on common shares	Dividends paid on common shares	(36.6)	(19.0)	(19.4)
Dividends paid on common shares				
Dividends paid on common shares				
Dividends paid on redeemable convertible preferred shares	Dividends paid on redeemable convertible preferred shares	(32.9)	(24.6)	(7.8)
Repurchase of common shares	Repurchase of common shares	(376.1)	(311.8)	—
Repayments of term loans		—	—	(100.0)
Proceeds from revolving credit facilities		—	—	900.0
Repayments of revolving credit facilities		—	—	(1,170.0)
Payment of debt issuance costs	Payment of debt issuance costs	—	(3.9)	—
Decrease of bank overdrafts		—	—	(87.4)
Payment of debt issuance costs				
Payment of debt issuance costs				
Other financing activities, net				
Other financing activities, net				
Other financing activities, net	Other financing activities, net	(44.4)	(7.3)	(14.0)
Net cash used in financing activities	Net cash used in financing activities	(490.0)	(366.6)	(498.6)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	1,418.3	1,172.5	374.5
(Decrease) increase in cash and cash equivalents		(237.5)	248.0	795.9
Increase (decrease) in cash and cash equivalents				
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(14.0)	(2.2)	2.1
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	\$1,166.8	\$1,418.3	\$1,172.5

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

SIGNET JEWELERS LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

		Common	Additional			Accumulated			Common	Additional				Accumulated	
		shares at	paid-in	Other	Treasury	Retained	comprehensive	Total	Common	paid-in	Other	Treasury	Retained	other	Total
(in millions)	(in millions)	par value	capital	reserves	shares	earnings	income (loss)	shareholders' equity	(in millions)	par value	capital	reserves	shares	earnings	shareholder equity
Balance at February 1, 2020		\$ 12.6	\$ 245.4	\$ 0.4	\$ (984.9)	\$2,242.9	\$ (293.8)	\$ 1,222.6							
Net loss		—	—	—	—	(15.2)	—	(15.2)							
Other comprehensive income		—	—	—	—	—	3.3	3.3							
Dividends on redeemable convertible preferred shares		—	—	—	—	(33.5)	—	(33.5)							
Net settlement of equity based awards		—	(1.1)	—	4.7	(5.0)	—	(1.4)							
Share-based compensation expense		—	14.5	—	—	—	—	14.5							
Balance at January 30, 2021	Balance at January 30, 2021	\$ 12.6	\$ 258.8	\$ 0.4	\$ (980.2)	\$2,189.2	\$ (290.5)	\$ 1,190.3							
Net income	Net income	—	—	—	—	769.9	—	769.9							
Other comprehensive loss	Other comprehensive loss	—	—	—	—	—	(60.4)	(60.4)							
Dividends on common shares	Dividends on common shares	—	—	—	—	(28.0)	—	(28.0)							
Dividends on redeemable convertible preferred shares	Dividends on redeemable convertible preferred shares	—	—	—	—	(34.5)	—	(34.5)							
Repurchase of common shares	Repurchase of common shares	—	(50.0)	—	(261.8)	—	—	(311.8)							
Net settlement of equity based awards	Net settlement of equity based awards	—	(23.4)	—	35.3	(19.2)	—	(7.3)							
Share-based compensation expense	Share-based compensation expense	—	45.8	—	—	—	—	45.8							
Balance at January 29, 2022	Balance at January 29, 2022	\$ 12.6	\$ 231.2	\$ 0.4	\$ (1,206.7)	\$2,877.4	\$ (350.9)	\$ 1,564.0							
Net income	Net income	—	—	—	—	376.7	—	376.7							
Other comprehensive income	Other comprehensive income	—	—	—	—	—	86.7	86.7							
Dividends on common shares	Dividends on common shares	—	—	—	—	(36.7)	—	(36.7)							
Dividends on redeemable convertible preferred shares	Dividends on redeemable convertible preferred shares	—	—	—	—	(34.5)	—	(34.5)							
Repurchase of common shares	Repurchase of common shares	—	50.0	—	(426.1)	—	—	(376.1)							
Net settlement of equity based awards	Net settlement of equity based awards	—	(63.5)	—	58.1	(38.1)	—	(43.5)							

Share-based compensation expense	Share-based compensation expense	—	42.0	—	—	—	—	42.0
Balance at January 28, 2023	Balance at January 28, 2023	\$ 12.6	\$ 259.7	\$ 0.4	\$(1,574.7)	\$3,144.8	\$ (264.2)	\$ 1,578.6
Net income								
Other comprehensive loss								
Dividends on common shares								
Dividends on redeemable convertible preferred shares								
Repurchase of common shares								
Net settlement of equity based awards								
Share-based compensation expense								
Balance at February 3, 2024								

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

SIGNET JEWELERS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and summary of significant accounting policies

Signet Jewelers Limited ("Signet" or the "Company"), a holding company incorporated in Bermuda, is the world's largest retailer of diamond jewelry. The Company operates through its 100% owned subsidiaries with sales primarily in the United States ("US"), United Kingdom ("UK") and Canada. Signet manages its business as three reportable segments: North America, International, and Other. The "Other" reportable segment consists of subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones. See Note 5 for additional discussion of information regarding the Company's reportable segments.

Signet's business is seasonal, with the fourth quarter historically accounting for approximately 35-40% of annual sales, as well as for a substantial portion of the annual operating profit. The "Holiday Season" consists of results for the months of November and December, with December being the highest volume month of the year.

The following accounting policies have been applied consistently in the preparation of the Company's consolidated financial statements:

(a) Basis of preparation

The consolidated financial statements of Signet the Company are prepared in accordance with US generally accepted accounting principles ("US GAAP" or "GAAP") and include the results for the 52 53 week period ended January 28, 2023 February 3, 2024 ("Fiscal 2023" 2024"), as Signet's the Company's fiscal year ends on the Saturday nearest to January 31. The comparative periods are for the 52 week period ended January 29, 2022 January 28, 2023 ("Fiscal 2022" 2023") and the 52 week period ended January 30, 2021 January 29, 2022 ("Fiscal 2021" 2022"). Intercompany transactions and balances have been eliminated in consolidation. Signet The Company has reclassified certain prior year amounts to conform to the current year presentation. There are no material related party transactions.

(b) Risks and uncertainties

In December 2019, a novel coronavirus ("COVID-19") was identified in Wuhan, China. During Fiscal 2021, the Company experienced significant disruption to its business, specifically in its retail store operations through temporary closures during the first half of the year. By the end of the third quarter of Fiscal 2021, the Company had re-opened substantially all of its stores. However, during the fourth quarter of Fiscal 2021, both the UK and certain Canadian provinces re-established mandated temporary closure of non-essential businesses. The UK stores began to reopen in April 2021, while the Canadian stores began reopening in the second quarter of Fiscal 2022.

While COVID-19 has not directly impacted the Company's operations in Fiscal 2023, challenging overall market conditions exist from the direct and indirect macroeconomic effects of the pandemic on inflation, the global supply chain, changes in customer behavior and shifts in discretionary spending. The Company will continue to evaluate the impact of these

and other macroeconomic factors on its business, results of operations and cash flows throughout Fiscal 2024, including the potential impacts on various estimates and assumptions inherent in the preparation of the consolidated financial statements.

(c) Use of estimates

The preparation of these consolidated financial statements, in conformity with US GAAP and the regulations of the US Securities and Exchange Commission ("SEC") regulations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates and assumptions are primarily made in relation to the valuation of inventories, deferred revenue, derivatives, employee benefits, compensation, income taxes, contingencies, leases, asset impairments for goodwill, indefinite-lived intangible and long-lived assets and the depreciation and amortization of long-lived assets.

(d) Foreign currency translation

The financial position and operating results of certain foreign operations, including certain subsidiaries operating in the UK as part of the International reportable segment and Canada as part of the North America reportable segment, are consolidated using the local currency as the functional currency. Assets and liabilities are translated at the rates of exchange on the consolidated balance sheet date, and revenues and expenses are translated at the monthly average rates of exchange during the period. Resulting translation gains or losses are included in the accompanying consolidated statements of shareholders' equity as a component of accumulated other comprehensive income (loss) ("AOCI"). Gains or losses resulting from foreign currency transactions are included within other operating income (expense) in net within the consolidated statements of operations.

See Note 10 9 for additional information regarding the Company's foreign currency translation.

(e) Revenue recognition

The Company applies a five-step approach in determining the amount and timing of revenue to be recognized: (1) identifying the contract with a customer; (2) identifying the performance obligations in the contract; (3) determining the transaction price; (4) allocating the transaction price to the performance obligations in the contract; and (5) recognizing revenue when the corresponding performance obligation is satisfied.

See Note 3 for additional discussion of information regarding the Company's revenue recognition policies.

(f) Cost of sales and selling, general and administrative expenses

Cost of sales includes merchandise costs, net of discounts and allowances; distribution and warehousing costs; and store operating and occupancy costs. Store operating and occupancy costs include utilities, rent, real estate taxes, maintenance and repair (including common area maintenance charges) and depreciation. Distribution and warehousing costs including freight, processing, inventory shrinkage and related compensation and benefits.

Selling, general and administrative expenses ("SG&A") include store staff and store administrative costs; centralized administrative expenses, including information technology; third-party credit costs and credit loss expense; advertising and promotional costs and other operating expenses not specifically categorized elsewhere in the consolidated statements of operations.

Compensation and benefits costs included within cost of sales and selling, general and administrative expenses SG&A totaled \$1,430.3 million \$1,428.0 million in Fiscal 2023 2024 (Fiscal 2023: \$1,430.3 million; Fiscal 2022: \$1,447.7 million; Fiscal 2021: \$996.1 million), \$1,447.7 million).

(g) Store opening costs

The opening costs of new locations are expensed as incurred and included within selling, general and administrative expenses, SG&A.

(h) Advertising and promotional costs

Advertising and promotional costs are expensed within selling, general and administrative expenses, SG&A. Production costs are expensed at the first communication of the advertisements, while communication expenses are recognized each time the advertisement is communicated. For catalogs and circulars, costs are all expensed at the first date they can be viewed by the customer. Point of sale promotional material is expensed when first displayed in the stores. Gross advertising costs totaled \$555.6 million \$522.8 million in Fiscal 2023 2024 (Fiscal 2023: \$555.6 million; Fiscal 2022: \$527.0 million; Fiscal 2021: \$343.0 million), \$527.0 million).

(i) Income taxes

Income taxes are accounted for using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are recognized by applying statutory tax rates in effect in the years in which the differences between the financial reporting and tax filing bases of existing assets and liabilities are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. A valuation allowance is established against deferred tax assets when it is more likely than not that all or a portion of the deferred tax assets will not be realized, based on management's evaluation of all available evidence, both positive and negative, including reversals of deferred tax liabilities, projected future taxable income and results of recent operations.

The Company does not recognize tax benefits related to positions taken on certain tax matters unless the position is more likely than not to be sustained upon examination by tax authorities. At any point in time, various tax years are subject to or are in the process of being audited by various taxing authorities. The Company records a reserve for uncertain tax positions, including interest and penalties. To the extent that management's estimates of settlements change, or the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made.

See Note 11 10 for additional discussion of information regarding the Company's income taxes.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, money market deposits and amounts placed with external fund managers with an original maturity of three months or less. Cash and cash equivalents are carried at cost, which approximates fair value. In addition, receivables from third-party credit card issuers are typically converted to cash within five days of the original sales transaction and are considered cash equivalents.

The following table summarizes the details of the Company's cash and cash equivalents:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Cash and cash equivalents held in money markets and other accounts	Cash and cash equivalents held in money markets and other accounts	\$1,115.2	\$1,362.4			
Cash equivalents from third-party credit card issuers	Cash equivalents from third-party credit card issuers	50.2	54.4			
Cash on hand		1.4	1.5			
Total cash and cash equivalents	Total cash and cash equivalents	\$1,166.8	\$1,418.3			
Total cash and cash equivalents						
Total cash and cash equivalents						

The Company's supplemental cash flow information was as follows:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Non-cash investing activities:	Non-cash investing activities:							
Capital expenditures in accounts payable	Capital expenditures in accounts payable	\$14.9	\$ 6.2	\$ 1.2				
Capital expenditures in accounts payable								
Capital expenditures in accounts payable								
Supplemental cash flow information:	Supplemental cash flow information:							
Interest paid	Interest paid	11.7	14.8	30.5				
Income tax paid (refunded), net ⁽¹⁾	Income tax paid (refunded), net ⁽¹⁾	74.6	120.7	(176.0)				
Interest paid								
Interest paid								
Income tax paid, net ⁽¹⁾								

⁽¹⁾ Includes \$53.8 \$42.6 million and \$183.4 \$53.8 million refunded under the CARES Act in Fiscal 2023 2024 and Fiscal 2021, 2023, respectively. See Note 11 10 for further details.

(k) Inventories

Inventories are primarily held for resale and are valued at the lower of cost or net realizable value. Cost is determined using weighted-average cost, on a first-in first-out basis, for all inventories except for certain loose diamond inventories (including those held in the Company's diamond sourcing operations) where cost is determined using specific identification. Cost includes charges directly related to bringing inventory to its present location and condition. Such charges would include freight and duties, warehousing, security, distribution and certain buying costs. Net realizable value is defined as estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Inventory reserves are recorded for obsolete, slow moving or defective items and shrinkage. Inventory reserves for obsolete, slow moving or defective items are calculated as the difference between the cost of inventory and its estimated net realizable value based on targeted inventory turn rates, future demand, management strategy and market conditions. Due to inventories primarily consisting of precious stones and metals including gold, the age of inventories has a limited impact on the estimated net realizable value. Inventory reserves for shrinkage are estimated and recorded based on historical physical inventory results, expectations of inventory losses and current inventory levels.

Physical inventories are taken at least once annually for all store locations, and whereas distribution centers, centers are subject to either an annual physical inventory or a cycle count program.

See Note 15 14 for additional discussion of information regarding the Company's inventories.

(l) (k) Vendor contributions

Contributions are received from vendors through various programs and arrangements including cooperative advertising. Where vendor contributions related to identifiable promotional events are received, contributions are matched against the costs of promotions. Vendor contributions received as general contributions and not related to specific promotional events are recognized as a reduction of inventory costs.

(m) (l) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, amortization and impairment charges. Maintenance and repair costs are expensed as incurred. Depreciation and amortization are recognized on the straight-line method over the estimated useful lives of the related assets as follows:

Buildings	Ranging from 30 – 40 years
Leasehold improvements	Remaining term of lease, not to exceed 10 years
Furniture and fixtures	Ranging from 3 – 10 years
Equipment and software	Ranging from 3 – 7 years

Computer software purchased or developed for internal use is stated at cost less accumulated amortization. Signet's The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. In addition, Signet the Company also capitalizes certain payroll and payroll-related costs for employees directly associated with development of internal use computer projects, software. Amortization is recorded on a straight-line basis over periods from three to seven years.

Capitalized amounts for cloud computing arrangements accounted for as service contracts are included in other assets in the consolidated balance sheets. These costs primarily consist of payroll and payroll-related costs for employees directly associated with

the implementation of cloud computing projects, consulting fees, and development fees. Amortization of these costs is recorded on a straight-line basis over the life of the service contract, ranging from two to four years. Amortization of these costs is recorded in cost of sales or SG&A, depending on the nature of the underlying software. In Fiscal 2024, the Company recorded \$48.2 million of amortization related to capitalized cloud computing costs (Fiscal 2023: \$32.5 million; Fiscal 2022: \$14.8 million). The carrying amount of these assets was \$170.7 million as of January 28, 2023 was February 3, 2024 (January 28, 2023: \$127.8 million (January 29, 2022: \$80.7 million).

See Note 16 15 for additional discussion of information regarding the Company's property, plant and equipment, and Note 17 16 for the Company's policy for long-lived asset impairment.

(n) (m) Goodwill and intangibles

In a business combination, the Company estimates and records the fair value of all assets acquired and liabilities assumed, including identifiable intangible assets and liabilities. The fair value of these intangible assets and liabilities is estimated based on management's assessment, including selection of appropriate valuation techniques, inputs and assumptions in the determination of fair value. Significant estimates in valuing intangible assets and liabilities acquired include, but are not limited to, future expected cash flows associated with the acquired asset or liability, expected life and discount rates. The excess purchase price over the estimated fair values of the assets acquired and liabilities assumed is recognized as goodwill. Goodwill is recorded by the Company's reporting units based on the acquisitions made by each.

Goodwill and other indefinite-lived intangible assets, such as indefinite-lived trade names, are evaluated for impairment annually as of the beginning end of the fourth reporting period, with the exception of newly acquired reporting units which are completed no later than twelve months after the date of acquisition. Additionally, if events or conditions were to indicate the carrying value of a reporting unit or an indefinite-lived intangible asset may be greater than its fair value, the Company would evaluate the reporting unit or asset for impairment at that time. Impairment testing compares the carrying amount of the reporting unit or other indefinite-lived intangible assets with its fair value. When the carrying amount of the reporting unit or other intangible assets exceeds its fair value, an impairment charge is recorded.

Intangible assets with definite lives are amortized and reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. If the estimated undiscounted future cash flows related to the asset are less than the carrying amount, the Company recognizes an impairment charge equal to the difference between the carrying value and the estimated fair value, usually determined by the estimated discounted future cash flows of the asset.

See Note 19 18 for additional discussion of information regarding the Company's goodwill and intangibles.

(o) (n) Derivatives and hedge accounting

The Company may enter into various types of derivative instruments to mitigate certain risk exposures related to changes in commodity costs and foreign exchange rates. Derivative instruments are recorded in the consolidated balance sheets at fair value, as either assets or liabilities, with an offset to net income or other comprehensive income ("OCI"), depending on whether the derivative qualifies as an effective hedge.

If a derivative instrument meets certain hedge criteria, the Company designates the derivative as a cash flow hedge within the fiscal quarter it is entered into. For effective cash flow hedge transactions, the changes in fair value of the derivative instruments are recognized in equity as a component of AOCI and are recognized in the consolidated statements of

operations in the same period(s) and on the same financial statement line in which the hedged item affects net income. Gains and losses on derivatives that do not qualify for hedge accounting are recognized immediately in other operating income (loss), (expense), net.

In the normal course of business, the Company may terminate cash flow hedges prior to the occurrence of the underlying forecasted transaction. For cash flow hedges terminated prior to the occurrence of the underlying forecasted transaction, management monitors the probability of the associated forecasted cash flow transactions to assess whether any gain or loss recorded in AOCI should be immediately recognized in net income (loss), earnings. Cash flows from derivative contracts are included in net cash provided by operating activities.

See Note 21 20 for additional discussion of information regarding the Company's derivatives and hedge activities.

(p) (o) Employee benefits

The funded status of the defined benefit pension plan in the UK (the "UK Plan") is recognized on the consolidated balance sheets, and is the difference between the fair value of plan assets and the projected benefit obligation measured at the balance sheet date. Gains or losses and prior service costs or credits that arise and are not included as components of net periodic pension cost are recognized, net of tax, in OCI.

Signet The Company also operates a defined contribution plan in the UK, a defined contribution retirement savings plan in the US, and an executive deferred compensation plan in the US. Contributions made by Signet the Company to these benefit arrangements are charged primarily to selling, general and administrative expenses SG&A in the consolidated statements of operations as incurred.

See Note 23 27 for additional discussion of information regarding the Company's employee benefits.

(q) (p) Debt issuance costs

Borrowings primarily include primarily interest-bearing bank loans and bank overdrafts, loans. Direct debt issuance costs on borrowings are capitalized and amortized into interest expense over the contractual term of the related loan.

See Note 24 22 for additional discussion of information regarding the Company's debt issuance costs.

(r) (q) Share-based compensation

Signet The Company measures share-based compensation cost for awards classified as equity at the grant date based on the estimated fair value of the award and recognizes the cost as an expense on a straight-line basis (net of estimated forfeitures) over the requisite service period of employees. Certain share awards under the Company's plans include a condition whereby vesting is contingent on Company performance exceeding a given target, and therefore awards granted with this condition are considered to be performance-based awards.

Signet The Company estimates the fair value of time-based restricted stock units ("RSUs") and performance-based restricted stock units ("PSUs") using the share price of Signet's the Company's common stock reduced by a discount factor representing the present value of dividends that will not be received during the term of the awards. Signet The Company estimates the fair value of time-based restricted shares ("RSAs") and common stock awards at the share price of Signet's the Company's common stock as of the grant award date. Signet The Company estimates the fair value of stock options using a Black-Scholes model for awards granted under the Omnibus Plan and the binomial valuation model for awards granted under the Share Saving Plans. Deferred tax assets for awards that result in deductions on the income tax returns of subsidiaries are recorded by Signet the Company based on the amount of compensation cost recognized and the subsidiaries' statutory tax rate in the jurisdiction in which it will receive a deduction.

Share-based compensation is primarily recorded in selling, general and administrative expenses SG&A in the consolidated statements of operations, consistent with the relevant salary cost.

See Note 27 25 for additional discussion of information regarding the Company's share-based compensation plans.

(s)

(r) Contingent liabilities

Provisions for contingent liabilities are recorded for probable losses when management is able to reasonably estimate the loss or range of loss. When it is reasonably possible that a contingent liability may result in a loss or additional loss, the range of the potential loss is disclosed.

See Note 28 for additional discussion of information regarding the Company's contingencies.

(t) (s) Dividends

Dividends on common shares are reflected as a reduction of retained earnings in the period in which they are formally declared by the Board of Directors (the "Board"). In addition, the cumulative dividends on preferred shares Preferred Shares are reflected as a reduction of retained earnings in the period in which they are declared by the Board, as are the deemed dividends resulting from the accretion of issuance costs related to the preferred shares. Preferred Shares.

See Note 7 6 and Note 8 7 for additional information related to regarding the Company's Preferred Shares and equity, including the preferred shares, respectively.

2. New accounting pronouncements

The following section provides a description of new accounting pronouncements ("Accounting Standard Update" or "ASU") issued by the Financial Accounting Standards Board ("FASB") that are applicable to the Company.

New accounting pronouncements recently adopted

There were no new accounting pronouncements In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs*. This ASU was adopted by the Company as of January 29, 2023 and requires annual and interim disclosure of the key terms of outstanding supplier finance programs. In addition, this ASU requires disclosure of

the related obligations outstanding at each interim reporting period and where those obligations are presented on the balance sheet. This ASU also includes a prospective annual requirement to disclose a rollforward of the amount of the obligations during the annual reporting period. This ASU does not affect the recognition, measurement or financial statement presentation of the supplier finance program obligations. This ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023.

The Company entered into a supplier finance program during Fiscal 2023 that have had 2024. Under this program, a material impact financial intermediary acts as the Company's paying agent with respect to accounts payable due to certain suppliers. The Company agrees to pay the financial intermediary the stated amount of the confirmed invoices from the designated suppliers on the Company's original maturity dates of the invoices. The supplier finance program enables Company suppliers to be paid by the financial intermediary earlier than the due date on the applicable invoice. The Company negotiates payment terms directly with its suppliers for the purchase of goods and services. No guarantees or collateral are provided by the Company under the supplier finance program. As of February 3, 2024, the Company had \$7.8 million of confirmed invoices outstanding under the supplier finance program. All activity related to the supplier finance program is included in accounts payable in the consolidated financial position or results balance sheets and within operating activities in the consolidated statements of operations, cash flows.

New accounting pronouncements issued but not yet adopted

There are no new accounting pronouncements Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU requires the following disclosures on an annual and interim basis:

- Significant segment expenses that are expected regularly provided to the chief operating decision maker ("CODM") and included with each reported measure of segment profit/loss.
- Other segment items by reportable segment, consisting of differences between segment revenue and segment profit/loss not already disclosed above.
- Other information by reportable segment, including total assets, depreciation and amortization, and capital expenditures.
- The title of the CODM and an explanation of how the CODM uses the reported measures of segment profit/loss in assessing segment performance and deciding how to allocate resources.

The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted, and should be applied on a retrospective basis. This ASU will have a material no impact on the Company's consolidated financial position condition or results of operations. The Company is evaluating the impact of this ASU on its segment reporting disclosures.

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

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU modifies the annual disclosure requirements for income taxes in future periods, the following ways:

- The effective tax rate reconciliation must be disclosed using both percentages and dollars (currently only one is required). The reconciliation must contain several prescriptive categories, including disaggregating material impacts from foreign, state, and local taxes by jurisdiction. Qualitative information regarding material reconciling items is also required to be disclosed.
- The amount of income taxes paid must be disclosed and disaggregated by jurisdiction.

The amendments in this ASU are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and may be applied on a prospective or retrospective basis. This ASU will have no impact on the Company's financial condition or results of operations. The Company is evaluating the impact of this ASU on its income tax disclosures.

3. Revenue recognition

The following tables provide the Company's total sales, disaggregated by banner, for Fiscal 2023, 2024, Fiscal 2022 2023 and Fiscal 2021: 2022:

		Fiscal 2023												
		Fiscal 2024				Fiscal 2024								
		North					North							Fiscal 2024
(in millions)	(in millions)	America	International	Other	Consolidated	(in millions)	America		International		Other		Consolidated	
Sales by banner:	Sales by banner:													
Kay	Kay	\$2,804.2	\$ —	\$ —	\$ 2,804.2									
Kay														
Kay														
Zales	Zales	1,445.0	—	—	1,445.0									
Jared	Jared	1,313.5	—	—	1,313.5									
Digital banners (1) (2)		571.8	—	—	571.8									

	Fiscal 2022
	Fiscal 2023
	Fiscal 2023
	Fiscal 2023

Kay	
Kay	
Kay	
Zales	
Jared	
Digital	
banners ⁽¹⁾	
⁽²⁾	
Diamonds	
Direct	
Banter by	
Piercing	
Pagoda	
Peoples	
International	
segment	
banners	
Other ⁽⁴⁾	
Total sales	

				North		
(in millions)				(in millions)		
				America	International	Other
				Consolidated		
Sales by banner:						
Kay						
Kay						
Kay	Kay	\$2,985.8	\$ —	\$ —	\$ 2,985.8	
Zales	Zales	1,624.8	—	—	1,624.8	
Jared	Jared	1,326.3	—	—	1,326.3	
Digital banners ⁽¹⁾	Digital banners ⁽¹⁾	422.8	—	—	422.8	

Diamonds	Diamonds				
Direct ⁽³⁾	Direct ⁽³⁾	132.5	—	—	132.5
Banter by Piercing Pagoda	Banter by Piercing Pagoda	553.4	—	—	553.4
Peoples	Peoples	206.2	—	—	206.2
International segment banners	International segment banners	—	492.4	—	492.4
Other ⁽⁴⁾	Other ⁽⁴⁾	13.0	—	68.8	81.8
Total sales	Total sales	\$7,264.8	\$ 492.4	\$68.8	\$ 7,826.0
Fiscal 2021					
North					
(in millions)		America	International	Other	Consolidated
Sales by banner:					
Kay		\$2,008.6	\$ —	\$ —	\$ 2,008.6
Zales		1,121.6	—	—	1,121.6
Jared		920.9	—	—	920.9
Digital banners ⁽¹⁾		301.4	—	—	301.4
Banter by Piercing Pagoda		337.5	—	—	337.5
Peoples		150.9	—	—	150.9
International segment banners		—	355.9	—	355.9
Other ⁽⁴⁾		—	—	30.1	30.1
Total sales		\$4,840.9	\$ 355.9	\$30.1	\$ 5,226.9

⁽¹⁾ Includes sales from the Company's digital banners James Allen and Blue Nile.

⁽²⁾ Includes Blue Nile sales since the date of acquisition on August 19, 2022. See Note 4 for further details.

⁽³⁾ Includes Diamonds Direct sales since the date of acquisition on November 17, 2021. See Note 4 for further details.

⁽⁴⁾ Other primarily includes sales from Signet's the Company's diamond sourcing initiative, operation, loose diamonds and Rocksbox.

The following tables provide the Company's total sales, disaggregated by major product, for Fiscal 2023, 2024, Fiscal 2022 2023 and Fiscal 2021: 2022:

Fiscal 2023										
Fiscal 2024						Fiscal 2024				
		North					North	International	Other	Consolidated
(in millions)	(in millions)	America	International	Other	Consolidated	(in millions)	America	International	Other	Consolidated
Sales by product:	Sales by product:									
Bridal	Bridal									
Bridal	Bridal									
Bridal	Bridal	\$3,230.8	\$ 204.8	\$ —	\$ 3,435.6					
Fashion	Fashion	2,965.3	86.2	—	3,051.5					
Watches	Watches	232.6	152.9	—	385.5					
Services	Services									
(1)	(1)	680.4	26.2	—	706.6					
Other (2)	Other (2)	180.4	—	82.5	262.9					
Total sales	Total sales	\$7,289.5	\$ 470.1	\$82.5	\$ 7,842.1					
		Fiscal 2022								
		Fiscal 2023								
		Fiscal 2023								
		Fiscal 2023								
		Fiscal 2023								
		North					North	International	Other	Consolidated
(in millions)	(in millions)	America	International	Other	Consolidated	(in millions)	America (3)	International	Other	Consolidated

Sales by product:	Sales by product:				
Bridal	Bridal				
Bridal	Bridal	\$3,087.6	\$ 222.8	\$ —	\$ 3,310.4
Fashion	Fashion	3,130.1	92.7	—	3,222.8
Watches	Watches	241.8	157.8	—	399.6
Services	Services				
(1)	(1)	626.2	19.1	—	645.3
Other (2)	Other (2)	179.1	—	68.8	247.9
Total sales	Total sales	\$7,264.8	\$ 492.4	\$68.8	\$ 7,826.0
Fiscal 2021					
Fiscal 2022					
Fiscal 2022					
Fiscal 2022					
(in millions)	(in millions)	North			
		America	International	Other	Consolidated
(in millions)	(in millions)				
Sales by product:	Sales by product:				
Bridal	Bridal				
Bridal	Bridal	\$2,140.5	\$ 166.4	\$ —	\$ 2,306.9
Fashion	Fashion	1,987.9	69.2	—	2,057.1
Watches	Watches	145.6	108.5	—	254.1
Services	Services				
(1)	(1)	374.5	11.8	—	386.3
Other (2)	Other (2)	192.4	—	30.1	222.5
Total sales	Total sales	\$4,840.9	\$ 355.9	\$30.1	\$ 5,226.9

(1) Services primarily includes sales from service plans, repairs and subscriptions.

(2) Other primarily includes sales from Signet's the Company's diamond sourcing initiative operation and other miscellaneous non-jewelry sales.

(3) Certain amounts have been reclassified between the bridal, fashion, and other categories to conform to the Company's current product categorizations.

The following tables provide the Company's total sales, disaggregated by channel, for Fiscal 2023, 2024, Fiscal 2022 2023 and Fiscal 2021: 2022:

Fiscal 2023					
Fiscal 2024					
(in millions)	(in millions)	North			
		America	International	Other	Consolidated
(in millions)	(in millions)				
Sales by channel:	Sales by channel:				
Store	Store				
Store	Store	\$5,728.5	\$ 386.0	\$ —	\$ 6,114.5
eCommerce	eCommerce	1,515.3	84.1	—	1,599.4
Other (1)	Other (1)	45.7	—	82.5	128.2
Total sales	Total sales	\$7,289.5	\$ 470.1	\$82.5	\$ 7,842.1
Fiscal 2022					
Fiscal 2023					
Fiscal 2023					
Fiscal 2023					
(in millions)	(in millions)	North			
		America	International	Other	Consolidated
(in millions)	(in millions)				

Deferred ESP selling costs

All direct costs associated with the sale of the ESP plans are deferred and amortized in proportion to the revenue recognized and disclosed as either other current assets or other assets in the consolidated balance sheets. These direct costs primarily include sales commissions and credit card fees. Amortization of deferred ESP selling costs is included within selling, general and administrative expenses SG&A in the consolidated statements of operations. Amortization of deferred ESP selling costs was \$44.4 million, \$43.7 million and \$41.7 million in Fiscal 2024, and \$26.3 million in Fiscal 2023 and Fiscal 2022, and Fiscal 2021, respectively.

Unamortized deferred ESP selling costs as of Fiscal 2023 February 3, 2024 and Fiscal 2022 January 28, 2023 were as follows:

(in millions)	January 28, 2023	January 29, 2022
Other current assets	\$ 29.2	\$ 28.4
Other assets	85.4	87.8
Total deferred selling costs	\$ 114.6	\$ 116.2

Consignment inventory sales

Sales of consignment inventory are accounted for on a gross sales basis as the Company maintains control of the merchandise through the point of sale as well as provides independent advice, guidance and after-sales service to customers. Supplier products are selected at the discretion of the Company, and the Company is responsible for determining the selling price and for physical security of the products. The products sold from consignment inventory are similar in nature to other products that are sold to customers and are sold on the same terms.

(in millions)	February 3, 2024	January 28, 2023
Other current assets	\$ 28.2	\$ 29.2
Other assets	83.0	85.4
Total deferred ESP selling costs	\$ 111.2	\$ 114.6

Deferred revenue

Deferred revenue consists primarily as of ESP February 3, 2024 and other deferred revenue as January 28, 2023 was follows:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
ESP deferred revenue	ESP deferred revenue	\$1,159.5	\$1,116.5			
Other deferred revenue ⁽¹⁾	Other deferred revenue ⁽¹⁾	90.1	82.4			
Total deferred revenue	Total deferred revenue	\$1,249.6	\$1,198.9			
Disclosed as:	Disclosed as:					
Disclosed as:						
Disclosed as:						
Current liabilities						
Current liabilities	Current liabilities	\$ 369.5	\$ 341.3			
Non-current liabilities	Non-current liabilities	880.1	857.6			
Total deferred revenue	Total deferred revenue	\$1,249.6	\$1,198.9			

⁽¹⁾ Other deferred revenue primarily includes primarily revenue collected from customers for custom orders and eCommerce orders, for which control has not yet transferred to the customer.

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
ESP deferred revenue, beginning of period	ESP deferred revenue, beginning of period	\$1,116.5	\$1,028.9				
Plans sold ⁽¹⁾	Plans sold ⁽¹⁾	522.9	528.9				
Revenue recognized ⁽²⁾	Revenue recognized ⁽²⁾	(479.9)	(441.3)				

ESP deferred revenue, end of period	ESP deferred revenue, end of period		
		\$1,159.5	\$1,116.5

- (1) Includes impact of foreign exchange translation.
- (2) During Fiscal 2023 and 2024, Fiscal 2023 and Fiscal 2022 the Company recognized sales of approximately \$291.5 million, \$269.3 million and \$244.1 million, respectively, related to deferred revenue that existed at the beginning of the year period in respect to ESP.

4. Acquisitions

and divestitures

Rocksbox

On March 29, 2021, the Company acquired all of the outstanding shares of Rocksbox Inc. ("Rocksbox"), a jewelry rental subscription business, for cash consideration of \$14.6 million, net of cash acquired. The acquisition was driven by Signet's *Inspiring Brilliance* strategy and its initiatives to accelerate growth in its services offerings. Net assets acquired primarily consist of goodwill and intangible assets (see Note 19 18 for details). In connection with closing the acquisition, the Company incurred approximately \$1.4 million of acquisition-related costs for professional services during Fiscal 2022, which were recorded as selling, general and administrative expensesSG&A in the consolidated statements statement of operations.

The results of Rocksbox subsequent to the acquisition date are reported as a component of the North America reportable segment. Pro forma results of operations have not been presented, as the impact on the Company's consolidated financial results was not material.

Diamonds Direct

On November 17, 2021, the Company acquired all of the outstanding shares of Diamonds Direct USA, Inc. ("Diamonds Direct") for cash consideration of \$503.1 million, net of cash acquired of \$14.2 million, and including the final additional payment of \$1.9 million made in the first quarter of Fiscal 2023. Diamonds Direct is an off-mall, destination jeweler in the US, with a highly productive, efficient operating model with demonstrated growth and profitability which immediately contributed to Signet's *Inspiring Brilliance* strategy to accelerate growth and expand the Company's market in accessible luxury and bridal. Diamonds Direct's strong value proposition, extensive bridal offering and customer-centric, high-touch shopping experience is a destination for young, luxury-oriented bridal shoppers.

The information included herein has been prepared based on the allocation of the purchase price using estimates of the fair value and useful lives of assets acquired and liabilities assumed which were determined by management using a combination of income and cost approaches, including the relief from royalty method and replacement cost method.

The following table presents the estimated fair value of the assets acquired and liabilities assumed from Diamonds Direct at the date of acquisition:

(in millions)

Inventories	\$	229.1
Property, plant and equipment		32.3
Operating lease right-of-use assets		56.9
Intangible assets		126.0
Other assets		6.8
Identifiable assets acquired		451.1
Accounts payable		46.8
Deferred revenue		36.0
Operating lease liabilities		57.6
Deferred taxes		31.2
Other liabilities		27.6
Liabilities assumed		199.2
Identifiable net assets acquired		251.9
Goodwill		251.2
Net assets acquired	\$	503.1

The Company recorded acquired intangible assets of \$126.0 million, consisting entirely of an indefinite-lived trade name.

Goodwill is calculated as the excess of the purchase price over the estimated fair values of the assets acquired and the liabilities assumed in the acquisition and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The amount allocated to goodwill associated with the Diamonds Direct acquisition is primarily the result of expected synergies resulting from combining the activities such as marketing and digital effectiveness, expansion of connected commerce capabilities, and sourcing savings. The Company allocated goodwill to its North America reportable segment. None of the goodwill associated with this transaction is deductible for income tax purposes.

In connection with the acquisition, the Company incurred \$5.0 million of acquisition-related costs during Fiscal 2022, which were recorded as **selling, general and administrative expenses SG&A** in the consolidated **statements statement** of operations.

The results of Diamonds Direct subsequent to the acquisition date are reported as a component of the North America reportable segment. Pro forma results of operations have not been presented, as the impact on the Company's consolidated financial results was not material.

Blue Nile

On August 19, 2022, the Company acquired all of the outstanding shares of Blue Nile, Inc. ("Blue Nile"), subject to the terms of a stock purchase agreement entered into on August 5, 2022. The total cash consideration was \$389.9 million, net of cash acquired of \$16.6 million, including purchase price adjustments for working capital. In connection with the acquisition, the Company incurred \$4.2 million of acquisition-related costs during Fiscal 2023, which were recorded as **selling, general and administrative expenses SG&A** in the consolidated **statements statement** of operations.

Blue Nile is a leading online retailer of engagement rings and fine jewelry. The strategic acquisition of Blue Nile **accelerates accelerated** Signet's **initiatives initiative** to expand its bridal offerings and grow its accessible luxury portfolio while enhancing its connected commerce capabilities as well as extending its digital leadership across the jewelry category – all **to while** further **achieve achieving** meaningful operating synergies to enhance shopping experiences for consumers and create value for shareholders.

The information included herein has been prepared based on the allocation of the purchase price using estimates of the fair value and useful lives of assets acquired and liabilities assumed which were determined by management using a combination of income and cost approaches, including the relief from royalty method and replacement cost method. **The purchase price allocation is subject to further adjustment until all pertinent information regarding the assets and liabilities acquired are fully evaluated by the Company.**

The following table presents the preliminary estimated fair value of the assets acquired and liabilities assumed from Blue Nile at the date of acquisition:

(in millions)

Inventories	\$ 86.4	85.8
Property, plant and equipment		33.1
Operating lease right-of-use assets		39.1
Intangible assets		96.0
Other assets	20.1	23.6
Identifiable assets acquired	274.7	277.6
Accounts payable	73.2	71.6
Deferred revenue	14.2	16.5
Operating lease liabilities		38.5
Other liabilities	16.9	17.9
Liabilities assumed	142.8	144.5
Identifiable net assets acquired	131.9	133.1
Goodwill	258.0	256.8
Net assets acquired	\$ 389.9	

The Company recorded acquired intangible assets of \$96.0 million, consisting entirely of an indefinite-lived trade name. In addition, the Company acquired federal net operating loss and other carryforwards of approximately \$85 \$90 million and \$71 million, respectively. Such amounts are subject to certain limitations under Section 382 of the US Internal Revenue Code ("IRC"), and generally do not expire. Refer to Note 11 10 for further information on the Company's deferred taxes, including these carryforwards.

Goodwill is calculated as the excess of the purchase price over the estimated fair values of the assets acquired and the liabilities assumed in the acquisition and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The amount allocated to goodwill associated with the Blue Nile acquisition is primarily the result of expected synergies resulting from combining the merchandising and sourcing activities of the Company's digital banners, as well as efficiencies in marketing and other aspects of the combined operations. The Company allocated goodwill to its North America reportable segment. None of the goodwill associated with this transaction is deductible for income tax purposes.

The results of Blue Nile subsequent to the acquisition date are reported as a component of the North America reportable segment. Pro forma results of operations have not been presented, as the impact on the Company's consolidated financial results was not material.

Service Jewelry & Repair

On July 11, 2023, the Company acquired certain assets of Service Jewelry & Repair, Inc. ("SJR"). SJR is a leader in jewelry and watch repair to both consumers and businesses. The total cash consideration was \$6.0 million. The SJR acquisition was driven by Signet's Inspiring Brilliance strategy and its initiatives to accelerate growth in its services offerings. Net assets acquired primarily consist of inventory and goodwill.

UK Prestige Watch Business

On October 18, 2023, the Company entered into an agreement to sell the operations and certain assets of the Company's UK prestige watch business in the International reportable segment, including 21 retail locations. The sale of these locations was substantially completed in the fourth quarter of Fiscal 2024 for proceeds of \$53.8 million and resulted in a pre-tax gain of \$12.3 million recorded in other operating income (expense), net in the consolidated statement of operations. The sale of the remaining locations is expected to close in the first half of Fiscal 2025, and the remaining proceeds are not expected to be material.

The business did not meet the criteria to be classified as discontinued operations as the disposal does not represent a strategic shift that will have a major effect on the Company's operations. The related assets and liabilities expected to be disposed of have been presented as held for sale as of February 3, 2024, recorded within other current assets and other current liabilities in the consolidated balance sheet.

5. Segment information

Financial information for each of Signet's reportable segments is presented in the tables below. Signet's chief operating decision maker CODM utilizes segment sales and operating income, after the elimination of any inter-segment transactions, to determine resource allocations and performance assessment measures. Signet aggregates operating segments with similar economic and operating characteristics. Signet manages its business as three reportable segments: North America, International, and Other. Signet's sales are derived from the retailing of jewelry, watches, other products and services as generated through the management of its reportable segments. The Company allocates certain support center costs between operating segments, and the remainder of the unallocated costs are included with the corporate and unallocated expenses presented.

The North America reportable segment operates across the US and Canada. Its US stores operate nationally in malls and off-mall locations, as well as online, principally as Kay (Kay Jewelers and Kay Outlet), Zales (Zales Jewelers and Zales Outlet), Jared (Jared The Galleria Of Jewelry and Jared Vault), Diamonds Direct, Banter by Piercing Pagoda,

Rocksbox, and digital banners, James Allen and Blue Nile. Its Canadian stores operate as Peoples Jewellers.

The International reportable segment operates stores in the UK, Republic of Ireland and Channel Islands, as well as online. Its stores operate in shopping malls and off-mall locations (i.e. high street) principally as under the H.Samuel and Ernest Jones, Jones banners.

The Other reportable segment primarily consists of subsidiaries involved in the purchasing and conversion of rough diamonds to polished stones.

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sales:	Sales:							
North America segment ⁽¹⁾	North America segment ⁽¹⁾							
North America segment ⁽¹⁾	North America segment ⁽¹⁾							
North America segment ⁽¹⁾	North America segment ⁽¹⁾							
International segment	International segment	\$7,289.5	\$7,264.8	\$4,840.9				
Other segment	Other segment	470.1	492.4	355.9				
Other segment	Other segment	82.5	68.8	30.1				
Total sales	Total sales	\$7,842.1	\$7,826.0	\$5,226.9				
Operating income (loss):	Operating income (loss):							
Operating income (loss):	Operating income (loss):							
North America segment ⁽²⁾	North America segment ⁽²⁾							
North America segment ⁽²⁾	North America segment ⁽²⁾							
North America segment ⁽²⁾	North America segment ⁽²⁾							
International segment ⁽³⁾	International segment ⁽³⁾	\$ 673.2	\$ 981.4	\$ 57.9				
International segment ⁽³⁾	International segment ⁽³⁾	(0.2)	14.4	(43.3)				
Other segment ⁽⁴⁾	Other segment ⁽⁴⁾	2.4	(0.2)	(0.3)				
Corporate and unallocated expenses ⁽⁵⁾	Corporate and unallocated expenses ⁽⁵⁾	(70.5)	(92.2)	(72.0)				
Total operating income (loss)	Total operating income (loss)	604.9	903.4	(57.7)				
Interest expense, net	Interest expense, net	(13.5)	(16.9)	(32.0)				
Other segment	Other segment							
Corporate and unallocated expenses ⁽⁴⁾	Corporate and unallocated expenses ⁽⁴⁾							
Total operating income	Total operating income							
Interest income (expense), net	Interest income (expense), net							
Other non-operating expense, net	Other non-operating expense, net	(140.2)	(2.1)	—				
Income (loss) before income taxes	Income (loss) before income taxes	\$ 451.2	\$ 884.4	\$ (89.7)				
Income before income taxes	Income before income taxes							
Depreciation and amortization:	Depreciation and amortization:							

Depreciation and amortization:				
Depreciation and amortization:				
North America segment				
North America segment				
North America segment	North America segment	\$ 153.8	\$ 149.2	\$ 163.7
International segment	International segment	10.3	14.0	12.0
Other segment	Other segment	0.4	0.3	0.3
Total depreciation and amortization	Total depreciation and amortization	\$ 164.5	\$ 163.5	\$ 176.0
Capital additions:				
Capital additions:				

Capital additions:				
Capital additions:				
North America segment				
North America segment				
North America segment	North America segment	\$ 127.6	\$ 112.6	\$ 79.0
International segment	International segment	10.9	16.6	4.0
Other segment	Other segment	0.4	0.4	—
Total capital additions	Total capital additions	\$ 138.9	\$ 129.6	\$ 83.0

(a) Includes sales of \$209.1 million, \$196.0 million, \$206.2 million, \$209.1 million and \$150.9 million, \$206.2 million generated by Canadian operations in Fiscal 2024, Fiscal 2023 and Fiscal 2022, and Fiscal 2021, respectively.

(b) Fiscal 2024 includes: 1) \$22.0 million of acquisition and integration-related expenses, primarily severance and retention, exit and disposal costs and system decommissioning costs incurred for the integration of Blue Nile; 2) \$6.3 million of restructuring charges; 3) \$9.0 million of net asset impairment charges primarily related to restructuring and integration; and 4) a \$3.0 million credit to income related to the adjustment of a prior litigation accrual.

Fiscal 2023 includes: 1) \$13.4 million of cost of sales associated with the fair value step-up of inventory acquired in the Diamonds Direct and Blue Nile acquisitions; 2) \$14.7 million of acquisition and integration-related expenses in connection with the Blue Nile acquisition, primarily related to professional fees and severance costs; 3) \$203.8 million related to pre-tax litigation charges; and 4) net asset impairment charges of \$20.0 million.

Fiscal 2022 includes: 1) \$5.4 million of cost of sales associated with the fair value step-up of inventory acquired in the Diamonds Direct acquisition; 2) \$6.4 million of acquisition-related expenses related to Diamonds Direct and Rocksbox; 3) net asset impairment charges of \$2.0 million; 4) \$1.4 million of gains associated with the sale of customer in-house finance receivables; and 5) \$1.0 million credit to restructuring expense, primarily related to adjustments to previously recognized restructuring liabilities.

Fiscal 2021 includes: 1) \$1.6 million related to inventory charges recorded in conjunction with the Company's restructuring activities; 2) \$36.0 million primarily related to severance, professional fees and store closure costs recorded in conjunction with the Company's restructuring activities; and 3) asset impairment charges of \$136.7 million.

See Note 4, Note 6 12, Note 13 16, Note 17, Note 19 26 and Note 28 for additional information.

(c) Fiscal 2024 includes a \$12.3 million gain from the divestiture of the UK prestige watch business, net of transaction costs and \$1.2 million of restructuring charges.

Fiscal 2023 includes net asset impairment charges of \$2.7 million.

Fiscal 2022 includes net asset impairment gains of \$0.5 million.

Fiscal 2021 includes: 1) \$9.7 million primarily related to severance and store closure costs recorded in conjunction with the Company's restructuring activities; and 2) asset impairment charges of \$22.3 million.

See Note 6 4, Note 16 and Note 17 for additional information.

(d) Fiscal 2021 includes \$0.2 million benefit recognized due to a change in inventory reserves previously recognized as part of the Company's restructuring activities.

See Note 6 26 for additional information.

(e) Fiscal 2022 includes: 1) a charge of \$1.7 million related to the settlement of previously disclosed shareholder litigation matters; and 2) \$2.3 million credit to restructuring expense primarily related to adjustments to previously recognized restructuring liabilities.

Fiscal 2021 includes: 1) a charge of \$7.5 million related to the settlement of previously disclosed shareholder litigation matters, net of expected insurance proceeds; and 2) \$0.5 million related to charges recorded in conjunction with the Company's restructuring activities.

See Note 6 and Note 28 for additional information.

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Total assets:	Total assets:					
North America segment						
North America segment						

North America segment	North America segment	\$5,901.5	\$5,540.1
International segment	International segment	405.9	438.2
Other segment	Other segment	122.3	81.2
Corporate and unallocated	Corporate and unallocated	190.7	515.6
Total assets	Total assets	\$6,620.4	\$6,575.1
Total long-lived assets (1):	Total long-lived assets (1):		

Total long-lived assets (1):

Total long-lived assets (1):

North America segment

North America segment

North America segment	North America segment	\$1,702.5	\$1,328.4
International segment	International segment	40.2	43.4
Other segment	Other segment	2.9	2.9
Total long-lived assets	Total long-lived assets	\$1,745.6	\$1,374.7

(1) Includes property, plant and equipment; equipment, net; goodwill; and other intangible assets, assets, net.

6. Restructuring Plans

Signet Path to Brilliance Plan

During the first quarter of Fiscal 2019, Signet launched a three-year comprehensive transformation plan, the *Signet Path to Brilliance* plan (the "Plan") to reposition the Company to be the OmniChannel jewelry category leader. Restructuring activities related to the Plan were substantially completed in Fiscal 2021. There were no restructuring expenses related to the Plan in Fiscal 2023, and there are no significant accruals remaining as of January 28, 2023.

The composition of restructuring charges the Company incurred during Fiscal 2022 and Fiscal 2021, as well as the cumulative amount incurred since Plan inception in Fiscal 2019, were as follows:

(in millions)	Statement of operations location	Fiscal 2022	Fiscal 2021	Cumulative amount
Inventory charges	Restructuring charges - cost of sales	\$ —	\$ 1.4	\$ 72.8
Termination benefits	Restructuring charges	(1.1)	24.1	48.8
Store closure and other costs	Restructuring charges	(2.2)	22.1	127.7
Total Signet Path to Brilliance Plan expenses		\$ (3.3)	\$ 47.6	\$ 249.3

7. Redeemable preferred shares

On October 5, 2016, the Company issued 625,000 redeemable Series A Convertible Preference Shares ("Preferred Shares") to Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, all affiliates of Leonard Green & Partners, L.P., (together, the "Investors" "Preferred Shareholders") for an aggregate purchase price of \$625.0 million, or \$1,000 per share (the "Stated Value") pursuant to the investment agreement dated August 24, 2016. The Company's Preferred Shares are classified as temporary equity within the consolidated balance sheets.

In connection with the issuance of the Preferred Shares, the Company incurred direct and incremental expenses of \$13.7 million, including financial advisory fees, closing costs, legal expenses and other offering-related expenses. These direct and incremental expenses originally reduced the preferred shares Preferred Shares carrying value, and are accreted through retained earnings as a deemed dividend from the date of issuance through the first possible known redemption date in November 2024. Accumulated accretion relating to these fees of \$10.7 million \$12.4 million was recorded in the consolidated balance sheet as of January 28, 2023 February 3, 2024 (January 29, 2022: \$9.0 million 28, 2023: \$10.7 million).

Dividend rights: The Preferred Shares rank senior to the Company's Common Shares, common shares, with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The liquidation preference for preferred shares Preferred Shares is equal to the greater of

(a) the Stated Value per share, plus all accrued but unpaid dividends and (b) the consideration holders would have received if preferred shares Preferred Shares were converted into common shares immediately prior to the liquidation. Preferred shareholders Shareholders are entitled to a cumulative dividend at the rate of 5% per annum, payable quarterly in arrears, commencing on February 15, 2017, either in cash or by increasing the Stated Value at the option of the Company. In addition, preferred shareholders Preferred Shareholders were entitled to receive dividends or distributions declared or paid on common shares on an as-converted basis, other than the Company's regularly declared quarterly cash dividends not in excess of 130% of the arithmetic average of the regular, quarterly cash dividends per common share, if any, declared by the Company during the preceding four calendar quarters.

On November 2, 2016, the Board approved certain changes to the rights of the preferred shareholders Preferred Shareholders, including the following: (a) elimination of the right of preferred shareholders Preferred Shareholders to receive dividends or other distributions declared on the Company's common shares and inclusion of adjustments to the conversion rate in the event of any dividend, distribution, spin-off or certain other events or transactions in respect of the common shares; and (b) addition of a requirement for approval by the holders of the majority of the issued preferred shares Preferred Shares for the declaration or payment by the Company of any dividends or other distributions on the common shares other than (i) regularly declared quarterly cash dividends paid on the issued common shares in any calendar quarter in an amount per share that is not more than 130% of the arithmetic average of the regular, quarterly cash dividends per common share, if any, declared by the Company during the preceding four calendar quarters for such quarter and (ii) any dividends or other distributions which are paid or distributed at the same time on the common shares and the preferred shares Preferred Shares, provided that the amount paid or distributed to the preferred shares Preferred Shares is based on the number of common shares into which such preferred shares Preferred Shares could be converted on the applicable record date for such dividends or other distributions.

Conversion features: Preferred shares Shares are convertible at the option of the holders Preferred Shareholders at any time into common shares at the then applicable conversion rate. The conversion rate is subject to certain anti-dilution and other adjustments, including stock split/reverse stock split transactions, regular dividends declared on common shares, share repurchases (excluding amounts through open market transactions or accelerated share repurchases) and issuances of common shares or other securities convertible into common shares. The initial issuance did not include a beneficial conversion feature as the conversion price used to set the conversion ratio at the time of issuance was greater than the Company's common stock price.

At any time on or after October 5, 2018, all or a portion of outstanding preferred shares Preferred Shares are convertible at the option of the Company if the closing price of common shares exceeds 175% of the then applicable conversion price for at least 20 consecutive trading days.

The following table presents certain conversion measures as of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023:

(in millions, except conversion rate and conversion price)		(in millions, except conversion rate and conversion price)		(in millions, except conversion rate and conversion price)	
		January 28, 2023	January 29, 2022	February 3, 2024	January 28, 2023
Conversion rate	Conversion rate	12.3939	12.2297		
Conversion price	Conversion price	\$80.6849	\$81.7682		
Potential impact of preferred shares if-converted to common shares		8.1	8.0		
Potential impact of Preferred Shares if-converted to common shares					
Liquidation preference (1)	Liquidation preference (1)	\$ 665.1	\$ 665.1		

(1) Includes the Stated Value of the Preferred Shares plus any declared but unpaid dividends dividends.

Redemption rights: At any time after November 15, 2024, the Company will have the right to redeem any or all, and the holders of the preferred shares Preferred Shareholders will have the right to require the Company to repurchase any or all, of the preferred shares Preferred Shares for cash at a price equal to the Stated Value plus all accrued but unpaid dividends. Upon certain change of control or delisting events involving the Company, preferred shareholders Preferred Shareholders can require the Company to repurchase, subject to certain exceptions, all or any portion of its preferred shares Preferred Shares at (a) an amount in cash equal to 101% of the Stated Value plus all accrued but unpaid dividends or (b) the consideration the holders Preferred Shareholders would have received if they had converted their preferred shares Preferred Shares into common shares immediately prior to the change of control event.

Voting rights: Preferred shareholders Shareholders are entitled to vote with the holders of common shares on an as-converted basis. Holders of preferred shares Preferred Shareholders are entitled to a separate class vote with respect to certain designee(s) for election to the Company's Board, amendments to the Company's organizational documents

that have an adverse effect on the preferred shareholders Preferred Shareholders and issuances by the Company of securities that are senior to, or equal in priority with, the preferred shares. Preferred Shares.

Registration rights: Preferred shareholders Shareholders have certain customary registration rights with respect to the preferred shares Preferred Shares and the shares of common shares into which they are converted, convertible, pursuant to the terms of a registration rights agreement.

8. 7. Common shares, treasury shares and dividends

Common shares

Signet's common shares have a par value of 18 cents ("Common Shares"). cents. There have been no issuances of common shares in Fiscal 2023, 2024, Fiscal 2022, 2023, or Fiscal 2021, 2022.

Treasury shares

Signet may from time to time repurchase common shares under various share repurchase programs authorized by Signet's Board. Repurchases may be made in the open market, through block trades, through accelerated share repurchase agreements or otherwise. The timing, manner, price and amount of any repurchases will be determined by the Company at its discretion, and will be subject to economic and market conditions, stock prices, applicable legal requirements and other factors. The repurchase programs are funded through Signet's existing cash reserves and liquidity sources. Repurchased shares may be are held as treasury shares and used by Signet primarily for issuance of share based share-based awards (refer to Note 27) 25), or for general corporate purposes.

Treasury shares represent the cost of shares that the Company purchased in the market under the applicable authorized repurchase program, shares forfeited under the Omnibus Incentive Plan and those previously held by the Employee Stock Ownership Trust ("ESOT") to satisfy options under the Company's share option plans.

On August 23, 2021, the Board authorized a reinstatement of repurchases under the 2017 Share Repurchase Program (the "2017 Program"). During Fiscal 2022, Fiscal 2023 and Fiscal 2024, the Board also authorized an increase increases in the remaining amount of shares authorized for repurchase under the 2017 Program by \$559.4 \$559 million, \$500 million, and \$263 million, respectively, bringing the total authorization to \$1.2 approximately \$1.9 billion as of January 29, 2022 February 3, 2024. In June 2022, the Board authorized an additional increase of the 2017 Program by \$500 million, bringing the total authorization to \$1.7 billion. Since the inception of the 2017 Program, the Company has repurchased approximately \$1.2 billion of shares, with an additional \$537.3 \$661.0 million of shares remaining authorized for repurchase remaining as of January 28, 2023 February 3, 2024. Subsequent to year-end, the Board approved a further \$263 million increase to the multi-year authorization under the 2017 Program bringing the total remaining authorization to approximately \$775 \$850 million (net of approximately \$25 \$7.0 million of share repurchases made in the first quarter of Fiscal 2024 2025 through March 15, 2023 March 19, 2024).

On January 21, 2022, the Company entered into an accelerated share repurchase agreement ("ASR") with a large financial institution to repurchase the Company's common shares for an aggregate amount of \$250 million. On January 24, 2022, the Company made a prepayment of \$250 million and took delivery of 2.5 million shares based on a price of \$80 per share, which was 80% of the total prepayment amount. On March 14, 2022, the Company received an additional 0.8 million shares, representing the remaining 20% of the total prepayment and final settlement of the ASR. The number of shares received at final settlement was based on the average of the daily volume-weighted average prices of the Company's common stock during the term of the ASR.

The ASR was accounted for as a purchase of common shares and a forward purchase contract. The Company reflected shares delivered as treasury shares as of the date the shares were physically delivered in computing the weighted average common shares outstanding for both basic and diluted earnings per share. The forward stock purchase contract was determined to be indexed to the Company's own stock, met all of the applicable criteria for equity classification and was reflected as additional paid in capital as of January 29, 2022.

The share repurchase activity is outlined in the table below: during Fiscal 2024, Fiscal 2023 and Fiscal 2022 was as follows:

Fiscal 2023										Fiscal 2022										Fiscal 2021									
Fiscal 2024																													
Fiscal 2024																													
Fiscal 2024																													

Dividends on common shares

As a result of COVID-19, Signet's Board elected to temporarily suspend the dividend program on common shares, effective in the first quarter of Fiscal 2021. The Board elected to reinstate the dividend program on common shares beginning in the second quarter of Fiscal 2022, 2022, following a temporary suspension of the dividend program during the COVID-19 pandemic. Dividends declared on the common shares during Fiscal 2024, Fiscal 2023 and Fiscal 2022 were as follows:

		Fiscal 2023		Fiscal 2022		Fiscal 2021									
		Fiscal 2024						Fiscal							
								Fiscal 2024		2023		Fiscal 2022			
(in millions, except per share amounts)	(in millions, except per share amounts)	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends	(in millions, except per share amounts)	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends	Cash dividend per share	Total dividends	
First quarter	First quarter	\$ 0.20	9.3	—	—	\$ —	—								
Second quarter	Second quarter	0.20	9.2	0.18	9.5	—	—								
Third quarter	Third quarter	0.20	9.2	0.18	9.5	—	—								
Fourth quarter	Fourth quarter	0.20	9.0	0.18	9.0	—	—								
(1)	(1)														
Total	Total	\$ 0.80	\$ 36.7	\$ 0.54	\$ 28.0	\$ —	\$ —								

(1) Signet's dividend policy results in the dividend payment date being a quarter in arrears from the declaration date. As of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, there was \$9.0 \$10.2 million and \$9.0 million recorded in accrued expenses and other current liabilities in the consolidated balance sheets reflecting the cash dividends declared for the fourth quarter of Fiscal 2024 and Fiscal 2023, respectively.

Dividends on Preferred Shares

Dividends declared on the Preferred Shares during Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively, were as follows:

Dividends on preferred shares

		Fiscal 2023		Fiscal 2022		Fiscal 2021									
		Fiscal 2024						Fiscal 2024		Fiscal 2023		Fiscal 2022			
(in millions)	(in millions)	Total dividends	Total dividends	Total dividends	(in millions)	Total dividends	Total dividends	Total dividends	Total dividends	Total dividends	Total dividends	Total dividends	Total dividends	Total dividends	
First quarter	First quarter	\$ 8.2	\$ 8.2	\$ 7.8											
Second quarter	Second quarter	8.2	8.2	7.9											
Third quarter	Third quarter	8.2	8.3	8.0											
Fourth quarter	Fourth quarter	8.2	8.2	8.1											
(1)	(1)														
Total	Total	\$ 32.8	\$ 32.9	\$ 31.8											

(1) Signet's dividend policy results in the preferred share Preferred Share dividend payment date being a quarter in arrears from the declaration date. As a result, as of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023, \$8.2 million \$8.3 million and \$8.2 million, respectively, has been recorded in accrued expenses and other current liabilities in the consolidated balance sheets reflecting the dividends on preferred shares Preferred Shares declared for the fourth quarter of Fiscal 2023 2024 and Fiscal 2022. Fiscal 2021 dividends were paid "in-kind." 2023.

There were no cumulative undeclared dividends on the preferred shares Preferred Shares that reduced net income attributable to common shareholders during Fiscal 2024, Fiscal 2023, and Fiscal 2022. In addition, deemed dividends of \$1.7 million related to accretion of issuance costs associated with the preferred shares Preferred Shares were recognized in Fiscal 2023, 2024, Fiscal 2022 2023 and Fiscal 2021, 2022.

9.8. Earnings (loss) per common share ("EPS")

Basic EPS is computed by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding for the period. The computation of basic EPS is outlined in the table below:

<i>(in millions, except per share amounts)</i>	<i>(in millions, except per share amounts)</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021	<i>(in millions, except per share amounts)</i>	Fiscal 2024	Fiscal 2023	Fiscal 2022
Numerator:	Numerator:							
Net income (loss) attributable to common shareholders		\$342.2	\$735.4	\$(48.7)				
Net income attributable to common shareholders								
Net income attributable to common shareholders								
Net income attributable to common shareholders								
Denominator:	Denominator:							
Weighted average common shares outstanding	Weighted average common shares outstanding	46.6	52.5	52.0				
Weighted average common shares outstanding								
Weighted average common shares outstanding								
Weighted average common shares outstanding								
EPS – basic	EPS – basic	\$ 7.34	\$14.01	\$(0.94)				

The dilutive effect of share awards represents the potential impact of outstanding awards issued under the Company's share-based compensation plans, including RSAs, RSUs, PSUs, and stock options issued under the Omnibus Plan and stock options issued under the Share Saving Plans. The dilutive effect of **performance share units PSUs** represents the number of contingently issuable shares that would be issuable if the end of the period was the end of the contingency period and is based on the actual achievement of performance metrics through the end of the current period. The dilutive effect of **preferred shares the Preferred Shares** represents the potential impact for common shares that would be issued upon conversion. Potential common share dilution related to share awards and **preferred shares Preferred Shares** is determined using the treasury stock and if-converted methods, respectively. Under the if-converted method, the **preferred shares Preferred Shares** are assumed to be converted at the beginning of the period, and the resulting common shares are included in the denominator of the diluted EPS calculation for the entire period being presented, only in the periods in which such effect is dilutive. Additionally, in periods in which **preferred shares the Preferred Shares** are dilutive, cumulative dividends and accretion for issuance costs associated with the **preferred shares Preferred Shares** are added back to net income (loss) attributable to common shareholders. See Note 7 6 for additional discussion of the Company's **preferred shares Preferred Shares**.

The computation of diluted EPS is outlined in the table below:

<i>(in millions, except per share amounts)</i>	<i>(in millions, except per share amounts)</i>	Fiscal 2023	Fiscal 2022	Fiscal 2021	<i>(in millions, except per share amounts)</i>	Fiscal 2024	Fiscal 2023	Fiscal 2022
Numerator:	Numerator:							
Net income (loss) attributable to common shareholders		\$342.2	\$735.4	\$(48.7)				
Add: Dividends on preferred shares		34.5	34.5	—				
Net income attributable to common shareholders								
Net income attributable to common shareholders								
Net income attributable to common shareholders								
Add: Dividends on Preferred Shares								

Numerator for diluted EPS	Numerator for diluted EPS			
		\$376.7	\$769.9	\$(48.7)
Denominator:	Denominator:			
Weighted average common shares outstanding		46.6	52.5	52.0

Denominator:

Denominator:

Basic weighted average
common shares
outstanding

Basic weighted average
common shares
outstanding

Basic weighted average
common shares
outstanding

Plus:
Dilutive
effect of
share
awards (1)

Plus:
Dilutive
effect of
share
awards

(1) 2.0 2.5 —

Plus: Dilutive effect of
preferred shares

8.1 8.0 —

Plus:
Dilutive
effect of
Preferred
Shares

Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding			
		56.7	63.0	52.0
EPS – diluted	EPS – diluted	\$ 6.64	\$12.22	\$(0.94)

EPS – diluted

EPS – diluted

(1) For Fiscal 2024, Fiscal 2023 and Fiscal 2022, the estimated dilutive effect of share awards includes 0.4 million, 0.9 million and 2.0 million of contingently issuable PSUs, respectively. No such contingently issuable PSUs were included in the dilutive effect for Fiscal 2021.

The calculation of diluted EPS excludes the following items for each respective period on the basis that their effect would be anti-dilutive, antidilutive.

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Share awards	—	—	1.8
Potential impact of preferred shares	—	—	7.8
Potential impact of accelerated share repurchase	—	0.6	—
Total anti-dilutive shares	—	0.6	9.6

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Potential impact of accelerated share repurchase	—	—	0.6
Total antidilutive shares	—	—	0.6

10.9. Accumulated other comprehensive income (loss)

The following tables present the changes in AOCI by component and the reclassifications out of AOCI, net of tax:

		Pension plan					
		Pension plan					
(in millions)	(in millions)	Gain (losses) on					
		Foreign currency translation	available-for-sale securities	Gains (losses) on cash flow hedges	Actuarial gains (losses)	Prior service credits (costs)	Accumulated other comprehensive income (loss)
Balance at February 1, 2020		\$(250.1)	\$ 0.3	\$ 12.5	\$ (52.4)	\$(4.1)	\$ (293.8)
OCI before reclassifications		11.2	0.2	(0.8)	4.4	—	15.0
Amounts reclassified from AOCI to earnings		—	—	(12.6)	0.8	0.1	(11.7)
Net current period OCI		11.2	0.2	(13.4)	5.2	0.1	3.3
(in millions)							
(in millions)	(in millions)	Gain (losses) on					
		Foreign currency translation	Gain (losses) on available-for-sale securities	Gains (losses) on cash flow hedges	Actuarial gains (losses)	Prior service credits (costs)	Accumulated other comprehensive income (loss)
Balance at January 30, 2021	Balance at January 30, 2021	\$(238.9)	\$ 0.5	\$ (0.9)	\$ (47.2)	\$(4.0)	\$ (290.5)
OCI before reclassifications	OCI before reclassifications	(5.4)	(0.3)	0.6	(57.9)	—	(63.0)
Amounts reclassified from AOCI to earnings	Amounts reclassified from AOCI to earnings	—	—	0.7	1.8	0.1	2.6
Net current period OCI	Net current period OCI	(5.4)	(0.3)	1.3	(56.1)	0.1	(60.4)
Balance at January 29, 2022	Balance at January 29, 2022	\$(244.3)	\$ 0.2	\$ 0.4	\$(103.3)	\$(3.9)	\$ (350.9)
OCI before reclassifications	OCI before reclassifications	(24.1)	(0.4)	1.5	(0.4)	—	(23.4)
Amounts reclassified from AOCI to earnings	Amounts reclassified from AOCI to earnings	—	—	(1.4)	107.6	3.9	110.1
Net current period OCI	Net current period OCI	(24.1)	(0.4)	0.1	107.2	3.9	86.7
Net current period OCI							
Net current period OCI							
Balance at January 28, 2023	Balance at January 28, 2023	\$(268.4)	\$ (0.2)	\$ 0.5	\$ 3.9	\$ —	\$ (264.2)
OCI before reclassifications							
Amounts reclassified from AOCI to earnings							
Net current period OCI							
Net current period OCI							
Net current period OCI							
Balance at February 3, 2024							

Amounts reclassified from AOCI					
Amounts reclassified from AOCI					
(in millions)					
(in millions)		Fiscal 2023	Fiscal 2022	Fiscal 2021	Statement of operations caption
(Gains) losses on cash flow hedges:	(Gains) losses on cash flow hedges:				
Foreign currency contracts	Foreign currency contracts	\$ (1.7)	\$ 0.6	\$ — ⁽¹⁾	Cost of sales
De-designated foreign currency contracts		—	—	(0.6)	Other operating income (expense) ⁽²⁾
Foreign currency contracts					
Foreign currency contracts					
		\$ (0.5)		\$ (1.7)	\$ 0.6
Commodity contracts	Commodity contracts	—	0.4	(6.9) ⁽¹⁾	Cost of sales
De-designated commodity contracts		—	—	(9.3)	Other operating income (expense) ⁽²⁾
Commodity contracts					
Commodity contracts					
		—		—	0.4
Total before income tax					
Total before income tax					
Total before income tax	Total before income tax	(1.7)	1.0	(16.8)	
Income taxes	Income taxes	0.3	(0.3)	4.2	
Income taxes					
Income taxes					
Net of tax					
Net of tax					
Net of tax	Net of tax	(1.4)	0.7	(12.6)	
Defined benefit pension plan items:	Defined benefit pension plan items:				
Defined benefit pension plan items:					
Amortization of unrecognized actuarial losses					
Amortization of unrecognized actuarial losses					
Amortization of unrecognized actuarial losses	Amortization of unrecognized actuarial losses	3.5	2.1	1.0	Other non-operating expense, net ⁽²⁾
Amortization of unrecognized actuarial losses					

Amortization of unrecognized net prior service costs	Amortization of unrecognized net prior service costs	0.3	0.1	0.1	(3)	Other non-operating expense, net	Amortization of unrecognized net prior service costs	—	0.3	0.3	0.1	0.1	Other non-operating expense, net (2)
Pension settlement loss	Pension settlement loss	133.7	—	—	(3)	Other non-operating expense, net	Pension settlement loss	0.2	133.7	133.7	—	—	Other non-operating expense, net (2)
Total before income tax	Total before income tax	137.5	2.2	1.1									
Income taxes	Income taxes	(26.0)	(0.3)	(0.2)									
Income taxes													
Income taxes													
Net of tax													
Net of tax													
Net of tax	Net of tax	111.5	1.9	0.9									
Total reclassifications, net of tax	Total reclassifications, net of tax	\$110.1	\$2.6	\$(11.7)									
Total reclassifications, net of tax													
Total reclassifications, net of tax													

(1) See Note 21 20 for additional information.

(2) The Company's cash flow hedges were de-designated during the first quarter of Fiscal 2021. See Note 21 27 for additional information.

(3) These items are included

10. Income taxes

Signet and its Bermuda domiciled subsidiaries were not subject to income tax in Bermuda in Fiscal 2024 and prior. On December 27, 2023, Bermuda enacted a 15% corporate income tax that will generally become effective for the Company in Fiscal 2026. The legislation includes a provision referred to as the economic transition adjustment ("ETA") which is intended to provide a fair and equitable transition into the tax regime. The ETA allows companies to establish tax basis in the computation assets and liabilities at fair value as of net periodic pension benefit (cost) income. See Note 23 for additional information. September 30, 2023, excluding goodwill, of any entity subject to the tax. As a result of this provision, the Company has recorded a \$263.3 million deferred tax asset in the fourth quarter of Fiscal 2024 related to the tax basis of certain intangible assets, which it expects to utilize to reduce future cash taxes paid in Bermuda over approximately a 10-year period.

Signet has global subsidiaries that are subject to tax in the jurisdictions in which they operate. The primary jurisdictions in which the Company's subsidiaries are currently subject to tax are the United States, Canada, the United Kingdom, and Ireland.

11. Income taxes

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Income (loss) before income taxes:								
Income before income taxes:								
— US								
— US								
— US	— US	\$281.2	\$665.9	\$(173.4)				
— Foreign	— Foreign	170.0	218.5	83.7				
Total income (loss) before income taxes		\$451.2	\$884.4	\$(89.7)				

Total income before income taxes				
Current taxation:	Current taxation:			
Current taxation:				
Current taxation:				
– US				
– US				
– US	– US	\$157.1	\$108.1	\$(222.2)
–	–			
Foreign	Foreign	16.7	7.6	0.7
Deferred taxation:	Deferred taxation:			
– US	– US	(70.4)	8.4	158.4
– US				
– US				
–	–			
Foreign	Foreign	(28.9)	(9.6)	(11.4)
Total income tax expense (benefit)	Total income tax expense (benefit)	\$ 74.5	\$114.5	\$(74.5)

As the statutory rate of corporation tax in Bermuda is 0%, the differences between the US federal income tax rate and the effective tax rates for Signet have been presented below:

		Fiscal 2023	Fiscal 2022	Fiscal 2021			Fiscal 2024	Fiscal 2023	Fiscal 2022
	Fiscal 2024								
US federal income tax rates	US federal income tax rates	21.0 %	21.0 %	21.0 %	US federal income tax rates		21.0 %	21.0 %	21.0 %
US state income taxes	US state income taxes	2.9 %	3.3 %	4.1 %	US state income taxes		2.7 %	2.9 %	3.3 %
Differences between US federal and foreign statutory income tax rates	Differences between US federal and foreign statutory income tax rates	0.8 %	(0.1)%	0.1 %	Differences between US federal and foreign statutory income tax rates		0.4 %	0.8 %	(0.1)%
Expenditures permanently disallowable for tax purposes, net of permanent tax benefits	Expenditures permanently disallowable for tax purposes, net of permanent tax benefits	(1.4)%	— %	(4.7)%	Expenditures permanently disallowable for tax purposes, net of permanent tax benefits		(0.4)%	(1.4)%	— %
Impact of global reinsurance arrangements	Impact of global reinsurance arrangements	(8.7)%	(2.2)%	14.1 %	Impact of global reinsurance arrangements		(5.8)%	(8.7)%	(2.2)%
Impact of global financing arrangements	Impact of global financing arrangements	(2.2)%	(0.6)%	— %	Impact of global financing arrangements		(1.5)%	(2.2)%	(0.6)%
Impairment of goodwill		— %	— %	(2.4)%					
Bermuda economic transition adjustment									

Bermuda economic transition adjustment									
Bermuda economic transition adjustment									
						(41.1)%	— %	— %	
CARES Act	CARES Act	— %	(1.4)%	111.9 %	CARES Act	— %	— %	(1.4)%	
Valuation allowance	Valuation allowance	— %	(6.5)%	(55.5)%	Valuation allowance	(0.3)%	— %	(6.5)%	
Other items	Other items	4.1 %	(0.6)%	(5.5)%	Other items	(1.7)%	4.1 %	(0.6)%	
Effective tax rate	Effective tax rate	16.5 %	12.9 %	83.1 %	Effective tax rate	(26.7)%	16.5 %	12.9 %	

In Fiscal 2024, the Company's effective tax rate was lower than the US federal income tax rate primarily as a result of the favorable impact of the benefit of \$263.3 million from the Bermuda ETA described above, as well as an uncertain tax position of \$20.5 million which was settled in Fiscal 2024, the favorable impact of foreign rate differences, benefits from global reinsurance and financing arrangements, and discrete tax benefits of \$13.5 million recognized in Fiscal 2024. Discrete tax benefits relate to the reclassification of remaining taxes on the pension settlement out of AOCI, the excess tax benefit for share-based compensation which vested during the year, and a reversal of a valuation allowance related to capital losses in the UK.

In Fiscal 2023, the Company's effective tax rate was lower than the US federal income tax rate primarily as a result of the favorable impacts from the Company's global reinsurance and financing arrangements, partially offset by the unfavorable impact of an uncertain tax position related to a prior year of \$20.5 million recorded in Fiscal 2023.

In Fiscal 2022, the Company's effective tax rate was lower than the US federal income tax rate primarily due to the reversal of the valuation allowance recorded against certain state deferred tax assets, as well as additional benefits realized from the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and the benefits from global reinsurance arrangements. During Fiscal 2022, the Company evaluated evidence to consider the reversal of the valuation allowance on its state net deferred tax assets and determined that there was sufficient positive evidence to conclude that it is more likely than not its state deferred tax assets are realizable. In determining the likelihood of future realization of the state deferred tax assets, the Company considered both positive and negative evidence. As a result, the Company believed that the weight of the positive evidence, including the cumulative income position in the three most recent years and forecasts for a sustained level of future taxable income, was sufficient to overcome the weight of the negative evidence, and thus recorded a \$49.8 million tax benefit to release the valuation allowance against the Company's state deferred tax assets during Fiscal 2022.

Deferred taxes

Deferred tax assets (liabilities) consisted of the following:

January 28, 2023								January 29, 2022										
February 3, 2024								February 3, 2024								January 28, 2023		
(in millions)	(in millions)	Assets	(Liabilities)	Total	Assets	(Liabilities)	Total	(in millions)	Assets	(Liabilities)	Total	Assets	(Liabilities)	Total				
Intangible assets	Intangible assets	\$ —	\$ (100.6)	\$(100.6)	\$ —	\$ (77.0)	\$ (77.0)											
US property, plant and equipment	US property, plant and equipment	—	(70.0)	(70.0)	—	(60.2)	(60.2)											
Foreign property, plant and equipment	Foreign property, plant and equipment	0.7	—	0.7	7.1	—	7.1											
Inventory valuation	Inventory valuation	—	(208.1)	(208.1)	—	(237.8)	(237.8)											
Revenue deferral	Revenue deferral	79.3	—	79.3	88.6	—	88.6											
Lease assets	Lease assets	—	(230.3)	(230.3)	—	(261.9)	(261.9)											
Lease assets																		
Lease liabilities	Lease liabilities	262.2	—	262.2	284.3	—	284.3											
Deferred compensation	Deferred compensation	8.0	—	8.0	7.7	—	7.7											
Retirement benefit obligations	Retirement benefit obligations	—	(0.2)	(0.2)	1.5	—	1.5											
Share-based compensation	Share-based compensation	8.6	—	8.6	8.4	—	8.4											
Other temporary differences	Other temporary differences	95.6	—	95.6	42.4	—	42.4											

Bermuda economic transition adjustment							
163(j) interest carryforward	163(j) interest carryforward	13.8	—	13.8	—	—	—
Net operating losses and foreign tax credits		65.9	—	65.9	84.3	—	84.3
Net operating losses							
Value of capital losses	Value of capital losses	13.2	—	13.2	16.9	—	16.9
Total gross deferred tax assets (liabilities)	Total gross deferred tax assets (liabilities)	\$547.3	\$ (609.2)	\$ (61.9)	\$541.2	\$ (636.9)	\$ (95.7)
Valuation allowance	Valuation allowance	(19.0)	—	(19.0)	(27.9)	—	(27.9)
Deferred tax assets (liabilities)	Deferred tax assets (liabilities)	\$528.3	\$ (609.2)	\$ (80.9)	\$513.3	\$ (636.9)	\$ (123.6)
Disclosed as:	Disclosed as:						
Disclosed as:							
Disclosed as:							
Non-current assets							
Non-current assets							
Non-current assets	Non-current assets			\$ 36.7	\$ 37.3		
Non-current liabilities	Non-current liabilities			(117.6)	(160.9)		
Deferred tax assets (liabilities)	Deferred tax assets (liabilities)			\$ (80.9)	\$ (123.6)		

The following table is a rollforward of the Company's deferred tax asset valuation allowance:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Beginning balance	Beginning balance	\$27.9	\$83.9	\$38.4				
Charged (credited) to income tax expense	Charged (credited) to income tax expense	—	(43.8)	45.1				
Increases from acquisitions	Increases from acquisitions	1.9	—	—				
Lapsed due to expiration of benefit	Lapsed due to expiration of benefit	(9.7)	(11.9)	—				
Foreign currency translation	Foreign currency translation	(1.1)	(0.3)	0.4				
Ending balance	Ending balance	\$19.0	\$27.9	\$83.9				

As of January 28, 2023 February 3, 2024, Signet had deferred tax assets associated with US Federal and state net operating loss carry forwards of \$39.2 million, \$36.3 million, of which \$30.9 million \$25.1 million are subject to ownership change limitations rules under Section 382 of the Internal Revenue Code ("IRC") IRC and various US state regulations. Federal net operating losses can be carried forward indefinitely and state net operating losses expire between 2023 and 2040. Signet had deferred tax assets associated with foreign net operating loss carryforwards of \$26.7 million \$29.7 million as of January 28, 2023 February 3, 2024, most of which can be carried forward indefinitely. As of January 28,

2023 February 3, 2024, Signet had foreign capital loss carryforward deferred tax assets of \$13.2 million \$11.5 million (Fiscal 2022: \$14.2 million), 2023: \$13.2 million), which can be carried forward over an indefinite period, which are only available to offset future capital gains.

The decrease in the total valuation allowance in Fiscal 2023 2024 was \$8.9 million, \$0.7 million. The valuation allowance as of January 28, 2023 February 3, 2024 primarily relates to certain state deferred tax assets and foreign capital loss carry forwards that, in the judgment of management, are not more likely than not to be realized.

Signet believes that it is more likely than not that deferred tax assets not subject to a valuation allowance as of January 28, 2023 February 3, 2024 will be offset where permissible by deferred tax liabilities or realized on future tax returns, primarily from the generation of future taxable income.

Uncertain tax positions

The following table summarizes the activity related to the Company's unrecognized tax benefits for US federal, US state and non-US tax jurisdictions:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Unrecognized tax benefits, beginning of period	Unrecognized tax benefits, beginning of period	\$24.9	\$25.4	\$23.5				
Increases related to current year tax positions	Increases related to current year tax positions	1.6	2.0	1.0				
Increases from acquisitions	Increases from acquisitions	2.3	—	—				
Increases related to prior year tax positions	Increases related to prior year tax positions	59.6	0.4	3.4				
Settlements with tax authorities	Settlements with tax authorities							
Settlements with tax authorities	Settlements with tax authorities							
Settlements with tax authorities	Settlements with tax authorities							
Lapse of statute of limitations	Lapse of statute of limitations	(2.4)	(2.9)	(2.6)				
Foreign currency translation	Foreign currency translation	(0.1)	—	0.1				
Unrecognized tax benefits, end of period	Unrecognized tax benefits, end of period	\$85.9	\$24.9	\$25.4				

As of January 28, 2023 February 3, 2024, Signet had approximately \$85.9 million \$26.0 million of unrecognized tax benefits in respect to uncertain tax positions. The unrecognized tax benefits relate primarily to accounting methods used for income tax purposes and intercompany deductions, including financing arrangements and intra-group charges which are subject to different and changing interpretations of tax law. Signet recognizes accrued interest and, where appropriate, penalties related to unrecognized tax benefits within income tax expense (benefit) in the consolidated statements of operations. As of January 28, 2023 February 3, 2024, Signet had accrued interest of \$9.8 million \$12.0 million and \$0.5 million \$0.5 million of accrued penalties. If all of these unrecognized tax benefits were settled in Signet's favor, the effective income tax rate would be favorably impacted by \$51.5 million. \$35.6 million.

Over the next twelve months management believes that it is reasonably possible that there could be a reduction of some or all of the unrecognized tax benefits as of January 28, 2023 February 3, 2024 due to settlement of the uncertain tax positions with the tax authorities.

Signet has business activity in all states within the US and files income tax returns for the US federal jurisdiction and all applicable states. Signet also files income tax returns in the UK, Canada and certain other foreign jurisdictions. Signet is subject to examinations by the US federal and state and Canadian tax authorities for tax years ending after November 1, 2011 and is subject to examination by the UK tax authority for tax years ending after February 1, 2014. The Company has not received any material assessments to date related to open examinations in any of the above jurisdictions; however, the Company has been engaged with various tax authorities related to inquiries in the normal course of their examinations. Should these tax authorities assess the Company for one or more of the tax positions taken within the Company's income tax filings, and should the tax authorities prevail in such assessments, there could be a material impact on our results of operations and cash flows in future periods.

12. 11. Other operating income (expense), net and other non-operating expense, net

The following table provides the components of other operating income (expense), net for Fiscal 2023, 2024, Fiscal 2022 2023 and Fiscal 2021: 2022:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Litigation charges (1)	Litigation charges (1)	\$(203.8)	\$(1.7)	\$(7.5)				

Interest income from customer in-house finance receivables ⁽²⁾	—	6.5	4.2	
De-designated cash flow hedges ⁽³⁾	—	—	9.9	
Gain on divestitures ⁽²⁾				
Restructuring charges ⁽³⁾				
Interest income from customer in-house finance receivables ⁽⁴⁾				
UK government grants				
UK government grants				
UK government grants	UK government grants	—	8.6	—
Other	Other	(6.1)	(4.9)	(4.2)
Other operating income (expense)		<u>\$ (209.9)</u>	<u>\$ 8.5</u>	<u>\$ 2.4</u>
Other operating income (expense), net				

⁽¹⁾ Fiscal 2024 includes a credit to income related to the adjustment of a prior litigation accrual recognized during Fiscal 2023. See Note 28 for additional information.

⁽²⁾ See Note 13 and 14 4 for additional information.

⁽³⁾ See Note 21 26 for additional information.

⁽⁴⁾ See Note 13 for additional information.

The following table provides the components of other non-operating expense, net for Fiscal 2023, 2024, Fiscal 2022, 2023 and Fiscal 2021, 2022:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Pension settlement ⁽¹⁾		<u>\$(133.7)</u>	<u>\$ —</u>	<u>\$ —</u>				
Pension settlement loss ⁽¹⁾								
Other	Other	(6.5)	(2.1)	—				
Other non-operating expense, net	Other non-operating expense, net	<u>\$(140.2)</u>	<u>\$(2.1)</u>	<u>\$ —</u>				

⁽¹⁾ See Note 23 27 for additional information.

13. 12. Credit transactions card outsourcing programs

During Fiscal 2018, Signet announced a strategic initiative to outsource its North America private label credit card programs. The Company has entered into various agreements with Comenity Bank ("Comenity") and sell the existing in-house finance receivables. In October 2017, Signet, Concora Credit Inc. ("Concora") (formerly known as Genesis Financial Solutions) through its subsidiary subsidiaries Sterling Jewelers Inc. ("Sterling") and Zale Delaware, Inc. ("Zale"), completed the sale of the prime-only credit quality portion of Sterling's in-house finance receivable portfolio to Comenity Bank ("Comenity"). Sterling also entered into an agreement with Comenity to outsource its private label credit card programs. Under the original agreements, Comenity provided credit services to all prime credit customers for the Sterling banners and to all credit customers for the Zale banners. Credit to non-prime customers was provided by the Company under separate agreements with CarVal Investors and Castlelake, L.P. (the "Sterling" "Investors"), whereby the Investors purchased the receivables originated by the Company. In addition to the receivables sold to the Investors, Signet also maintained a portion of the non-prime in-house finance receivables portfolio.

In Fiscal 2022, both the Sterling and Zale agreements ("Program Agreement Agreements"). The Company, through its subsidiary Zale Delaware, Inc. ("Zale") had previously entered into an agreement with Comenity and Concora were amended and restated to provide credit services to its Zales banners for all credit card customers (prime both prime and non-prime) (the "Zale Program Agreement"), and this pre-existing Zale Program Agreement was unaffected by the execution of the Sterling Program Agreement. The Zale Program Agreement was set to expire in January 2023, and the Sterling Program Agreement was set to expire in October 2024.

Under the Sterling Program Agreement and Zale Program Agreement (collectively, the "Program Agreements"), Comenity established a program to issue credit cards to be serviced, marketed and promoted in accordance non-prime customers. In addition, concurrently with the terms of the Program Agreements. Subject to limited exceptions, Comenity is the exclusive issuer of private label credit cards or an installment or other closed end loan product in the US bearing specified Company trademarks during the term of the Program Agreements. Upon expiration or termination by either party of the Program Agreements, the Company retains the option to purchase, or arrange the purchase by a third party of, the Program Agreement assets from Comenity on terms that are no more onerous to the Company than those applicable to Comenity under the Program Agreements, or in the case of a purchase by a third party, on customary terms. The Program Agreements contain customary representations, warranties and covenants.

During Fiscal 2019, in addition to the prime-only credit card portfolio, the Company also entered into various agreements to outsource the non-prime portion of its private label credit card program for Sterling and sell the existing in-house financing receivables. The non-prime portion of the Sterling credit card portfolio was outsourced to CarVal Investors ("CarVal") and the appointed minority party, Castlake, L.P. ("Castlake" and collectively with CarVal, the "Investors"). Under the agreement with the Investors, Signet remained the issuer of non-prime credit with investment funds managed by the Investors purchasing forward receivables at a discount rate determined in accordance with their respective agreements. Signet held the newly issued non-prime credit receivables on its balance sheet for two business days prior to selling the receivables to the respective counterparty in accordance with the agreements. The purchase price was settled with 95% received as cash upon closing. The remaining 5% of the purchase price was deferred until the second anniversary of the closing date. Final payment of the deferred purchase price was contingent upon the non-prime in-house finance receivable portfolio achieving a pre-defined yield, which was finalized in Fiscal 2021 (see below). The agreement contains customary representations, warranties and covenants. Various these amended and restated agreements have been entered into with the Investors as described below.

Fiscal 2021 non-prime agreements with the Investors

During Fiscal 2021, the 2018 agreements pertaining to the purchase of non-prime forward flow receivables were terminated and new agreements were executed with the Investors which were effective until June 30, 2021. Those new agreements provided that the Investors will continue to purchase add-on non-prime receivables created on existing customer accounts at a discount rate determined in accordance with the new agreements. As a result of the above agreements, Signet began retaining all forward flow non-prime receivables created for new customers beginning in the second quarter of Fiscal 2021. The termination of the previous agreements had no effect on the receivables that were previously sold to the Investors prior to the termination, except that Signet agreed to extend the Investors' payment obligation for the remaining 5% of the receivables previously purchased in June 2018 until the new agreements terminate. The Company's agreement with the credit servicer Genesis Financial Solutions ("Genesis") remained in place.

In January 2021, the Company reached additional agreements with the Investors to further amend the purchase agreements described above through June 30, 2021. CarVal continued to purchase add-on receivables for existing accounts and began to purchase 50% of new forward flow non-prime receivables. Genesis (becoming one of the "Investors") began to purchase the remaining 50% of new forward flow non-prime receivables through June 30, 2021. Castlake continued to purchase add-on receivables for existing accounts through June 30, 2021. Signet continued to retain add-on receivables for its existing accounts but no longer retained new forward flow non-prime receivables.

Fiscal 2022 amended and restated agreements

On May 17, 2021, Sterling and Comenity amended the Sterling Program Agreement. In addition, on May 17, 2021, Zale and Comenity amended the Zale Program Agreement (each a "Program Agreement", and collectively, the "Amended Program Agreements").

The Amended Program Agreements, have an initial term from July 1, 2021 through December 31, 2025 and, unless terminated earlier by either party, automatically renew for successive two-year terms. The Amended Program Agreements provide for, among other things, that Comenity operate a primary source program to issue credit cards to Sterling and Zale customers to be serviced, maintained, administered, collected upon, and promoted in accordance with the terms therein (the "Primary Source Program"). The

Amended Program Agreements include a signing bonus, which may be repayable under certain conditions if such Program Agreement is terminated.

Subject to limited exceptions, including permitting a second look program, during the term of the Amended Program Agreements, Comenity will be the exclusive issuer of open-ended credit products (including credit cards) in the US bearing specified Company trademarks, including trademarks associated with Kay, Jared, Zale, Banter by Piercing Pagoda, and other specified regional brands under the Amended Program Agreements. The Amended Program Agreements contain customary representations, warranties, and covenants. Upon expiration or termination by either party of a Program Agreement, Sterling or Zale, as applicable, retains the option to purchase, or arrange the purchase by a third party of, the program assets from Comenity on customary terms and conditions. In the case of a purchase by Sterling upon expiration or termination of the Program Agreement, such purchase shall be on terms that are no more onerous to Sterling than those applicable to Comenity Bank under the Purchase Agreement, dated May 25, 2017, by and between Sterling and Comenity Bank.

In addition to the Amended Program Agreements, on May 17, 2021, Sterling entered into an Amended and Restated Program Agreement (the "Genesis Agreement") with Genesis, which amends and restates the Program Agreement entered into by and between Sterling and Genesis on July 26, 2018. The Genesis Agreement has an initial term from July 1, 2021 through December 31, 2025 and, unless terminated earlier by either party, automatically renews for successive one-year periods. Under the terms of the Genesis Agreement, Genesis will expand its role in originating, funding, administering and servicing a second look credit program to Sterling customers that are declined under the Sterling Program Agreement.

In March 2021, the Company provided notice to the Investors of its intent not to extend the respective agreements with such Investors beyond the expiration date of June 30, 2021. All new prime and non-prime account origination have occurred in accordance with the amended and restated Comenity and Genesis agreements as described above since July 1, 2021.

On June 30, 2021, the Company entered into amended and restated receivable purchase agreements with CarVal and Castlake regarding the purchase of add-on receivables on such Investors' existing accounts, as well as the purchase of the Company-owned credit card receivables portfolio for accounts that had been originated through Fiscal 2021 (see Note 14). During the second quarter of Fiscal 2022, Signet received cash proceeds sold its portion of \$57.8 million for the sale of these non-prime customer in-house finance receivables to the Investors. Investors for cash proceeds of \$57.8 million. These receivables had a net book value of \$56.4 million as of the sale date, and thus the Company recognized a gain on sale of \$1.4 million in the North America reportable segment within other operating income (expense), net in the consolidated statements of operations during the second quarter of Fiscal 2022. Additionally, during the second quarter of Fiscal 2022, the Company received \$23.5 million from the Investors for the a remaining payment obligation of the remaining 5% of the for receivables previously purchased by the Investors in June 2018.

In Fiscal 2023 2024, the Program Agreements were further amended and restated agreements

In March 2022, to, among other matters, extend the Company entered into amended and restated receivable purchase agreements with terms of the Investors regarding the purchase of add-on receivables on such Investors' existing accounts. Under the amended and restated agreements, The Bank of Missouri will be the issuer for the add-on receivables on these existing accounts and the Investors will purchase the receivables from The Bank of Missouri.

In conjunction with the above agreements in March 2022, the Company entered into agreements with the Investors Program Agreements to transfer all existing cardholder accounts previously originated by Signet to The Bank of Missouri. Therefore, the Company will no longer originate any credit receivables with customers. December 31, 2028.

14. 13. Accounts receivable

The following table presents the components of Signet's accounts receivable:

(in millions)	January 28, 2023	January 29, 2022
Accounts receivable, trade	\$ 14.5	\$ 18.3
Accounts receivable, held for sale	—	1.6
Accounts receivable	\$ 14.5	\$ 19.9

As described in Note 13, Signet is no longer the issuer of non-prime credit for add-on purchases on existing accounts. Therefore, the Company no longer holds these non-prime credit receivables. Prior to the March 2022 amendments, receivables originated by the Company but pending transfer to the Investors as of period end were classified as "held for sale" and included in accounts Accounts receivable, in the consolidated balance sheets. As of January 29, 2022, the accounts receivable held for sale were recorded at fair value. trade

Accounts receivable, trade primarily includes amounts receivable relating to accounts receivable from the Company's diamond sales in the North America reportable segment and from the Company's diamond sourcing initiative operation in the Other reportable segment.

Customer in-house finance receivables

As discussed above, in Note 12, the Company began retaining retained certain customer in-house finance receivables in the second quarter of Fiscal 2021 through prior to the date of the portfolio sale in June 2021. during the second quarter of Fiscal 2022. The Company accounted for the expected credit losses under ASC 326, "Measurement of Credit Losses on Financial Instruments," which is referred to as the Current Expected Credit Loss ("CECL") model. The allowance for credit losses related to these receivables was an estimate of expected credit losses, measured over the estimated life of its credit card receivables that considered forecasts of future economic conditions in addition to information about past events and current conditions.

To estimate its allowance for credit losses, the Company segregated its credit card receivables into credit quality categories using the customers' FICO scores. The following three industry standard FICO score categories were used:

- 620 to 659 (Near Prime)
- 580 to 619 (Subprime)
- Less than 580 (Deep Subprime)

In estimating its allowance for credit losses, for each identified risk category, management utilized estimation methods based primarily on historical loss experience, current conditions, and other relevant factors. These methods utilized historical charge-off data of the Company's non-prime portfolio, as well as incorporated any applicable macroeconomic variables (such as unemployment) that may have been expected to impact credit performance. In addition to the quantitative estimate of expected credit losses under CECL using the historical loss information, the Company also incorporated qualitative adjustments for certain factors such as Company specific risks, changes in current economic conditions that may not have been captured in the quantitatively derived results, or other relevant factors to ensure the allowance for credit losses reflected the Company's best estimate of current expected credit losses. Management considered qualitative factors such as the unfavorable macroeconomic conditions caused by the COVID-19 uncertainty (including rates of unemployment), the Company's non-prime portfolio performance during the prior recession, and the potential impacts of the economic stimulus packages in the US, in developing its estimate for current expected credit losses for the period.

The following table is a rollforward of the Company's allowance for credit losses on customer in-house finance receivables:

(in millions)	Fiscal 2022
Beginning balance	\$ 25.5
Provision for credit losses	(1.0)
Write-offs	(5.5)
Recoveries	0.6
Reversal of allowance on receivables sold	(19.6)
Ending balance	\$ —

(in millions)	Fiscal 2022	Fiscal 2021
Beginning balance	\$ 25.5	\$ —
Provision for credit losses	(1.0)	26.1
Write-offs	(5.5)	(0.6)
Recoveries	0.6	—
Reversal of allowance on receivables sold	(19.6)	—
Ending balance	\$ —	\$ 25.5

Beginning in the second quarter of Fiscal 2021, in connection with the new agreements executed with the Investors, additions to the allowance for credit losses were made by recording charges to bad debt expense (credit losses) within selling, general and administrative expenses SG&A within the consolidated statements of operations. The uncollectible portion of customer in-house finance receivables was charged to the allowance for credit losses when an account was written-off after 180 days of non-payment, or in circumstances such as bankrupt or deceased cardholders. Write-offs on customer in-house finance receivables included uncollected amounts related to principal, interest, and late fees. Uncollectible accrued interest was accounted for by recognizing credit loss expense. Recoveries on customer in-house finance receivables previously written-off as uncollectible were credited to the allowance for credit losses.

A credit card account would be contractually past due if the Company did not receive the minimum payment by the specified due date on the cardholder's statement. It was the Company's policy to continue to accrue interest and fee income on all credit card accounts, except in limited circumstances, until the credit card account balance and all related interest and other fees were paid or charged-off, typically at 180 days delinquent, as noted above.

Interest income related to the Company's customer in-house finance receivables was included within other operating income (expense), net in the consolidated statements of operations. Accrued interest was included within the same line item as the respective principal amount of the customer in-house finance receivables in the consolidated balance sheets. The accrual of interest was discontinued at the time the receivable is was determined to be uncollectible and written-off. The Company recognized \$6.5 million and \$4.2 million of interest income on its customer in-house finance receivables during Fiscal 2022 and Fiscal 2021, respectively. 2022. Interest income recognition ceased at the date of the sale of the portfolio as noted above.

15. 14. Inventories

The following table summarizes the details of the Company's inventory: inventory for the periods presented:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Raw materials	Raw materials	\$ 89.2	\$ 75.8			
Merchandise inventories	Merchandise inventories	2,061.1	1,984.6			
Total inventories	Total inventories	\$2,150.3	\$2,060.4			

Signet The Company held \$623.0 million \$530.3 million of consignment inventory at January 28, 2023 February 3, 2024 (January 29, 2022: \$533.2 million), 28, 2023: \$623.0 million), which is not recorded on the consolidated balance sheets. The principal terms of the consignment agreements, which can generally be terminated by either party, are such that Signet the Company can return any or all of the inventory to the relevant suppliers without financial or commercial penalties and the supplier can adjust the inventory prices costs prior to sale.

Inventory reserves

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Inventory reserve, beginning of period	\$ 46.8	\$ 52.9	\$ 67.0
Charged to income ⁽¹⁾	63.6	101.8	78.1
Utilization ⁽²⁾	(82.7)	(107.9)	(92.2)
Inventory reserve, end of period ⁽³⁾	\$ 27.7	\$ 46.8	\$ 52.9

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventory reserve, beginning of period	\$ 27.7	\$ 46.8	\$ 52.9
Charged to income	37.6	63.6	101.8
Utilization ⁽¹⁾	(48.6)	(82.7)	(107.9)
Inventory reserve, end of period	\$ 16.7	\$ 27.7	\$ 46.8

⁽¹⁾ Includes \$1.4 million in Fiscal 2021 for inventory charges associated with the Company's restructuring plan. The charges were primarily associated with discontinued brands and collections within the restructuring - cost of sales line item on the consolidated statements of operations. As the Plan was substantially completed in Fiscal 2021, no additional charges were recorded in Fiscal 2023 or Fiscal 2022. See Note 6 for additional information.

⁽²⁾ Includes the impact of foreign exchange translation, as well as \$2.2 million in Fiscal 2022 and \$20.0 million in Fiscal 2021 utilized for inventory identified as part of the Company's previously disclosed restructuring plan. As the Plan plan was substantially completed in Fiscal 2021, there were no additional amounts utilized in Fiscal 2023. See Note 6 for additional information.

⁽³⁾ Includes \$2.2 million in 2024 or Fiscal 2021 for inventory identified as part of the Company's restructuring plan. See Note 6 for additional information. 2023.

16.15. Property, plant and equipment, net

(in millions)	January 28, 2023	January 29, 2022
Land and buildings	\$ 21.0	\$ 21.7
Leasehold improvements	684.1	640.9
Furniture and fixtures	729.9	698.3
Equipment	160.9	133.5
Software	268.9	251.5
Construction in progress	74.4	78.9
Total	\$ 1,939.2	\$ 1,824.8
Accumulated depreciation and amortization	(1,352.7)	(1,248.9)
Property, plant and equipment, net	\$ 586.5	\$ 575.9

The following table summarizes the details of the Company's property, plant and equipment, net for the periods presented:

(in millions)	February 3, 2024	January 28, 2023
Land and buildings	\$ 20.2	\$ 21.0
Leasehold improvements	710.9	684.1
Furniture and fixtures	749.5	729.9
Equipment	182.3	160.9
Software	240.0	268.9
Construction in progress	36.0	74.4
Total	\$ 1,938.9	\$ 1,939.2
Accumulated depreciation and amortization	(1,441.2)	(1,352.7)
Property, plant and equipment, net	\$ 497.7	\$ 586.5

Depreciation and amortization expense for property, plant and equipment was \$160.0 million in Fiscal 2023 was \$162.2 million 2024 (Fiscal 2023: \$162.2 million; Fiscal 2022: \$162.4 million; Fiscal 2021: \$175.1 million). \$162.4 million). In Fiscal 2023, 2024, the Company recorded impairment charges of \$4.3 \$3.8 million related to property, plant and equipment (Fiscal 2022: \$1.6 2023: \$4.3 million; Fiscal 2021: \$28.1 2022: \$1.6 million). See Note 17 16 for additional information.

17.16. Asset impairments, net

The following table summarizes the Company's net asset impairment activity for the periods presented:

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Goodwill impairment ⁽¹⁾	\$ —	\$ —	\$ 10.7
Indefinite-lived intangible asset impairment ⁽¹⁾	—	—	83.3
Property and equipment impairment	4.3	1.6	28.1
Operating lease ROU asset impairment, net ⁽²⁾	18.4	(0.1)	36.9
Total impairment	\$ 22.7	\$ 1.5	\$ 159.0

⁽¹⁾ Refer to Note 19 for additional information.

⁽²⁾ The Company recorded \$0.9 million, \$1.4 million and \$4.4 million of gains on terminations or modifications of leases resulting from previously recorded impairments of the ROU assets in Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022

Property and equipment impairment	\$	3.8	\$	4.3	\$	1.6
Operating lease ROU asset impairment, net		2.7		18.4		(0.1)
Definite-lived intangible asset impairment		2.6		—		—
Total asset impairments, net	\$	9.1	\$	22.7	\$	1.5

Long-lived assets of the Company consist primarily of property and equipment, definite-lived intangible assets and operating lease right-of-use ("ROU") assets. Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. Potentially impaired assets or asset groups are identified by reviewing the undiscounted cash flows of individual stores. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the store asset group, based on the

Company's internal business plans. If the undiscounted cash flow for the store asset group is less than its carrying amount, the long-lived assets are measured for potential impairment by estimating the fair value of the asset group, and recording an impairment loss for the amount that the carrying value exceeds the estimated fair value. The Company primarily utilizes the replacement cost method to estimate the fair value of its property and equipment, and the income capitalization method to estimate the fair value of its ROU assets, which incorporates historical store level sales, internal business plans, real estate market capitalization and rental rates, and discount rates.

Fiscal 2021

Due to the various impacts of COVID-19 to the Company's business during the first quarter of Fiscal 2021, including the temporary closure of all the Company's stores beginning in late March 2020 (see additional information in Note 1), the Company determined triggering events had occurred for certain of the Company's long-lived **Store** asset groups at the individual stores that required an interim impairment assessment during the first quarter of Fiscal 2021. During the remaining of Fiscal 2021, the Company completed its quarterly trigger event assessment and determined that triggering events had occurred for certain additional long-lived asset groups at the individual stores based on real estate assessments (including store closure decisions) and the continued uncertainty related to COVID-19 on forecasted cash flows for the remaining lease period for certain stores. This impacted property and equipment and ROU assets at the store level. The Company identified certain stores in the initial recoverability test which had carrying values in excess of the estimated undiscounted cash flows. For these stores failing the initial recoverability test, a fair value assessment for these long-lived assets was performed.

As a result of the above fair values assessments, the Company recorded impairment charges for property and equipment of \$28.1 million and impairment charges for ROU assets of \$36.9 million in Fiscal 2021, which is net of gains on terminations or modifications of leases resulting from previously recorded impairments of the ROU assets of \$4.4 million.

Fiscal 2022

During **Fiscal 2024, Fiscal 2023 and** Fiscal 2022 the Company completed its quarterly triggering event assessments and determined that triggering events had occurred for certain long-lived asset groups at individual stores based on real estate assessments (including store closure decisions) and store performance for the remaining lease period for certain stores that required an impairment assessment. This impacted property and equipment and ROU assets at the store level. The Company identified certain stores in the initial recoverability test which had carrying values in excess of the estimated undiscounted cash flows. For these stores failing the initial recoverability test, a fair value assessment for these long-lived assets was performed.

As a result **of the assessment** of the estimated fair values, the Company recorded impairment charges for property and equipment of **\$1.6 million and a net ROU asset gain on impairment of \$0.1** **\$3.8 million** in Fiscal 2022.

2024 (Fiscal 2023: \$3.7 million; Fiscal 2023

During Fiscal 2023, 2022: \$1.6 million). In addition, the Company **completed its quarterly triggering event assessments and determined that triggering events had occurred for certain long-lived asset groups at individual stores based on real estate assessments (including store closure decisions) and store performance for the remaining lease period for certain stores that required an impairment assessment. This impacted property and equipment and ROU assets at the store level. The Company identified certain stores in the initial recoverability test which had carrying values in excess of the estimated undiscounted cash flows. For these stores failing the initial recoverability test, a fair value assessment for these long-lived assets was performed. As a result of the estimated fair values, the Company recorded impairment charges for property and equipment of \$3.7 million and a net ROU asset impairment charges of \$3.1** **\$2.7 million** in Fiscal **2023, 2024 (Fiscal 2023: \$3.1 million; Fiscal 2022: \$0.1 million net gain).**

Support center asset impairment

In addition, during **During** the fourth quarter of Fiscal 2023, due to the change in working environments at certain of the Company's administrative offices resulting from COVID-19, the Company substantially vacated two leased facilities in its Akron, Ohio support center. The significant change in use of these facilities resulted in a triggering event to evaluate these asset groups for impairment, and they were deemed to have failed the initial recoverability test on an undiscounted basis. A fair value assessment for these long-lived assets was thus performed, and as a result of the **assessment of the** estimated fair values, the Company recorded impairment charges for property and equipment of \$0.6 million and **an impairment charges for ROU asset impairment assets** of \$15.3 million in Fiscal 2023.

The uncertainty of the current macroeconomic environment **to** the Company's business could continue to further negatively affect the operating performance and cash flows of the previously impaired stores or additional stores, including the impacts of inflation, continued changes in consumer behavior and shifts in discretionary spending, the inability to achieve or maintain cost savings initiatives included in the business plans, changes in real estate strategy or other macroeconomic factors which influence consumer behavior. In addition, key assumptions used to estimate fair value, such as sales trends, capitalization and market rental rates, and discount rates could impact the fair value estimates of the store-level assets in future periods.

18. 17. Leases

Signet The Company occupies certain properties and holds machinery and vehicles under operating leases. **Signet The Company** determines if an arrangement is a lease at the agreement's inception. Certain operating leases include predetermined rent increases, which are charged to store occupancy costs within cost of sales on a straight-line basis over the lease term, including any construction period or other rental holiday. Other variable amounts paid under operating leases, such as taxes and common area maintenance, are charged to cost of sales as incurred. Premiums paid to acquire short-term leasehold properties and inducements to enter into a lease are recognized on a straight-line basis over the lease term. Certain leases provide for contingent rent based on a percentage of sales in excess of a predetermined level. Certain leases provide for variable rent increases based

on indexes specified within the lease agreement. The variable increases based on an index are initially measured as part of the operating lease liability using the index at the commencement date. Contingent rent and subsequent changes to variable increases based on indexes will be recognized in the variable lease cost and included in the determination of total lease cost when it is probable that the expense has been incurred and the amount is reasonably estimable. Operating leases are included in operating lease ROU assets and current and non-current operating lease liabilities in the Company's consolidated balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental secured borrowing rate based on the information available at the lease commencement date, including the underlying term and currency of the lease, in measuring the present value of lease payments. Lease terms, which include the period of the lease that cannot be canceled, may also include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with an initial term of twelve months or less are not recorded on the balance sheet, and we recognize short-term lease expense for these leases on a straight-line basis over the lease term. The operating lease ROU asset may also include initial direct costs, prepaid and/or accrued lease payments and the unamortized balance of lease incentives received. ASC 842, "Leases", allows a lessee, as an accounting policy election by class of underlying asset, to choose not to separate non-lease components from lease components and instead to account for each separate lease component and the non-lease components associated with that lease component as a single lease component. We have elected this practical expedient as presented in ASC 842,

and do not separate non-lease components for all underlying asset classes. ROU assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable in accordance with the Company's long-lived asset impairment assessment policy.

Payments arising from operating lease activity, as well as variable and short-term lease payments not included within the operating lease liability, are included as operating activities on the Company's consolidated **statement statements** of cash flows. Expenditures made to ready an asset for its intended use (i.e. leasehold improvements) are represented within investing activities within the Company's consolidated statements of cash flows.

The weighted average lease term and discount rate for the Company's outstanding operating leases were as follows:

		January 28, January			
		2023	29, 2022		
		February			
		3, 2024			
				February 3, 2024	January 28, 2023
Weighted average remaining lease term	Weighted average remaining lease term	7.2 years	7.1 years	7.0 years	7.2 years
Weighted average remaining lease term					
Weighted average discount rate	Weighted average discount rate	5.8 %	5.5 %	6.1 %	5.8 %
Weighted average discount rate					

Total lease costs consist of the following:

		Fiscal	Fiscal	Fiscal		
(in millions)		2023	2022	2021	(in millions)	
Operating lease cost	Operating lease cost	\$399.1	\$431.8	\$436.3	Fiscal 2024	Fiscal 2023
Short-term lease cost	Short-term lease cost	47.4	11.5	16.3		
Variable lease cost	Variable lease cost	119.7	127.0	110.3		
Sublease income	Sublease income	(1.5)	(1.9)	(1.8)		
Total lease cost	Total lease cost	\$564.7	\$568.4	\$561.1		

Supplemental cash flow information related to leases consist of the following:

		Fiscal	Fiscal	Fiscal		
(in millions)		2023	2022	2021	(in millions)	
					Fiscal 2024	Fiscal 2023

Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	Operating cash flows from operating leases	\$387.5	\$479.6	\$400.4
Operating cash flows from operating leases	Operating cash flows from operating leases			
Operating lease right-of-use assets obtained in exchange for lease obligations (1)	Operating lease right-of-use assets obtained in exchange for lease obligations (1)	191.5	168.8	70.8
Reduction in the carrying amount of ROU assets (2)	Reduction in the carrying amount of ROU assets (2)	331.2	351.7	348.3

(1) Includes \$39.1 million and \$56.9 million of ROU assets acquired from Blue Nile in Fiscal 2023 and Diamonds Direct in Fiscal 2022, respectively, per Note 4.

(2) Excludes ROU asset impairment charges, net of \$2.7 million, \$18.4 million net, and ROU asset impairment gains of \$0.1 million, and ROU asset impairment charges of \$36.9 million during Fiscal 2024, Fiscal 2023, and Fiscal 2022, and Fiscal 2021, respectively, as further described in Note 17, 16.

The future minimum operating lease commitments for operating leases having initial or non-cancelable terms in excess of one year are as follows:

	January 28, 2023	February 3, 2024
(in millions)		
Fiscal 20242025	\$ 351.5	327.4
Fiscal 2025 2026		269.8
Fiscal 2027	277.0	204.3
Fiscal 2026 2028		137.4
Fiscal 2029	203.4	95.4
Fiscal 2027		149.2
Fiscal 2028		102.1
Thereafter	433.4	378.1
Total minimum lease payments	\$ 1,516.6	1,412.4
Less: Imputed interest	(333.7)	(316.4)
Present value of lease liabilities	\$ 1,182.9	1,096.0

19, 18. Goodwill and intangibles

Goodwill and other indefinite-lived intangible assets, such as indefinite-lived trade names, are evaluated for impairment annually and more frequently annually. Additionally, if events or conditions are identified indicating indicate the carrying value of a reporting unit or an indefinite-lived intangible asset may not be recoverable. In evaluating goodwill and indefinite-lived trade names greater than its fair value, the Company would evaluate the asset for impairment at that time. Impairment testing compares the Company first assesses qualitative factors to determine whether it is more likely than not that carrying amount of the fair value of a reporting unit or other indefinite-lived intangible asset is less than with its carrying fair value. If the Company concludes that it is not more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying value, then no further testing is required. However, if the Company concludes that it is more likely than not that the fair value of a reporting unit or indefinite-lived intangible asset is less than its carrying value, then an impairment test is performed to identify a potential impairment and measure the amount of impairment to be recognized, if any. When the carrying amount of the reporting unit or an indefinite-lived other intangible assets exceeds its fair value, an impairment charge is recorded.

The impairment test for goodwill involves estimating the fair value of the reporting unit through either estimated discounted future cash flows or market-based methodologies. The impairment test for other indefinite-lived intangible assets involves estimating the fair value of the asset, which is typically performed using the relief from royalty method for indefinite-lived trade names.

Fiscal 2021

During Fiscal 2021, the Company performed its annual evaluation of its indefinite-lived intangible assets, including goodwill and trade names for impairment indicators. The Company noted that no impairment indicators existed at the date of the annual evaluation. Additionally, due to various impacts of COVID-19 to the Company's business during the first quarter Fiscal 2021, the Company

determined a triggering event had occurred that required an interim impairment assessment for all of its reporting units and indefinite-lived intangible assets. As part of the assessment, it was determined that an increase in the discount rates was required to reflect the prevailing uncertainty inherent in the forecasts due to current market conditions and potential COVID-19 impacts. This higher discount rate, in conjunction with revised long-term projections associated with certain aspects of the Company's forecast, resulted in lower than previously projected long-term future cash flows for the reporting units and indefinite-lived intangible assets which negatively affected the valuation compared to previous valuations. As a result of the interim impairment assessment, during the first quarter of Fiscal 2021, the Company recognized pre-tax impairment charges related to goodwill of \$10.7 million in the consolidated statements of operations within its North America reportable segment related to R2Net and Zales Canada goodwill.

In conjunction with the interim impairment tests noted above, during the first quarter of Fiscal 2021 the Company determined that the fair values of indefinite-lived intangible assets related to certain Zales trade names were less than their carrying value. Accordingly, in the first quarter of Fiscal 2021, the Company recognized pre-tax impairment charges within asset impairments on the consolidated statements of operations of \$83.3 million within its North America reportable segment.

Fiscal 2022

In the second quarter of Fiscal 2022, the annual testing date of R2Net the Digital Banners was changed from the last day of the fiscal year to the last day of the fourth period of each fiscal year. R2Net The Digital Banners represents a reporting unit within the Company's North America reportable segment. The new impairment testing date was preferable, as this date corresponds with the testing date for the other North America reporting units. This allows information and assumptions to be applied consistently to all reporting units.

In connection with the acquisition of Rocksbox on March 29, 2021, the Company recognized \$11.6 million of definite-lived intangible assets and \$4.6 million of goodwill, which are reported in the North America reportable segment. The weighted-average amortization period of the definite-lived intangibles assets acquired is eight years.

In connection with the acquisition of Diamonds Direct on November 17, 2021, the Company recognized \$126.0 million of indefinite-lived intangible assets related to the Diamonds Direct trade name and \$251.2 million of goodwill, which are reported in the North America reportable segment. Refer to Note 4 for additional information.

During Fiscal 2022, the Company did not identify any events or conditions that would indicate that it was more likely than not that the carrying values of the reporting units and indefinite-lived intangible assets exceed their fair values.

Fiscal 2023

During Fiscal 2023, the Company completed its annual evaluation of its indefinite-lived intangible assets, including goodwill and trade names, and through the qualitative assessment, the Company did not identify any events or conditions that would indicate that it was more likely than not that the carrying values of the reporting units and indefinite-lived trade names exceeded their fair values.

In connection with the acquisition of Blue Nile on August 19, 2022, the Company recognized \$96.0 million of indefinite-lived intangible assets and \$258.0 \$256.8 million of goodwill, which are reported in the North America reportable segment. Refer to Note 4 for additional information.

During Fiscal 2023, the Company did not identify any events or conditions that would indicate that it was more likely than not that the carrying values of the reporting units and indefinite-lived intangible assets exceed their fair values.

Fiscal 2024

During Fiscal 2024, the Company completed its annual evaluation of its indefinite-lived intangible assets, including goodwill and trade names. The Company utilized the qualitative assessment for all reporting units and trade names, except the Digital Banners and Diamonds Direct reporting units and trade names, for which the quantitative assessment was utilized. Through the qualitative assessment, the Company did not identify any events or conditions that would indicate that it was more likely than not that the carrying values of the reporting units and indefinite-lived trade names exceeded their fair values. The Company noted no impairment through the quantitative assessments based on the estimated fair values of the reporting units and trade names exceeding their carrying values.

During the fourth quarter of Fiscal 2024, the Company determined a triggering event had occurred requiring an interim impairment assessment for the Blue Nile trade name which management performed on a quantitative basis. The Company noted no impairment based on the estimated fair value of the trade name approximating its carrying value. The Company did not identify any other events or conditions that would indicate that it was more likely than not that the carrying values of the reporting units and indefinite-lived intangible assets exceed their fair values during Fiscal 2024.

The uncertainty related to the current macroeconomic environment, such as rising interest rates and the heightened inflationary pressure on consumers' discretionary spending, could negatively affect the share price of the Company's common stock, as well as key assumptions used to estimate fair value, such as sales trends, margin trends, long-term growth rates and discount rates. Thus, an adverse change in any of these factors could result in a risk of impairment in the Company's goodwill or indefinite-lived trade names in future periods, including those from recent acquisitions periods.

Goodwill

The following table summarizes the Company's goodwill by reportable segment:

	North America
(in millions)	
Balance at January 30, 2021 ⁽¹⁾	\$ 238.0
Acquisitions	246.6
Balance at January 29, 2022 ⁽¹⁾	\$ 484.6
Acquisitions ⁽²⁾	267.1
Balance at January 28, 2023 ⁽¹⁾	\$ 751.7
Acquisitions ⁽²⁾	2.8
Balance at February 3, 2024 ⁽¹⁾	\$ 754.5

(1) For the periods presented, the carrying amount of goodwill is presented net of accumulated impairment losses of \$576.0 million.

(c) The For the period ended February 3, 2024, the change in goodwill during the period primarily represents consists of the acquisition of SJR and the finalization of the purchase price allocation of Blue Nile. For the period ended January 28, 2023, the change in goodwill during the period primarily consists of the acquisition of Blue Nile and the finalization of the purchase price allocation of Diamonds Direct. Refer to Note 4 for additional information.

Intangibles

Definite-lived intangible assets include trade names, technology and customer relationship assets. Indefinite-lived intangible assets consist of trade names. Both definite and indefinite-lived assets are recorded within intangible assets, net on the consolidated balance sheets. Intangible liabilities, net consists of unfavorable contracts and is recorded within accrued expense expenses and other current liabilities and other liabilities - non-current on the consolidated balance sheets.

The following table provides additional detail regarding the composition of intangible assets and liabilities:

		February 3, 2024											
		February 3, 2024											
		February 3, 2024						January 28, 2023					
		Gross carrying amount			Net carrying amount			Gross carrying amount			Net carrying amount		
(in millions)	(in millions)												
Intangible assets, net:													
		January 28, 2023			January 29, 2022								
		Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount						
(in millions)	(in millions)												
Intangible assets, net:													
		Definite-lived intangible assets											
		Definite-lived intangible assets											
Definite-lived intangible assets	Definite-lived intangible assets	\$ 15.8	\$ (7.6)	\$ 8.2	\$ 15.8	\$ (5.3)	\$ 10.5						
Indefinite-lived intangible assets ⁽¹⁾	Indefinite-lived intangible assets ⁽¹⁾	399.2	—	399.2	303.7	—	303.7						
Total intangible assets, net	Total intangible assets, net	\$415.0	\$ (7.6)	\$407.4	\$319.5	\$ (5.3)	\$314.2						
Intangible liabilities, net	Intangible liabilities, net	\$ (38.0)	\$ 32.6	\$ (5.4)	\$ (38.0)	\$ 30.8	\$ (7.2)						
Intangible liabilities, net													
Intangible liabilities, net													

(1) The change in the indefinite-lived intangible asset balances during the periods presented was due to the addition of Blue Nile trade name of \$96.0 million and the impact of foreign currency translation.

Amortization expense relating to intangible assets was **\$2.3 million** **\$1.9 million** in Fiscal **2023** **2024** (Fiscal **2022**: **\$1.1 million** **2023**: **\$2.3 million**; Fiscal **2021**: **\$0.9** **2022**: **\$1.1** million). Unfavorable contracts are classified as liabilities and recognized over the term of the underlying contract. Amortization relating to intangible liabilities was \$1.8 million in Fiscal **2023** **2024** (Fiscal **2022**: **\$3.3 million** **2023**: **\$1.8 million**; Fiscal **2021**: **\$5.4 million** **2022**: **\$3.3 million**). Expected future amortization for intangible assets and intangible liabilities recorded at **January 28, 2023** **February 3, 2024** is as follows:

(in millions)	(in millions)	Intangible assets	Intangible liabilities		
		amortization	amortization	(in millions)	
Fiscal 2024		\$ 1.9	\$ (1.8)		
Fiscal 2025	Fiscal 2025	1.3	(1.8)		
Fiscal 2026	Fiscal 2026	1.2	(1.8)		
Fiscal 2027	Fiscal 2027	1.2	—		
Fiscal 2028	Fiscal 2028	1.2	—		
Fiscal 2029					
Thereafter	Thereafter	1.4	—		
Total	Total	\$ 8.2	\$ (5.4)		

20.19. Investments

Investments in debt securities

Investments in debt securities are held by certain insurance subsidiaries and are reported at fair value as other assets in the accompanying consolidated balance sheets. All investments are classified as available-for-sale and include the following:

January 28, 2023				January 29, 2022			
February 3, 2024							
February 3, 2024							
February 3, 2024							
(in millions)							
(in millions)							
(in millions)	(in millions)	Cost	Unrealized Gain (Loss)	Fair Value	Cost	Unrealized Gain (Loss)	Fair Value
US Treasury securities	US Treasury securities	\$ 5.8	\$ (0.1)	\$ 5.7	\$ 4.5	\$ —	\$ 4.5
US Treasury securities							
US Treasury securities							
US government agency securities	US government agency securities	0.5	—	0.5	2.0	—	2.0
US government agency securities							
US government agency securities							
Corporate bonds and notes							
Corporate bonds and notes							
Corporate bonds and notes	Corporate bonds and notes	3.5	(0.1)	3.4	5.6	0.2	5.8
Total investments	Total investments	\$ 9.8	\$ (0.2)	\$ 9.6	\$ 12.1	\$ 0.2	\$ 12.3
Total investments							
Total investments							

Realized gains and losses on investments are determined on a specific identification basis. There were no material net realized gains or losses during Fiscal **2023** **2024**, Fiscal **2022** **2023** or Fiscal **2021** **2022**. Investments with a carrying value of **\$3.8 million** **\$3.6 million** and **\$3.3 million** **\$3.8 million** were on deposit with various state insurance departments at **January 28, 2023** **February 3, 2024** and **January 29, 2022** **January 28, 2023**, respectively, as required by law.

Investments in debt securities outstanding as of **January 28, 2023** **February 3, 2024** mature as follows:

(in millions)	(in millions)	Cost	Fair Value	(in millions)	Cost	Fair Value

Less than one year	Less than one year	\$2.9	\$ 2.9
Year two through year five	Year two through year five	3.0	2.9
Year six through year ten	Year six through year ten	3.9	3.8
Total investment in debt securities	Total investment in debt securities	\$9.8	\$ 9.6

Total investment in debt securities

Total investment in debt securities

Investment in Sasmat

During Fiscal 2023, the Company acquired a 25% interest in Sasmat Retail, S.L ("Sasmat") for \$17.1 million in cash. Sasmat is a Spanish jewelry retailer specializing in online selling, with **five fourteen** brick and mortar locations. Under the terms of the agreement, the Company has the option to acquire the remaining 75% of Sasmat exercisable at the earlier of three years or upon Sasmat reaching certain revenue targets as defined in the agreement. The Company is applying the equity method of accounting to the Sasmat investment. The Sasmat investment is recorded within other non-current assets in the consolidated balance **sheet, sheets**. The Sasmat investment did not have a material impact on **Signet's the Company's** consolidated statements of operations during **Fiscal 2023, the periods presented**.

21. 20. Derivatives

Derivative transactions are used by Signet for risk management purposes to address risks inherent in Signet's business operations and sources of financing. The Company's main risks are market risk including foreign currency risk, commodity risk, liquidity risk and interest rate risk. Signet uses derivative financial instruments to manage and mitigate certain of these risks under policies reviewed and approved by **the Board, Signet's Chief Financial Officer ("CFO")**. Signet does not enter into derivative transactions for speculative purposes.

Market risk

Signet primarily generates revenues and incurs expenses in US dollars, Canadian dollars and British pounds. As a portion of the International reportable segment's purchases and purchases made by the Canadian operations of the North America reportable segment are denominated in US dollars, Signet enters into forward foreign currency exchange contracts and foreign currency swaps to manage this exposure to the US dollar.

Signet holds a fluctuating amount of British pounds and Canadian dollars reflecting the cash generative characteristics of operations. Signet's objective is to minimize net foreign exchange exposure to the consolidated statements of operations on non-US dollar denominated items through managing cash levels, non-US dollar denominated intra-entity balances and foreign currency exchange contracts and swaps. In order to manage the foreign exchange exposure and minimize the level of funds denominated in British pounds and Canadian dollars, dividends are paid regularly by subsidiaries to their immediate holding companies and excess British pounds and Canadian dollars are sold in exchange for US dollars.

Signet's policy is to reduce the impact of precious metal commodity price volatility on operating results through the use of outright forward purchases of, or by entering into options to purchase, precious metals within treasury guidelines approved by the **Board, CFO**. In particular, when price and volume warrants such actions, Signet undertakes hedging of its requirements for gold through the use of forward purchase contracts, options and net zero premium collar arrangements (a combination of forwards and option contracts).

Liquidity risk

Signet's objective is to ensure that it has access to, or the ability to generate, sufficient cash from either internal or external sources in a timely and cost-effective manner to meet its commitments as they become due and payable. Signet manages liquidity risks as part of its overall risk management policy. Management produces forecasting and budgeting information that is reviewed and monitored by the Board. Cash generated from operations and external financing are the main sources of funding, which supplement Signet's resources in meeting liquidity requirements.

The primary external sources of funding are an asset-based credit facility and senior unsecured notes as described in Note **24, 22**.

Interest rate risk

Signet has exposure to movements in interest rates associated with cash and borrowings. Signet may enter into various interest rate protection agreements in order to limit the impact of movements in interest rates.

Credit risk and concentrations of credit risk

Credit risk represents the loss that would be recognized at the reporting date if counterparties failed to perform as contracted. Signet does not anticipate non-performance by counterparties of its financial instruments. Signet does not require collateral or other security to support cash investments or financial instruments with credit risk; however, it is Signet's policy to only hold cash and cash equivalent investments and to transact financial instruments with financial institutions with a certain minimum credit rating. As of **January 28, 2023 February 3, 2024**, management does not believe Signet is exposed to any significant concentrations of credit risk that arise from cash and cash equivalent investments, derivatives or accounts receivable.

Commodity and foreign currency risks

The following types of derivative financial instruments are utilized by Signet to mitigate certain risk exposures related to changes in commodity prices and foreign exchange rates:

Forward foreign currency exchange contracts (designated) — These contracts, which are principally in US dollars, are entered into to limit the impact of movements in foreign exchange rates on forecasted foreign currency purchases. These contracts were de-designated during the 13 weeks ended May 2, 2020. This de-designation occurred due to uncertainty around the volume of purchases in the Company's UK business. These contracts were unlikely to retain hedge effectiveness given the change in circumstances as a result of COVID-19. Trading for these contracts resumed during the third quarter of Fiscal 2021. The total notional amount of these foreign currency contracts outstanding as of January 28, 2023 February 3, 2024 was \$25.9 million \$5.1 million (January 29, 2022: \$11.2 million 28, 2023: \$25.9 million). These contracts have been designated as cash flow hedges and will be settled over the next 12 6 months (January 29, 2022: 10 28, 2023: 12 months).

There were no discontinued cash flow hedges during the periods presented. Based on current valuations, the Company expects approximately \$0.1 million of net pre-tax derivative losses to be reclassified out of AOCI into earnings within the next 12 months.

Forward foreign currency exchange contracts (undesignated) — Foreign currency contracts not designated as cash flow hedges are used to limit the impact of movements in foreign exchange rates on recognized foreign currency payables and to hedge currency flows through Signet's bank accounts to mitigate Signet's exposure to foreign currency exchange risk in its cash and borrowings. The total notional amount of these foreign currency contracts outstanding as of January 28, 2023 February 3, 2024 was \$27.3 million \$57.2 million (January 29, 28, 2023: \$27.3 million).

The Company recognizes activity related to these derivative instruments within other operating income (expense), net in the consolidated statements of operations. Losses were \$0.1 million during Fiscal 2024 (Fiscal 2023: \$12.9 million; Fiscal 2022: \$93.8 \$3.1 million).

Commodity forward purchase contracts and net zero premium collar arrangements (designated) — These contracts are entered into to reduce Signet's exposure to significant movements in the price of the underlying precious metal raw materials. Trading for these contracts was suspended during Fiscal 2022 due to the commodity price environment and there were no commodity derivative contracts outstanding as of January 28, 2023 February 3, 2024 and January 29, 2022 January 28, 2023.

The bank counterparties to the derivative instruments expose Signet to credit-related losses in the event of their non-performance. However, to mitigate that risk, Signet only contracts with counterparties that meet certain minimum requirements under its counterparty risk assessment process. As of January 28, 2023 February 3, 2024, Signet believes that this credit risk did not materially change the fair value of the foreign currency or commodity contracts.

The following table summarizes the fair value and presentation of derivative instruments in the consolidated balance sheets:

(in millions)	Fair value of derivative assets		
	Balance sheet location	January 28, 2023	January 29, 2022
Derivatives designated as hedging instruments:			
Foreign currency contracts	Other current assets	\$ 0.1	\$ 0.3
Total derivative assets		\$ 0.1	\$ 0.3

(in millions)	Fair value of derivative liabilities		
	Balance sheet location	January 28, 2023	January 29, 2022
Derivatives designated as hedging instruments:			
Foreign currency contracts	Other current liabilities	\$ (0.6)	\$ —
Derivatives not designated as hedging instruments:			
Foreign currency contracts	Other current liabilities	(0.1)	(1.3)
Total derivative liabilities		\$ (0.7)	\$ (1.3)

Derivatives designated as cash flow hedges

The following table summarizes the pre-tax gains recorded in AOCI for derivatives designated in cash flow hedging relationships:

(in millions)	January 28, 2023	January 29, 2022
Foreign currency contracts	\$ 0.6	\$ 0.5
Gains recorded in AOCI	\$ 0.6	\$ 0.5

The following tables summarize the pre-tax effect of derivative instruments designated as cash flow hedges on OCI and the consolidated statements of operations:

Foreign currency contracts

(in millions)	Statement of operations caption	Fiscal 2023	Fiscal 2022
Gains (losses) recorded in AOCI, beginning of period		\$ 0.5	\$ (0.7)
Current period gains recognized in OCI		1.8	0.6
Losses (gains) reclassified from AOCI to net income	Cost of sales ⁽¹⁾	(1.7)	0.6
Gains recorded in AOCI, end of period		\$ 0.6	\$ 0.5

Commodity contracts

(in millions)	Statement of operations caption	Fiscal 2023	Fiscal 2022
Losses recorded in AOCI, beginning of period		\$ —	\$ (0.4)
Losses reclassified from AOCI to net income	Cost of sales (a)	—	0.4
Gains (losses) recorded in AOCI, end of period		\$ —	\$ —

(a) Refer to the consolidated statements of operations for total amounts of each financial statement caption impacted by cash flow hedges.

There were no discontinued cash flow hedges during the periods presented, other than the items disclosed above during the first quarter of Fiscal 2021. Based on current valuations, the Company expects approximately \$0.8 million of net pre-tax derivative gains to be reclassified out of AOCI into earnings within the next 12 months.

Derivatives not designated as hedging instruments

The following table presents the effects of the Company's derivative instruments not designated as cash flow hedges in the consolidated statements of operations:

(in millions)	Statement of operations caption	Fiscal 2023	Fiscal 2022
Foreign currency contracts	Other operating income (expense)	\$ (12.9)	\$ (3.1)

22. 21. Fair value measurement

The estimated fair value of Signet's financial instruments held or issued to finance Signet's operations is summarized below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that Signet would realize upon disposition nor do they indicate Signet's intent or ability to dispose of the financial instrument. Assets and liabilities that are carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1—quoted market prices in active markets for identical assets and liabilities

Level 2—observable market based inputs or unobservable inputs that are corroborated by market data

Level 3—unobservable inputs that are not corroborated by market data

Signet determines fair value based upon quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. The methods Signet uses to determine fair value on an instrument-specific basis are detailed below:

		January 28, 2023			January 29, 2022				February 3, 2024			February 3, 2024			January 28, 2023		
(in millions)	(in millions)	Carrying Value	Level 1	Level 2	Carrying Value	Level 1	Level 2	(in millions)	Carrying Value	Level 1	Level 2	Carrying Value	Level 1	Level 2	Carrying Value	Level 1	Level 2
Assets:	Assets:																
US Treasury securities	US Treasury securities	\$ 5.7	\$5.7	\$ —	\$ 4.5	\$4.5	\$ —										
US Treasury securities	US Treasury securities																
Foreign currency contracts	Foreign currency contracts	0.1	—	0.1	0.3	—	0.3										
Foreign currency contracts	Foreign currency contracts																
US government agency securities	US government agency securities																
US government agency securities	US government agency securities																
US government agency securities	US government agency securities	0.5	—	0.5	2.0	—	2.0										
Corporate bonds and notes	Corporate bonds and notes	3.4	—	3.4	5.8	—	5.8										
Total assets	Total assets	\$ 9.7	\$5.7	\$ 4.0	\$12.6	\$4.5	\$ 8.1										
Liabilities:	Liabilities:																
Liabilities:																	

Liabilities:							
Foreign currency contracts							
Foreign currency contracts							
Foreign currency contracts	Foreign currency contracts	<u>\$ (0.7)</u>	<u>\$ —</u>	<u>\$ (0.7)</u>	<u>\$ (1.3)</u>	<u>\$ —</u>	<u>\$ (1.3)</u>
Total liabilities	Total liabilities	<u>\$ (0.7)</u>	<u>\$ —</u>	<u>\$ (0.7)</u>	<u>\$ (1.3)</u>	<u>\$ —</u>	<u>\$ (1.3)</u>
Total liabilities							
Total liabilities							

Investments in US Treasury securities are based on quoted market prices for identical instruments in active markets, and therefore were classified as Level 1 measurements in the fair value hierarchy. Investments in US government agency securities and corporate bonds and notes are based on quoted prices for similar instruments in active markets, and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 20 19 for additional information related to the Company's available-for-sale investments. The fair value of derivative financial instruments has been determined based on market value equivalents at on the balance sheet date, dates, taking into account the current interest rate environment, foreign currency forward rates, and therefore were classified as Level 2 measurements in the fair value hierarchy. See Note 21 20 for additional information related to the Company's derivatives.

During Fiscal 2021, the Company performed quantitative impairment tests for goodwill and indefinite-lived intangible assets. The fair value was calculated using the income approach for the reporting units and the relief from royalty method for the indefinite-lived intangible assets, respectively. The fair value is a Level 3 valuation based on certain unobservable inputs including estimated future cash flows and discount rates aligned with market-based assumptions, that would be utilized by market participants in valuing these assets or prices of similar assets. In addition, for long-lived assets, the Company performed impairment tests for certain long-lived assets during Fiscal 2024, Fiscal 2023 2022, and 2021. Fiscal 2022. The Company utilizes primarily the replacement cost method (a level 3 valuation method) for the fair value of its property and equipment, and the income method to estimate the fair value of its ROU assets, which incorporates Level 3 inputs such as historical store level sales, internal business plans, real estate market capitalization and rental rates, and discount rates. See Note 17 16 and Note 19 18 for additional information.

The carrying amounts of cash and cash equivalents, accounts receivable, other current assets, accounts payable, accrued expenses and other current liabilities, and income taxes approximate fair value because of the short-term maturity of these amounts.

The fair values value of long-term debt instruments were determined using quoted market prices in inactive markets or discounted cash flows based upon current observable market interest rates and therefore were classified as Level 2 measurements in the fair value hierarchy. The following table provides a summary of the carrying amount and fair value of outstanding debt:

(in millions)	January 28, 2023		January 29, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt				
Senior Notes (Level 2)	\$ 147.4	\$ 144.9	\$ 147.1	\$ 150.0

(in millions)	February 3, 2024		January 28, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
4.70% Senior unsecured notes due in June 2024 (Level 2)	\$ 147.7	\$ 146.3	\$ 147.4	\$ 144.9

23.Retirement plans

Signet operates a defined benefit pension plan in the UK (the "UK Plan") which ceased to admit new employees effective April 2004. The UK Plan provides benefits to participating eligible employees. Beginning in Fiscal 2014, a change to the benefit structure was implemented and members' benefits that accumulate after that date are now based upon career average salaries, whereas previously, all benefits were based on salaries at retirement. In September 2017, the Company approved an amendment to freeze benefit accruals under the UK Plan in an effort to reduce anticipated future pension expense. As a result of this amendment, the Company froze the pension plan for all participants with an effective date of October 2019 as elected by the plan participants. All future benefit accruals under the plan have thus ceased as of this date. The amendment to the plan was accounted for in accordance with ASC 715, "Compensation - Retirement Benefits."

On July 29, 2021, Signet Group Limited ("SGL"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Signet Pension Trustee Limited (the "Trustee"), as trustee of the Signet Group Pension Scheme (the "Pension Scheme"), to facilitate the Trustee entering into a bulk purchase annuity policy ("BPA") securing accrued liabilities under the Pension Scheme with Rothesay Life Plc ("Rothesay") and subsequently, to wind up the Pension Scheme. The BPA will be held by the Trustee as an asset of the Scheme (the "buy-in") in anticipation of Rothesay subsequently (and in accordance with the terms of the BPA) issuing individual annuity contracts to each of the 1,909 Pension Scheme members (or their eligible beneficiaries) ("Transferred Participants") covering their accrued benefits (a full "buy-out"), following which the BPA will terminate and the Trustee will wind up the Pension Scheme (collectively, the "Transactions").

Under the terms of the Agreement, SGL has contributed £15.0 million to date (approximately \$20.1 million) to the Pension Scheme to enable the Trustee to pay for any and all costs incurred by the Trustee as part of the Transactions. The initial contribution of £7.0 million (approximately \$9.7 million) was paid on August 4, 2021, and the Trustee transferred

substantially all Plan assets into the BPA on August 9, 2021. SGL contributed additional amounts of £7.0 million (approximately \$9.2 million) and £1.0 million (approximately \$1.2 million) to the Pension Scheme on March 23, 2022 and January 6, 2023, respectively, to facilitate the Trustee funding the balancing premium to Rothesay.

From the point of buy-out, Rothesay shall be liable to pay the insured benefits to the Transferred Participants and shall be responsible for the administration of those benefits. Once all Pension Scheme members (or their eligible beneficiaries) have become Transferred Participants, the Trustee will wind up the Pension Scheme. By irrevocably transferring these obligations to Rothesay, the Company will eliminate its projected benefit obligation under the Pension Scheme.

On August 9, 2021, in connection with the transfer of assets into the BPA as noted above, the Company performed a remeasurement of the Pension Scheme based on the terms of the BPA which resulted in a pre-tax actuarial loss of £53.3 million (approximately \$72.9 million) recorded within the consolidated statements of comprehensive income (loss).

On April 22, 2022, the Trustee entered into a Deed Poll agreement with Rothesay and a Deed of Assignment with SGL to facilitate the assignment of individual policies for a significant portion of the Transferred Participants ("Assigned Participants"). The Deed Poll and Deed of Assignment, collectively, irrevocably relieve SGL and the Trustee of its obligations under the policies to the Assigned Participants. In addition, during the first quarter of Fiscal 2023, certain Transferred Participants elected to take a voluntary wind-up lump sum distribution and thus no further liability exists for this group.

In the first quarter of Fiscal 2023, as a result of the Deed Poll and Deed of Assignment, as well as the voluntary lump sum distributions, the Company has determined that a transfer of all remaining risks has occurred with respect to these groups of participants. Thus, management concluded that the Company triggered settlement accounting and performed a remeasurement of the Pension Scheme, which resulted in a non-cash, pre-tax settlement charge of \$131.9 million recorded within other non-operating expense, net within the consolidated statement of operations during the first quarter of Fiscal 2023.

The Company recorded additional non-cash, pre-tax settlement charges in the second quarter and fourth quarter of Fiscal 2023 in the amounts of \$0.9 million and \$0.9 million, respectively, within other non-operating expense, net within the consolidated statement of operations. These charges were the result of additional transfers of all remaining risks with respect to certain groups of participants from the Pension Scheme, which triggered settlement accounting.

The settlement charges recorded in Fiscal 2023 relate to the pro-rata recognition of previously unrecognized actuarial losses and prior service costs out of AOCI and into earnings associated with the Assigned Participants, as well as the voluntary lump sum distributions noted above. The Company finalized the buy-out of the BPA and settlement of the remaining obligations under the Pension Scheme during the first quarter of Fiscal 2024.

The net periodic pension cost of the UK Plan is measured on an actuarial basis using the projected unit credit method and several actuarial assumptions, the most significant of which are the discount rate and the expected long-term rate of return on plan assets. Other material assumptions include rates of participant mortality, the expected long-term rate of compensation and pension increases, and rates of employee attrition. Gains and losses occur when actual experience differs from actuarial assumptions. If such gains or losses exceed 10% of the greater of plan assets or plan liabilities, Signet amortizes those gains or losses over the average remaining service period of the employees. The service cost component of net periodic pension cost is charged to selling, general and administrative expenses while non-service, interest and other costs components are charged to other non-operating income, net, in the consolidated statements of operations.

Prior to entering into the BPA, the UK Plan was funded with assets held in a separate trustee administered fund, which was independently managed. All funds transferred to Rothesay in Fiscal 2022. Signet used January 28, 2023 and January 29, 2022 measurement dates in determining the UK Plan's benefit obligation and fair value of plan assets.

The following tables provide information concerning the UK Plan as of and for the fiscal years ended January 28, 2023 and January 29, 2022:

(in millions)	Fiscal 2023	Fiscal 2022
Change in UK Plan assets:		
Fair value at beginning of year	\$ 295.6	\$ 299.2
Actual return on UK Plan assets	(28.4)	(0.3)
Employer contributions	10.4	12.4
Benefits paid	(2.7)	(8.9)
Plan settlements	(260.0)	—
Foreign currency translation	(12.2)	(6.8)
Fair value at end of year	\$ 2.7	\$ 295.6

(in millions)	Fiscal 2023	Fiscal 2022
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 303.3	\$ 247.6
Interest cost	1.0	3.3
Actuarial (gain) loss	(29.5)	67.4
Benefits paid	(2.7)	(8.9)
Plan settlements	(260.0)	—
Foreign currency translation	(10.5)	(6.1)
Benefit obligation at end of year	\$ 1.6	\$ 303.3
Funded status at end of year	\$ 1.1	\$ (7.7)

(in millions)	January 28, 2023	January 29, 2022
Amounts recognized in the consolidated balance sheets consist of:		
Other assets (non-current)	\$ 1.1	\$ —
Other liabilities (non-current)	—	(7.7)

Items in AOCI not yet recognized in net income in the consolidated statements of operations:

(in millions)	January 28, 2023	January 29, 2022	January 30, 2021
Net actuarial gains (losses)	\$ 3.9	\$ (103.3)	\$ (47.2)
Net prior service costs	—	(3.9)	(4.0)

The remaining net actuarial gains for the UK Plan will be fully recognized in the first quarter of Fiscal 2024 based on the completion of the buy-out described above.

The accumulated benefit obligation for the UK Plan was \$1.6 million and \$303.3 million as of January 28, 2023 and January 29, 2022, respectively.

The components of pre-tax net periodic pension benefit cost and other amounts recognized in OCI for the UK Plan are as follows:

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Components of net periodic benefit (cost) income:			
Interest cost	\$ (1.0)	\$ (3.3)	\$ (4.0)
Expected return on UK Plan assets	(0.3)	3.0	5.5
Amortization of unrecognized actuarial losses	(3.5)	(2.1)	(0.9)
Amortization of unrecognized net prior service costs	(0.3)	(0.1)	(0.1)
Pension settlement loss	(133.7)	—	—
Total net periodic benefit (cost) income	\$ (138.8)	\$ (2.5)	\$ 0.5
Other changes in assets and benefit obligations recognized in OCI	137.0	(69.2)	6.5
Total recognized in net periodic pension benefit (cost) income and OCI	\$ (1.8)	\$ (71.7)	\$ 7.0

	January 28, 2023	January 29, 2022
Assumptions used to determine benefit obligations (at the end of the year):		
Discount rate	N/A	1.25 %
Salary increases	N/A	N/A
Assumptions used to determine net periodic pension costs (at the start of the year):		
Discount rate	N/A	0.80 %
Expected return on UK Plan assets	N/A	0.80 %
Salary increases	N/A	N/A

Prior to the buy-in of the BPA, the discount rate was based upon published rates for high-quality fixed-income investments that produce expected cash flows that approximate the timing and amount of expected future benefit payments. The expected return on the UK Plan assets assumption was based upon the historical return and future expected returns for each asset class, as well as the target asset allocation of the portfolio of UK Plan assets. After the buy-in for the BPA, the discount rate and expected return on assets are now aligned based on the implied rates of the liability by the insurer.

Prior to the buy-in of the BPA, the UK Plan's investment strategy was guided by an objective of achieving a return on the investments, which is consistent with the long-term return assumptions and funding policy, to ensure the UK Plan obligations were met. The investment policy was to allocate funds to a diverse portfolio of investments, including UK and global equities, diversified growth funds, corporate bonds, fixed income investments and commercial property. The commercial property investment was through a Pooled Pensions Property Fund that provided a diversified portfolio of property assets. As substantially all Plan assets have now been transferred to the BPA, there is no longer a long-term target allocation strategy for investments.

The fair value of the assets in the UK Plan at January 28, 2023 and January 29, 2022 are required to be classified and disclosed in one of the following three categories:

Level 1—quoted market prices in active markets for identical assets and liabilities

Level 2—observable market based inputs or unobservable inputs that are corroborated by market data

Level 3—unobservable inputs that are not corroborated by market data

Signet measures the value of the assets on an instrument-specific basis are detailed below:

	As of January 28, 2023				As of January 29, 2022			
(in millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Investments measured at fair value:								
Insurance contracts	\$ 1.6	\$ —	\$ —	\$ 1.6	\$ 291.6	\$ —	\$ —	\$ 291.6
Cash	1.1	1.1	—	—	4.0	4.0	—	—
Total assets	\$ 2.7	\$ 1.1	\$ —	\$ 1.6	\$ 295.6	\$ 4.0	\$ —	\$ 291.6

The following represents a summary of changes in fair value of UK Plan assets classified as Level 3:

(in millions)	Fiscal 2023	Fiscal 2022
Beginning of year balance	\$ 291.6	\$ —
Purchases, sales, and settlements, net	(262.7)	318.3
Actual return on assets, assets still held at reporting date	(16.1)	(16.8)
Foreign currency translation	(11.2)	(9.9)
End of year balance	\$ 1.6	\$ 291.6

The BPA is considered a Level 3 asset as the value of the asset is based on the implied value of the liability as determined based on the underlying employee data and actuarial assumptions described above, which are all significant unobservable inputs.

Signet contributed \$10.4 million to the UK Plan in Fiscal 2023 and expects to contribute up to \$1.0 million to the UK Plan in Fiscal 2024, subject to the level of remaining funding required for the completion of the Transactions described above, including the wind-up of the Pension Scheme.

The following benefit payments are currently estimated to be paid by the UK Plan:

(in millions)	Expected benefit payments
Fiscal 2024	\$ 0.6
Fiscal 2025	—
Fiscal 2026	—
Fiscal 2027	—
Fiscal 2028	—
Next five fiscal years	\$ —

Other retirement plans

In June 2004, Signet introduced a defined contribution plan which replaced the UK Plan for new UK employees. The contributions to this plan in Fiscal 2023 were \$2.5 million (Fiscal 2022: \$2.4 million; Fiscal 2021: \$2.4 million).

In the US, Signet operates a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The assets of this plan are held in a separate trust and Signet matches 50% of up to 6% of employee elective salary deferrals, subject to statutory limitations. Signet's contributions to this plan in Fiscal 2023 were \$12.6 million (Fiscal 2022: \$13.0 million; Fiscal 2021: \$3.2 million).

The Company has also established two unfunded, non-qualified deferred compensation plans ("DCP"), one of which permits certain management and highly compensated employees to elect annually to defer all or a portion of their compensation and are credited earnings or losses on the deferred amounts under the terms of the plan and the other of which is frozen as to new participants and new deferrals. Beginning in April 2011, the DCP provided for a matching contribution based on each participant's annual compensation deferral. The plan also permits employer contributions on a discretionary basis. The cost recognized in connection with the DCP in Fiscal 2023 was \$1.7 million (Fiscal 2022: \$2.2 million; Fiscal 2021: \$0.8 million). The matching contributions, for both the Signet 401(k) and DCP, were temporarily suspended during the first quarter of Fiscal 2021. The matching contributions resumed effective January 1, 2021.

Although the two unfunded, non-qualified deferred compensation plans are not required to be funded by the Company, the Company has elected to fund the plans by investing in trust-owned life insurance policies and mutual funds. The value and classification of these assets are as follows:

(in millions)	As of January 28, 2023		As of January 29, 2022	
	Total	Level 1	Total	Level 1
Investments measured at fair value:				
Mutual funds	\$ 16.6	\$ 16.6	\$ 12.4	\$ 12.4
Investments measured at NAV:				
Money market mutual funds	5.7		10.3	
Total assets	\$ 22.3	\$ 16.6	\$ 22.7	\$ 12.4

The Company also has company-owned life insurance policies held for purposes of funding the DCP totaling \$5.5 million and \$6.0 million as of January 28, 2023 and January 29, 2022, respectively.

As of January 28, 2023 and January 29, 2022, the total liability recorded by the Company for the DCP was \$33.9 million and \$32.4 million, respectively.

24. Loans, overdrafts and long-term 22. Long-term debt

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023

Debt:	Debt:		
Senior unsecured notes due 2024, net of unamortized discount	\$147.7	\$147.7	
4.70% Senior unsecured notes due in June 2024, net of unamortized discount			
4.70% Senior unsecured notes due in June 2024, net of unamortized discount			
4.70% Senior unsecured notes due in June 2024, net of unamortized discount			
Gross debt	Gross debt	147.7	147.7
Gross debt			
Gross debt			
Less:			
Current portion of long-term debt			
Less:	Less:		
Unamortized debt issuance costs	Unamortized debt issuance costs	(0.3)	(0.6)
Total long-term debt	Total long-term debt	\$147.4	\$147.1

The annual aggregate maturities of the Company's debt (excluding the impact of debt issuance costs) for the five years subsequent to January 28, 2023 February 3, 2024 are presented below.

(in millions)

Fiscal 20242025	\$	147.8
Fiscal 2025		147.7
Fiscal 2026		—
Fiscal 2027		—
Fiscal 2028		—
Fiscal 2029		—
Thereafter		—
Gross Debt	\$	147.7 147.8

Senior unsecured notes due 2024

On May 19, 2014, Signet UK Finance plc ("Signet UK Finance"), a wholly owned subsidiary of the Company, issued \$400 million aggregate principal amount of its 4.70% senior unsecured notes due in June 2024 (the "Senior Notes"). The Senior Notes were issued under an effective registration statement previously filed with the SEC. Interest on the Senior Notes is payable semi-annually on June 15 and December 15 of each year. The Senior Notes are jointly and severally guaranteed, on a full and unconditional basis, by the Company and by certain of the Company's wholly owned subsidiaries.

On September 5, 2019, Signet UK Finance announced the commencement of a tender offer to purchase any and all of its outstanding Senior Notes (the "Tender Offer"). Signet UK Finance tendered \$239.6 million of the Senior Notes, representing a purchase price of \$950.00 per \$1,000.00 in principal, leaving \$147.8 million of the Senior Notes outstanding after the Tender Offer.

Unamortized debt issuance costs relating to the Senior Notes as of January 28, 2023 February 3, 2024 totaled \$0.3 million \$0.1 million (January 29, 2022: \$0.6 28, 2023: \$0.3 million). The remaining unamortized debt issuance costs are recorded as a direct deduction from the outstanding liability within the consolidated balance sheets. Amortization relating to debt issuance costs of \$0.3 \$0.2 million was recorded as a component of interest (income) expense, net in the consolidated statements of operations in Fiscal 2023 2024 (\$0.3 million and \$0.2 \$0.3 million during Fiscal 2022 2023 and Fiscal 2021, 2022, respectively).

Asset-based credit facility

On September 27, 2019, the Company entered into a senior secured asset-based credit facility consisting of (i) a revolving credit facility in an aggregate committed amount of \$1.5 billion ("ABL (the "ABL Revolving Facility") and (ii) a first-in last-out term loan facility in an aggregate principal amount of \$100.0 million (the "FILO Term Loan Facility" and, together

with the ABL Revolving Facility, the "ABL Facility") pursuant to that certain credit agreement.

. During Fiscal 2021, the Company fully repaid the FILO Term Loan Facility.

On July 28, 2021, the Company entered into the Second Amendment to the Credit Agreement (the "Second Amendment") to amend the ABL Facility. The Second Amendment extends extended the maturity of the ABL Facility from September 27, 2024 to July 28, 2026 and allows the Company to increase the size of the ABL Facility by up to \$600 million. The Company incurred additional debt issuance costs of \$3.9 million related to the modification of the ABL Facility during the second quarter of Fiscal 2022.

Revolving loans under the ABL Revolving Facility are available in an aggregate amount equal to the lesser of the aggregate ABL revolving commitments and a borrowing base determined based on the value of certain inventory and credit card receivables, subject to specified advance rates and reserves. Indebtedness under the ABL Facility is secured by substantially all of the assets of the Company and its subsidiaries, subject to customary exceptions. Borrowings under the ABL Revolving Facility, and the FILO Term Loan Facility, as applicable, bear bears interest at the Company's option at either eurocurrency term rate plus the applicable margin or a base rate plus the applicable margin, in each case depending on the excess availability under the ABL Revolving Facility. As of January 28, 2023 February 3, 2024, the interest rate applicable to the ABL Revolving Facility was 5.8% 6.7% (January 29, 2022: 1.4% 28, 2023: 5.8%). The Company had stand-by letters of credit outstanding of \$18.1 \$18.2 million on the ABL Revolving Facility as of January 28, 2023 February 3, 2024 (January 29, 2022: \$20.1 28, 2023: \$18.1 million). The Company had no outstanding borrowings on the

ABL Revolving Facility for the periods presented and its available borrowing capacity was \$1.4 billion \$1.1 billion on the ABL Revolving Facility as of January 28, 2023 February 3, 2024 (January 29, 2022: \$1.2 billion 28, 2023: \$1.4 billion).

As a result of the risks and uncertainties associated with the potential impacts of COVID-19 on the Company's business, as a prudent measure to increase the Company's financial flexibility and bolster its cash position, the Company borrowed an additional \$900 million on the ABL Revolving Facility during the first quarter of Fiscal 2021. The Company made ABL Revolving Facility repayments during the third and fourth quarter of Fiscal 2021 and the outstanding amount borrowed under ABL Revolving Facility was fully paid down by the end of Fiscal 2021.

During the fourth quarter of Fiscal 2021, the Company fully repaid the FILO Term Loan Facility. The remaining unamortized debt issuance costs of \$0.4 million were written-off upon repayment of the FILO Term Loan Facility. This expense was recognized as a cost of extinguishment of debt and was recorded within other non-operating expense, net, in the consolidated statements of operations.

If the excess availability under the ABL Revolving Facility falls below the threshold specified in the ABL Facility agreement, the Company will be required to maintain a fixed charge coverage ratio of not less than 1.00 to 1.00. As of January 28, 2023 February 3, 2024, the threshold related to the fixed coverage ratio was approximately \$126 million \$114 million. The ABL Facility places certain restrictions upon the Company's ability to, among other things, incur additional indebtedness, pay dividends, grant liens and make certain loans, investments and divestitures. The ABL Facility contains customary events of default (including payment defaults, cross-defaults to certain of the Company's other indebtedness, breach of representations and covenants and change of control). The occurrence of an event of default under the ABL Facility would permit the lenders to accelerate the indebtedness and terminate the ABL Facility.

Debt issuance costs relating to the ABL Revolving Facility totaled \$12.6 million. The remaining unamortized debt issuance costs are recorded within other assets in the consolidated balance sheets. Amortization relating to the debt issuance costs of \$1.9 \$1.8 million was recorded as a component of interest expense, income (expense), net in the consolidated statements of operations for Fiscal 2023 2024 (\$2.0 1.9 million and \$1.7 \$2.0 million during Fiscal 2022 2023 and Fiscal 2021, 2022, respectively). Unamortized debt issuance costs related to the ABL Revolving Facility totaled \$6.4 \$4.6 million as of January 28, 2023 February 3, 2024 (January 29, 2022: \$8.3 28, 2023: \$6.4 million).

25. 23. Accrued expenses and other current liabilities

The following table summarizes the details of the Company's accrued expenses and other current liabilities:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Accrued compensation and benefits	Accrued compensation and benefits	\$ 93.7	\$138.2			
Accrued advertising	Accrued advertising	39.7	30.5			
Other taxes		71.7	64.4			
Payroll taxes		17.3	25.9			
Payroll and other taxes						

Accrued litigation charges (see Note 28)	Accrued litigation charges (see Note 28)	203.8	—
Accrued expenses		212.5	242.6
Accrued litigation charges (see Note 28)			
Accrued litigation charges (see Note 28)			
Other accrued expenses			
Total accrued expenses and other current liabilities	Total accrued expenses and other current liabilities	\$638.7	\$501.6

Certain banners within the North America reportable segment provide a product lifetime diamond guarantee as long as six-month inspections are performed and certified by an authorized store representative. Provided the customer has complied with the six-month inspection policy, the Company will replace, at no cost to the customer, any stone that chips, breaks or is lost from its original setting during normal wear. Management estimates the warranty accrual based on the lag of actual claims experience and the costs of such claims, inclusive of labor and material. A similar product lifetime guarantee is also provided on color gemstones. The warranty reserve for diamond and gemstone guarantee, guarantees, included in accrued expenses and other current liabilities and other liabilities - non-current, is as follows:

(in millions)	(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Warranty reserve, beginning of period	Warranty reserve, beginning of period	\$36.0	\$37.3	\$36.3				
Warranty expense	Warranty expense	16.2	8.7	8.5				
Warranty expense								
Warranty expense								
Utilized ⁽¹⁾	Utilized ⁽¹⁾	(11.4)	(10.0)	(7.5)				
Warranty reserve, end of period	Warranty reserve, end of period	\$40.8	\$36.0	\$37.3				

(1) Includes impact of foreign currency exchange translation.

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Disclosed						
Disclosed as: as:						
Accrued expense and other current liabilities		\$11.3	\$10.2			
Other liabilities - non-current (see Note 26)		29.5	25.8			
Accrued expenses and other current liabilities						
Accrued expenses and other current liabilities						

Accrued expenses and other current liabilities			
Other liabilities - non-current (see Note 24)			
Total warranty reserve	Total warranty reserve	\$40.8	\$36.0

26. 24. Other liabilities - non-current

The following table summarizes the details of the Company's other liabilities: liabilities - non current:

(in millions)	(in millions)	January 28, 2023	January 29, 2022	(in millions)	February 3, 2024	January 28, 2023
Deferred compensation	Deferred compensation	30.9	29.6			
Warranty reserve	Warranty reserve	29.5	25.8			
Other liabilities	Other liabilities	39.7	54.5			
UK pension		—	7.7			
Total other liabilities		\$100.1	\$117.6			
Total other liabilities - non-current						
Total other liabilities - non-current						
Total other liabilities - non-current						

27. 25. Share-based compensation

Signet operates several share-based compensation plans which can be categorized as the "Omnibus Plans" Plan" and "Share Saving Plans" as further described below.

Share-based compensation expense and the associated tax benefits recognized in the consolidated statements of operations are as follows:

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021
Share-based compensation expense	\$ 42.0	\$ 45.8	\$ 14.5
Income tax benefit	\$ (5.2)	\$ (5.9)	\$ (3.6)

On March 25, 2020, in light of the economic situation as a result of the COVID-19 pandemic, the Company implemented temporary base salary reductions for members of senior management, with half of the salary reduction amount to be awarded in the Company's common shares in lieu of cash. The base salaries were reinstated in September 2020. In Fiscal 2021, \$1.3 million of Common Shares with no vesting requirements were awarded to senior management.

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Share-based compensation expense	\$ 41.1	\$ 42.0	\$ 45.8
Income tax benefit	\$ (5.4)	\$ (5.2)	\$ (5.9)

As of January 28, 2023 February 3, 2024, unrecognized compensation cost related to unvested awards granted under share-based compensation plans is as follows:

(in millions)	Unrecognized Compensation Cost compensation cost	Weighted average period
Omnibus Plan	\$ 33.7 19.7	1.7 years

The Company satisfies share option exercises and the vesting of RSAs, RSUs, and PSUs under its plans with the issuance of treasury shares.

Omnibus Plan

In June 2018, Signet's shareholders approved and Signet adopted the Signet Jewelers Limited 2018 Omnibus Incentive Plan (as amended to the date here to, the "2018 Omnibus Plan"). Upon adoption of the 2018 Omnibus Plan, shares that were previously

available under the Signet Jewelers Limited Omnibus Incentive Plan, which was approved in June 2009 (the "2009 Omnibus Plan", and collectively with the 2018 Omnibus Incentive Plan, the "Omnibus Plans") are no longer available for future grants and were not transferred to the 2018 Omnibus Plan. Awards that may be granted under the 2018 Omnibus Plan include RSAs, RSUs, PSUs, Common Shares, common shares, stock options, stock appreciation rights and other stock-based awards. The Fiscal 2024, Fiscal 2023 and Fiscal 2022 and Fiscal 2021 annual awards granted under the Omnibus Plans Plan have four two elements: RSAs, RSUs PSUs, and Common Shares. The RSAs generally have a three-year vesting period, subject to continued employment, and have the same voting rights and dividend rights as Common Shares (which are payable once the RSAs have vested). PSUs, PSUs awarded in Fiscal 2021, 2024, Fiscal 2022, 2023, and Fiscal 2023 2022 include two performance measures: revenue and free cash flow (defined as cash flow from operations less capital expenditures). For the performance measures, cumulative results achieved during the relevant three-year performance period for Fiscal 2024 and a two-year performance period for Fiscal 2021, 2023 and Fiscal 2022 and Fiscal 2023 are compared to target metrics established in the underlying grant agreements.

The time-based stock options generally vest on the third anniversary of the grant date and have a ten-year contractual term, subject to continued employment. RSUs generally have a one or three-year vesting period, subject to continued service or employment. The 2018 Omnibus Plan permits the grant of awards to employees, non-employee directors and consultants for up to 6,075,000 common shares.

RSUs and PSUs do not have dividend rights until vesting, and thus the grant date fair value of these awards is impacted by the dividend yield and term of the awards. However, RSAs do have dividend rights from the date of grant, and thus are valued at the market price of the Company's stock on the grant date, consistent with awards of Common Shares. The significant assumptions utilized to estimate the weighted-average fair value of RSAs, Common Shares, RSUs and PSUs granted under the Omnibus Plans Plan are as follows:

		Omnibus Plan												
		Fiscal 2023	Fiscal 2022	Fiscal 2021										
Fiscal 2024					Fiscal 2024					Fiscal 2023			Fiscal 2022	
Share price	Share price	\$77.39	\$60.65	\$11.10										
Expected term	Expected term	2.9 years	2.9 years	2.9 years	Expected term					2.9 years				
Dividend yield	Dividend yield	3.0 %	4.3 %	5.5 %	Dividend yield		0.9 %		3.0 %		4.3 %			
Fair value	Fair value	\$71.19	\$53.58	\$ 9.37										

No stock options, RSAs or RSAs common shares were granted during Fiscal 2023, 2024, Fiscal 2022 2023 or Fiscal 2021, 2022.

The risk-free interest rate is based on the US Treasury yield curve in effect at the grant date with remaining terms equal to the expected term of the awards.

The expected term utilized is the length of time the awards are expected to be outstanding, primarily based on the vesting period and expiration date of the awards. The expected volatility dividend yield is determined by calculating the based on a combination of historical volatility of Signet's share price over the expected term of the award, actual dividend yields and projected dividend yields.

The Fiscal 2023 2024 activity for Common Shares, RSAs, RSUs and PSUs granted under the Omnibus Plans Plan is as follows:

		Omnibus Plans									
				Weighted average	Weighted average			Weighted average	Weighted average		
				remaining	remaining			remaining	remaining		
(in millions, except per share amounts)	(in millions, except per share amounts)	No. of shares	grant date fair value	contractual life	Intrinsic value (1)	(in millions, except per share amounts)	Number of shares	Weighted average grant date fair value	Weighted average contractual life	Intrinsic value (1)	
Outstanding at January 29, 2022		4.3	\$22.28	1.1 years	\$369.3						
Fiscal 2023 activity:											
Outstanding at January 28, 2023											
Fiscal 2024 activity:											
Granted											

Granted					
Granted	Granted	0.9	71.66		
Vested ⁽²⁾	Vested ⁽²⁾	(2.8)	15.96		
Vested ⁽²⁾					
Vested ⁽²⁾					
Lapsed or forfeited	Lapsed or forfeited	(0.1)	44.02		
Outstanding at January 28, 2023			2.3	\$ 47.33	1.2 years \$170.0
Lapsed or forfeited					
Lapsed or forfeited					
Outstanding at February 3, 2024					
Outstanding at February 3, 2024					
Outstanding at February 3, 2024					

⁽¹⁾ Intrinsic value for outstanding RSUs and PSUs is based on the fair market value of Signet's common stock on the last business day of the fiscal year. No There were no RSAs remain outstanding as of January 28, 2023 February 3, 2024.

⁽²⁾ This amount includes 1.0 0.6 million PSUs that vested on January 28, 2023; as of the last day of Fiscal 2024; however, these shares were not released to participants until February 2023; Fiscal 2025.

The Fiscal 2023 2024 activity for stock options previously granted under the Omnibus Plans Plan is as follows:

Omnibus Plans									
(in millions, except per share amounts)	No. of shares	Weighted average exercise price	Weighted average contractual life	Intrinsic value ⁽¹⁾	(in millions, except per share amounts)	No. of shares	Weighted average exercise price	Weighted average remaining contractual life	Intrinsic value ⁽¹⁾
Outstanding at January 29, 2022	0.2	\$38.70	6.3 years	\$ 8.9					
Outstanding at January 28, 2023									
Fiscal 2024 activity:									
Exercised									
Exercised									
Exercised									
Outstanding at January 28, 2023	0.2	\$38.68	5.3 years	\$ 5.9					
Outstanding at February 3, 2024									
Outstanding at February 3, 2024									
Outstanding at February 3, 2024									

⁽¹⁾ Intrinsic value for outstanding awards is based on the fair market value of Signet's common stock on the last business day of the fiscal year.

The following table summarizes additional information about awards granted under the Omnibus Plans: Plan:

(in millions)	Fiscal 2023	Fiscal 2022	Fiscal 2021	(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022

Total intrinsic value of awards vested	Total intrinsic value of awards vested	\$205.1	\$76.6	\$5.0

Share saving plans

Signet has three share option savings plans available to employees as follows:

- Employee Share Purchase Plan ("ESPP"), for US employees
- Sharesave Plan, for UK employees
- Irish Sub-Plan to the Sharesave Plan, for Republic of Ireland employees

The ESPP, as adopted in 2018, is a savings plan intended to qualify under US Section 423 of the US Internal Revenue Code IRC and allows employees to purchase common shares at a discount of approximately 5% to the closing price of the New York Stock Exchange on the date of purchase, which occurs on the last trading day of a twelve-month offering period. This plan is non-compensatory and no more than 1,250,000 shares may be issued under the ESPP. The Company suspended participation in the ESPP in August 2019, thus no shares were issued in Fiscal 2023, 2024, Fiscal 2022, 2023 or Fiscal 2021, 2022.

The Sharesave Plan and Irish Sub-Plan (collectively, the "Sharesave Plans") as adopted in 2018 allow eligible employees to be granted, and to exercise, options over common shares at a discount of approximately 15% below a determined market price based on the New York Stock Exchange, using savings accumulated under savings contract entered into in accordance with the relevant plan rules. The market price is generally determined as one of: (i) the average middle market price for the three trading days immediately prior to the invitation date; (ii) the market price on the day immediately preceding the invitation date; or (iii) the market price at such other time as may be agreed with His Majesty's Revenue and Customs Customs. Options granted under the Sharesave Plans vest after 36 months and are generally only exercisable between 36 and 42 months from commencement of the related savings contract. These plans are compensatory and compensation expense is recognized over the requisite service period, and no more than 1,000,000 shares may be allocated under these plans. No awards have been granted under the Sharesave plans in Fiscal 2023, 2024, Fiscal 2022, 2023, or Fiscal 2021, 2022. At January 28, 2023 February 3, 2024, there were no share awards outstanding under the Sharesave Plans.

26. Restructuring

Fiscal 2024 Reorganization Plan

During the second quarter of Fiscal 2024, the Company initiated a plan to rationalize its store footprint across the Company, as well as to reorganize certain centralized functions within its North America and UK support centers (collectively, the "Plan"). During the first quarter of Fiscal 2025, as a result of the continued strategic review of the UK business, the Company expanded the Plan in order to further redesign the operating model of the UK business aimed at improving profitability, with margins in line with the rest of the business within the next three years. The store footprint reduction is expected to include the closure of up to 150 underperforming stores across both the North America and International reportable segments through the end of Fiscal 2025 and will result in costs primarily for severance and asset disposals or impairment. The reorganization of the support centers includes the elimination of certain roles resulting in expenses primarily related to severance and other employee-related costs. Actions related to the Plan are expected to be completed by the end of Fiscal 2025.

Total estimated costs related to the Plan are expected to range from \$20 million to \$30 million, including \$10 million to \$15 million of estimated non-cash charges for asset disposals and impairments. During Fiscal 2024, the Company recorded charges related to the Plan of \$11.3 million, comprised of the following: \$5.4 million for employee-related costs; \$1.6 million for store closure costs; and \$4.3 million related to asset impairments. Employee-related and store closure costs are recorded within other operating income (expense), net and asset impairments are recorded within asset impairments, net within the consolidated statements of operations.

27. Retirement plans

Signet previously provided a defined benefit pension plan in the UK (the "UK Plan") to participating eligible employees, which was frozen effective in October 2019. All future benefit accruals under the plan ceased as of that date.

On July 29, 2021, Signet Group Limited ("SGL"), a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Signet Pension Trustee Limited (the "Trustee"), as trustee of the Signet Group Pension Scheme (the "Pension Scheme"), to facilitate the Trustee entering into a bulk purchase annuity policy ("BPA") securing accrued liabilities under the Pension Scheme with Rothesay Life Plc ("Rothesay") and subsequently, to wind up the Pension Scheme. The BPA is held by the Trustee as an asset of the Pension Scheme (the "buy-in") in anticipation of Rothesay subsequently (and in accordance with the terms of the BPA) issuing individual annuity contracts to each of the 1,909 Pension Scheme members (or their eligible beneficiaries) ("Transferred Participants") covering their accrued benefits (a full "buy-out"), following which the BPA will terminate and the Trustee will wind up the Pension Scheme (collectively, the "Transactions").

From the point of buy-out, Rothesay shall be liable to pay the insured benefits to the Transferred Participants and shall be responsible for the administration of those benefits. Once all Pension Scheme members (or their eligible beneficiaries) have become Transferred Participants, the Trustee will wind up the Pension Scheme. By irrevocably transferring these obligations to Rothesay, the Company will eliminate its projected benefit obligation under the Pension Scheme.

In connection with the Transactions, SGL has contributed £16.1 million to date (approximately \$21.5 million), including £1.1 million (approximately \$1.4 million) in Fiscal 2024, to the Pension Scheme to enable the Trustee to pay for any and all costs incurred by the Trustee as part of the Transactions.

On August 9, 2021, in connection with the transfer of assets into the BPA as noted above, the Company performed a remeasurement of the Pension Scheme based on the terms of the BPA which resulted in a pre-tax actuarial loss of £53.3 million (approximately \$72.9 million) recorded within the consolidated statements of comprehensive income.

On April 22, 2022, the Trustee entered into a Deed Poll agreement with Rothesay and a Deed of Assignment with SGL to facilitate the assignment of individual policies for a significant portion of the Transferred Participants ("Assigned Participants"). The Deed Poll and Deed of Assignment, collectively, irrevocably relieve SGL and the Trustee of its

obligations under the policies to the Assigned Participants.

As a result of the Deed Poll and Deed of Assignment, as well as the voluntary lump sum distributions, the Company has determined that a transfer of all remaining risks has occurred with respect to these groups of participants. Thus, management concluded that the Company triggered settlement accounting and performed a remeasurement of the Pension Scheme, which resulted in a non-cash, pre-tax settlement charge of \$131.9 million recorded within other non-operating expense, net within the consolidated statements of operations during the first quarter of Fiscal 2023.

Additional settlement events occurred in the second and fourth quarters of Fiscal 2023 and the first quarter of Fiscal 2024, which resulted in non-cash, pre-tax settlement charges of \$0.9 million, \$0.9 million and \$0.2 million, respectively, which were recorded within other non-operating expense, net within the consolidated statements of operations. With this transfer in the first quarter of Fiscal 2024, the Company finalized the buy-out of the BPA and settlement of the remaining obligations under the Pension Scheme.

The settlement charges recorded in Fiscal 2023 and Fiscal 2024 relate to the pro-rata recognition of previously unrecognized actuarial losses and prior service costs out of AOCI and into earnings associated with the buy-out of the benefit obligation. No further amounts remain unrecognized in AOCI as of February 3, 2024.

On December 13, 2023, the Trustee entered into a Deed of Determination with SGL to finalize the wind-up of the Pension Scheme. The Deed of Determination discharged SGL and the Trustee from all duties and obligations under the Pension Scheme.

The following tables provide information concerning the UK Plan as of and for the fiscal years ended February 3, 2024 and January 28, 2023:

(in millions)	Fiscal 2024		Fiscal 2023	
Change in UK Plan assets:				
Fair value at beginning of year	\$	2.7	\$	295.6
Actual return on UK Plan assets		(2.5)		(28.4)
Employer contributions		1.4		10.4
Benefits paid		—		(2.7)
Plan settlements		(1.6)		(260.0)
Foreign currency translation		—		(12.2)
Fair value at end of year	\$	—	\$	2.7

(in millions)	Fiscal 2024		Fiscal 2023	
Change in benefit obligation:				
Benefit obligation at beginning of year	\$	1.6	\$	303.3
Interest cost		—		1.0
Actuarial gain		—		(29.5)
Benefits paid		—		(2.7)
Plan settlements		(1.6)		(260.0)
Foreign currency translation		—		(10.5)
Benefit obligation at end of year	\$	—	\$	1.6
Funded status at end of year	\$	—	\$	1.1

As a result of the wind-up of the Pension Scheme in the fourth quarter of Fiscal 2024, the UK Plan is not expected to have any future benefit payments.

(in millions)	February 3, 2024		January 28, 2023	
Amounts recognized in the consolidated balance sheets consist of:				
Other assets (non-current)	\$	—	\$	1.1

Items in AOCI not yet recognized in net income in the consolidated statements of operations:

(in millions)	February 3, 2024		January 28, 2023		January 29, 2022	
Net actuarial gains (losses)	\$	—	\$	3.9	\$	(103.3)
Net prior service costs		—		—		(3.9)

The accumulated benefit obligation for the UK Plan was \$0.0 million and \$1.6 million as of February 3, 2024 and January 28, 2023, respectively.

Prior to the finalization of the wind-up of the Pension Scheme, the net periodic pension costs of the UK Plan were measured on an actuarial basis using the projected unit credit method and several actuarial assumptions, the most significant of which were the discount rate and the expected long-term rate of return on plan assets. Other material assumptions included rates of participant mortality, the expected long-term rate of compensation and pension increases, and rates of employee attrition. Gains and losses occurred when actual experience differed from actuarial assumptions. If such gains or losses exceeded 10% of the greater of plan assets or plan liabilities, Signet amortized those gains or losses over the average remaining service period of the employees. The service cost component of net periodic pension cost was charged to SG&A while non-service, interest and other costs components were charged to other non-operating expense, net, in the consolidated statements of operations.

The components of pre-tax net periodic pension benefit cost and other amounts recognized in OCI for the UK Plan are as follows:

(in millions)	Fiscal 2024	Fiscal 2023	Fiscal 2022
Components of net periodic benefit cost:			
Interest cost	\$ —	\$ (1.0)	\$ (3.3)
Expected return on UK Plan assets	(2.5)	(0.3)	3.0
Amortization of unrecognized actuarial losses	—	(3.5)	(2.1)
Amortization of unrecognized net prior service costs	—	(0.3)	(0.1)
Pension settlement loss	(0.2)	(133.7)	—
Total net periodic benefit cost	\$ (2.7)	\$ (138.8)	\$ (2.5)
Other changes in assets and benefit obligations recognized in OCI	0.2	137.0	(69.2)
Total recognized in net periodic pension benefit cost and OCI	\$ (2.5)	\$ (1.8)	\$ (71.7)

As a result of the wind-up of the plan, there were no remaining Plan assets as of February 3, 2024. The fair value of the assets in the UK Plan at January 28, 2023 were required to be classified and disclosed in one of the following three categories:

Level 1—quoted market prices in active markets for identical assets and liabilities

Level 2—observable market based inputs or unobservable inputs that are corroborated by market data

Level 3—unobservable inputs that are not corroborated by market data

Signet measured the value of the assets on an instrument-specific basis as detailed below:

(in millions)	As of January 28, 2023			
	Total	Level 1	Level 2	Level 3
Investments measured at fair value:				
Insurance contracts	\$ 1.6	\$ —	\$ —	\$ 1.6
Cash	1.1	1.1	—	—
Total assets	\$ 2.7	\$ 1.1	\$ —	\$ 1.6

The following represents a summary of changes in fair value of UK Plan assets classified as Level 3:

(in millions)	Fiscal 2024	Fiscal 2023
Beginning of year balance	\$ 1.6	\$ 291.6
Purchases, sales, and settlements, net	(1.6)	(262.7)
Actual return on assets, assets still held at reporting date	—	(16.1)
Foreign currency translation	—	(11.2)
End of year balance	\$ —	\$ 1.6

The BPA was considered a Level 3 asset as the value of the asset is based on the implied value of the liability as determined based on the underlying employee data and actuarial assumptions described above, which are all significant unobservable inputs.

Other retirement plans

In June 2004, Signet introduced a defined contribution plan which replaced the UK Plan for new UK employees. The contributions to this plan in Fiscal 2024 were \$2.4 million (Fiscal 2023: \$2.5 million; Fiscal 2022: \$2.4 million).

In the US, Signet operates a defined contribution 401(k) retirement savings plan for all eligible employees who meet minimum age and service requirements. The assets of this plan are held in a separate trust and Signet matches 50% of up to 6% of employee elective salary deferrals, subject to statutory limitations. Signet's contributions to this plan in Fiscal 2024 were \$13.6 million (Fiscal 2023: \$12.6 million; Fiscal 2022: \$13.0 million).

The Company has also established two unfunded, non-qualified deferred compensation plans ("DCP"), one of which permits certain management and highly compensated employees to elect annually to defer all or a portion of their compensation and are credited earnings or losses on the deferred amounts under the terms of the plan and the other of which is frozen as to new participants and new deferrals. Beginning in April 2011, the DCP provided for a matching contribution based on each participant's annual compensation deferral. The DCP also permits employer contributions on a discretionary basis. The cost recognized in connection with the DCP in Fiscal 2024 was \$5.4 million (Fiscal 2023: \$1.7 million; Fiscal 2022: \$2.2 million).

Although the DCP is not required to be funded by the Company, the Company has elected to fund the DCP by investing in trust-owned life insurance policies and mutual funds. The value and classification of these assets are as follows:

	As of February 3, 2024	As of January 28, 2023

(in millions)	Total	Level 1	Total	Level 1
Investments measured at fair value:				
Mutual funds	\$ 22.4	\$ 22.4	\$ 16.6	\$ 16.6
Investments measured at NAV:				
Money market mutual funds	2.8		5.7	
Total assets	\$ 25.2	\$ 22.4	\$ 22.3	\$ 16.6

The Company also has company-owned life insurance policies held for purposes of funding the DCP totaling \$5.6 million and \$5.5 million as of February 3, 2024 and January 28, 2023, respectively.

As of February 3, 2024 and January 28, 2023, the total liability recorded by the Company for the DCP was \$38.5 million and \$33.9 million, respectively.

28. Commitments and contingencies

Capital commitments

At January 28, 2023 February 3, 2024 Signet had capital commitments of \$107.0 million \$53.7 million (\$18.2 107.0 million at January 29, 2022 January 28, 2023). These commitments generally relate to store construction and capital investments in IT. Additionally, the Company has certain commitments to maintain or improve leased properties; however there are no minimum requirements or otherwise committed amounts for these projects as of January 28, 2023 February 3, 2024 or January 29, 2022 January 28, 2023.

Contingent property liabilities

Property leases had been assigned to third parties in the UK by Signet and remained unexpired and occupied by assignees. Should the assignees fail to fulfill any obligations in respect of those leases, Signet may be liable for those defaults. The maximum potential amount of future payments Signet could be required to make under these guarantees is \$32.8 million as of February 3, 2024. No liabilities have been recorded as the likelihood of default was deemed to be remote and the fair value of the guarantees is not material. The amount of such claims arising to date has not been material.

Legal proceedings

The Company is routinely a party to various legal proceedings arising in the ordinary course of business. These legal proceedings primarily include employment-related and commercial claims. The Company does not believe that the outcome of any such legal proceedings pending against the Company would have a material adverse effect on the Company's consolidated financial position, cash flows or results of operations.

Previously settled matters

Employment practices

In March 2008, a group of private plaintiffs (the "Claimants") filed a class and collective action lawsuit for an unspecified amount against As previously disclosed, on June 8, 2022, the Company, through its subsidiary Sterling Jewelers Inc. ("SJI"), a subsidiary of Signet, in the US District Court for the Southern District of New York ("SDNY"), alleging that US store-level employment practices as to compensation and promotions discriminate on the basis of gender in purported violation of Title VII of the Civil Rights Act of 1964 ("Title VII") and the Equal Pay Act ("EPA"). In June 2008, the SDNY referred the matter to private arbitration with the American Arbitration Association ("AAA") where the Claimants sought to proceed on a class-wide basis. On February 2, 2015, the arbitrator issued a Class Determination Award in which she certified a class (estimated to include approximately 70,000 class members at the time) for the Claimants' disparate impact claims for declaratory and injunctive relief under Title VII. On February 29, 2016, the arbitrator granted Claimants' Motion for Conditional Certification of Claimants' EPA Claims and Authorization of Notice, and notice to EPA collective action members was issued on May 3, 2016. The

opt-in period for the EPA collective action closed on August 1, 2016, and the number of valid opt-in EPA Claimants is believed to be approximately 9,124. SJI challenged the arbitrator's Class Determination Award with the SDNY. Although the SDNY vacated the Class Determination Award on January 15, 2018, on appeal the US Court of Appeals for the Second Circuit ("Second Circuit") held that the SDNY erred and remanded the case to the SDNY to decide whether the Arbitrator erred in certifying an opt-out, as opposed to a mandatory, class for declaratory and injunctive relief. On January 27, 2021 the SDNY ordered the case remanded to the AAA for further proceedings in arbitration on a class-wide basis. Subsequently, the arbitrator retired, and the parties selected a new arbitrator to oversee the proceedings moving forward. On October 8, 2021, the newly selected arbitrator issued an amended case management plan and scheduled the arbitration hearing to begin on September 5, 2022. SJI denies the allegations of the Claimants and has been defending the case vigorously.

On June 8, 2022, SJI and the Claimants reached a settlement agreement which was subject to preliminary and final approval after notice to the class. The settlement provides for the dismissal of the on a collective class arbitration proceeding associated with prejudice and includes payments by the Company totaling approximately \$175 million, certain store-level employment practices. As a result of the settlement, the Company recorded a pre-tax charge of \$187.9 million within other operating income (expense), net in the consolidated statement statements of operations during Fiscal 2023. The This settlement charge includes included the payments to the Claimants, class totaling approximately \$175 million, as well as estimated employer payroll taxes, class administration fees and Claimants' class counsel attorneyattorneys' fees and costs. The arbitrator issued a preliminary approval Based on the final assessment of employer payroll taxes due, the total settlement agreement on June 23, 2022 and a final approval order on November 15, 2022. The parties sought charge was reduced to approximately \$185 million, which was fully funded by the SDNY's confirmation of the arbitrator's final approval award and on March 14, 2023, received the order confirming the award. The Company expects to fund the settlement in the first quarter of Fiscal 2024.

Closed matters

Shareholder actions

As previously reported, on March 16, 2020, the Company entered into an agreement to settle a consolidated class action filed against the Company and certain former executives by various shareholders of the Company (the "Consolidated Action"). As a result of the settlement, the Company recorded a charge of \$33.2 million during the fourth quarter of Fiscal 2020 in other operating income (loss), which includes administration costs of \$0.6 million and was recorded net of expected recoveries from the Company's insurance carriers

of \$207.4 million. The settlement was fully funded in the second quarter of Fiscal 2021, and the Company contributed approximately \$35 million of the \$240 million settlement payment, net of insurance proceeds and including the impact of foreign currency. The Court granted final approval of the settlement on July 21, 2020.

Four additional actions were filed against the Company and certain former executives largely based on the same allegations as the Consolidated Action. Soon thereafter these four actions were filed, the Court entered orders staying these actions until entry of final judgment in the Consolidated Action. On June 27, 2020, the Company and plaintiffs in the four stayed actions (the "Opt-Out Plaintiffs") reached a settlement in principle, which was finalized on July 10, 2020 requiring the Opt-Out Plaintiffs to rejoin the Consolidated Action. The Company recorded pre-tax charges related to the settlement of \$7.5 million (net of expected insurance recovery) and \$1.7 million during Fiscal 2021 and Fiscal 2022, respectively. The final amount owed to the Opt-Out Plaintiffs was paid during the first quarter of Fiscal 2023.

Other matters

In February 2023, the Company received an unfavorable ruling under a private arbitration involving a dispute with a vendor alleging breach of contract. The matter was heard before the International Centre for Dispute Resolution, a division of the AAA. As a result of this ruling, during the fourth quarter of Fiscal 2023, the Company recorded a pre-tax charge of \$15.9 million within other operating income (expense), net in the consolidated statement of operations. This was paid in March 2023.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

The directors review the effectiveness of Signet's system of internal controls in the financial, operational, compliance and risk management areas.

Signet's disclosure controls and procedures are designed to help ensure that processes and procedures for information management are in place at all levels of the business. The disclosure controls and procedures aim to provide reasonable assurance that any information disclosed by Signet in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The procedures are also designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer (principal executive officer) and Chief Financial, Strategy & Services Officer (principal financial officer), as appropriate to allow timely decisions to be made regarding required disclosure.

Based on their evaluation of Signet's disclosure controls and procedures, as of January 28, 2023 February 3, 2024 and in accordance with the requirements of Section 302 of the Sarbanes-Oxley Act of 2002, the Chief Executive Officer and Chief Financial, Strategy & Services Officer have concluded that the disclosure controls and procedures are effective and provide reasonable assurance that information regarding Signet is recorded, processed, summarized and reported and that the information is accumulated and communicated to management to allow timely decisions regarding required disclosure.

Management's annual report on internal control over financial reporting

Signet's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management conducted an evaluation of internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management determined that Signet's internal control over financial reporting was effective as of January 28, 2023.

Management has excluded from the scope of its assessment of the effectiveness of internal control over financial reporting as of January 28, 2023, the operations and related assets of Blue Nile, Inc. (the "Acquiree"), which was acquired on August 19, 2022. The Acquiree's total assets and total sales represented approximately 8% and 3% of the Company's respective consolidated total assets and total sales as of and for the year ended January 28, 2023 February 3, 2024.

The Company's independent registered public accounting firm, KPMG LLP, audited the Fiscal 2023 2024 consolidated financial statements of Signet and has also audited the effectiveness of internal control over financial reporting as of January 28, 2023 February 3, 2024. An unqualified opinion has been issued thereon, the details of which are included within this Annual Report on Form 10-K.

Changes in internal control over financial reporting

The Company is in the process of integrating Blue Nile, as described in Note 4 of Item 8 within this Annual Report on Form 10-K, into the Company's overall internal control over financial reporting framework.

Except as described above, there There were no changes in internal control over financial reporting during the quarter ended January 28, 2023 February 3, 2024 that have materially affected, or are reasonably likely to materially affect, Signet's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable. Rule 10b5-1 Trading Arrangements

During the fourth quarter of Fiscal 2024, no director or officer of the Company, as defined in Rule 16a-1(f), adopted, modified, 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 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by Item 10 of this Part III concerning directors, executive officers and corporate governance may be found under the captions "Proposal 1: Election of Directors", "Corporate Governance Guidelines and Code of Conduct and Ethics", "Executive Officers of the Company" and "Delinquent Section 16(a) Reports" (to the extent reported) in our definitive proxy statement for our 2023 2024 Annual Meeting of Shareholders (the "2023 2024 Proxy Statement"), which will be filed with the SEC within 120 days after the close of our fiscal year. Such information is incorporated herein by reference.

The Company has a policy on business integrity, as well as more detailed guidance and regulations as part of its staff orientation, training and operational procedures. These policies include the Code of Conduct, which is applicable to all Directors, officers and employees as required by NYSE listing rules, and the Code of Ethics for Senior Officers, which applies to the Chairman, CEO, Directors and other senior officers. Copies of these codes are available on request from the Corporate Secretary and may be downloaded from www.signetjewelers.com/corporategovernance.investors/corporate-governance/documents-and-charters. The Company intends to satisfy the disclosure requirement regarding any amendment to, or a waiver of, a provision of the Code of Ethics for Senior Officers for the Company's principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, by posting such information on its website.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation may be found under the captions "Executive Compensation" and "Director Compensation" in the 2023 2024 Proxy Statement. Such information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information in the 2023 2024 Proxy Statement set forth under the captions "Ownership of the Company" and "Equity Compensation Plan Information" is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information in the 2023 2024 Proxy Statement set forth under the captions "Proposal 1: Election of Directors", "Board Leadership Structure and Composition", "Board Committees" and "Transactions with Related Parties" is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING ACCOUNTANT FEES AND SERVICES

The Company's independent registered public accounting firm is KPMG LLP, Cleveland, Ohio, USA and with a PCAOB Firm ID Number of 185.

The information in the 2023 2024 Proxy Statement set forth under the caption "Proposal 2: Appointment of Independent Auditor and Authorization of the Audit Committee to Determine its Compensation" is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

	PAGE
(a) (1) The following consolidated financial statements are included in Item 8:	
Consolidated statements of operations for the fiscal years endedFebruary January 3, 2024, January 28, 2023 January 29, 2022, and January and January 30, 2021 29, 2022	61
Consolidated statements of comprehensive income (loss) for the fiscal years endeendedJanuary 28, 2023, d January 29, 2022February 3, 2024, January 28, 2023, and January 30, 2021 January 29, 2022	62
Consolidated balance sheets as of February3, 2024 and January 28, 2023 and January 29, 2022	63
Consolidated statements of cash flows for the fiscal years ended January 28, 2023 January 29, 2022 February 3, 2024, January 28, 2023, and January 30, 2021 January 29, 2022	64
Consolidated statements of shareholders' equity for the fiscal years endedJanuary 28, 2023 February 3, 2024, January 28, 2023, and January 29, 2022, and January 30, 2021	65
Notes to the consolidated financial statements	66
(a) (2) All schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions or are inapplicable, and therefore have been omitted or are contained in the applicable financial statements or the notes thereto.	
(a) (3) The following exhibits are filed as part of this Annual Report on Form 10-K or are incorporated herein by reference.	

Number	Description of Exhibits
2.1 2.1#	Agreement and Plan of Merger, by and among Sterling Jewelers Inc., Signet Jewelers Ltd., Aquarius Sub Inc., R2Net Inc., and the Seller's Representative, dated August 23, 2017 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 24, 2017).
2.2#	Transaction Agreement, by and among Sterling Jewelers Inc., Diamonds Direct USA, Inc., Diamonds Direct Acquisition, LLC, and Rhino Holdings L.P., dated October 8, 2021 (incorporated by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed December 2, 2021).
2.3# 2.2#	Stock Purchase Agreement by and among Sterling Jewelers Inc., BC Cyan Investment Holdings, Inc., and BC Cyan Holdings L.P. and Sterling Jewelers Inc., dated August 5, 2022 (incorporated by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q filed September 1, 2022).
3.1	Memorandum of Association of Signet Limited and Certificate of Incorporation on Change of Name to Signet Jewelers Limited (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A filed September 11, 2008 ("Form 8-A"). (File No. 333-153435)).
3.2	Amended and Restated Bye-laws of Signet Jewelers Limited (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed September 10, 2014).
4.1	Description of Signet Jewelers Limited Securities Registered Pursuant to Section 12 of the Securities and Exchange Act of 1934 (incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed March 19, 2021).
4.2	Form of common share certificate of Signet Jewelers Limited (incorporated by reference to Exhibit 4.1 to Form 8-A).
4.3	Certificate of Designation of Series A Convertible Preference Shares, Par Value \$0.01 Per Share, of Signet Jewelers Limited (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed November 3, 2016).
4.4	Indenture, dated as of May 19, 2014, among Signet UK Finance plc, as issuer, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K Filed May 19, 2014).
4.5	First Supplemental Indenture, dated as of May 19, 2014, among Signet UK Finance plc, as issuer, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K Filed May 19, 2014).
4.6	Second Supplemental Indenture, dated as of June 30, 2014, among Signet UK Finance plc, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as indenture trustee (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed September 10, 2014).

4.7	<u>Fourth Supplemental Indenture, dated as of September 25, 2019, among Signet UK Finance plc, the guarantors party thereto, and Deutsche Bank Trust Company Americas, as indenture trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed September 27, 2019).</u>
10.1#	<u>Amended and Restated Credit Card Program Agreement, by and among Sterling Jewelers Inc. and Comenity Bank, dated May 17, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed June 10, 2021).</u>
10.2#	<u>Third Amendment to Amended and Restated Credit Card Program Agreement by and between Sterling Jewelers Inc. and Comenity Bank, dated April 25, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 1, 2023).</u>
10.3#	<u>Amended and Restated Private Label Credit Card Program Agreement, by and among Zale Delaware, Inc. and Comenity Capital Bank, dated May 17, 2021 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed June 10, 2021).</u>
10.4#	<u>Third Amendment to Amended and Restated Private Label Credit Card Program Agreement, by and between Zale Delaware, Inc. and Comenity Capital Bank, dated April 25, 2023 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed May 1, 2023).</u>
10.3† 10.5†	<u>Signet Jewelers Limited 2009 Omnibus Incentive Plan (incorporated by references to Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed June 15, 2009 (File No. 333-159987)).</u>
10.4† 10.6†	<u>Signet Jewelers Limited Amended and Restated 2018 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 Filed July 1, 2020).</u>
10.5† 10.7†	<u>Form of Signet Jewelers Limited 2018 Omnibus Incentive Plan Time-Based Restricted Stock Unit Award Notice and Agreement (June 2018 through June 2020 Awards) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed September 6, 2018).</u>
10.6†	<u>Form of Signet Jewelers Limited 2018 Omnibus Incentive Plan Time-Based Restricted Stock Unit Award Notice and Agreement (June 2020 through Fiscal 2022 Awards) (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K filed March 19, 2021).</u>
10.7† 10.8†	<u>Form of Signet Jewelers Limited 2018 Omnibus Incentive Plan Time-Based Restricted Stock Unit Award Notice and Agreement (Post February 2022 Awards) (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K filed March 17, 2022).</u>
10.8† 10.9†	<u>Form of Signet Jewelers Limited 2018 Omnibus Incentive Plan Performance Based Restricted Stock Unit Award Notice and Agreement (June 2020 through Fiscal 2022 Awards) (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K filed March 19, 2021).</u>
10.9† 10.10†	<u>Form of Signet Jewelers Limited 2018 Omnibus Incentive Plan Performance Based Restricted Stock Unit Award Notice and Agreement (Post February 2022 Awards) (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed March 17, 2022).</u>
10.10† 10.11†	<u>Signet Jewelers Limited Sharesave Scheme (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 filed on June 15, 2018).</u>
10.11† 10.12†	<u>Irish Sub-Plan established pursuant to the Signet Jewelers Limited Sharesave Scheme (incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 filed on June 15, 2018).</u>
10.12† 10.13†	<u>Signet Jewelers Limited Employee Share Purchase Plan for U.S. Employees (incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 filed on June 15, 2018).</u>
10.13† 10.14†	<u>Signet Jewelers Limited Short-Term Incentive Plan (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K filed March 17, 2022).</u>
10.14† 10.15†	<u>Form of Letter of Appointment of Independent Directors (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed March 22, 2012).</u>
10.15† 10.16†	<u>Form of Deed of Indemnity for Directors (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K filed March 30, 2010).</u>
10.16 10.17	<u>Investment Agreement, dated as of August 24, 2016, by and among Signet Jewelers Limited, Green Equity Investors VI, L.P. and Green Equity Investors Side VI, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 25, 2016).</u>
10.17 10.18	<u>Shareholders' Agreement by and among Signet Jewelers Limited, Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, dated as of October 5, 2016 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 6, 2016).</u>

10.18	10.19	Registration Rights Agreement, dated as of October 5, 2016, by and among Signet Jewelers Limited, Green Equity Investors VI, LP, Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed October 6, 2016).
10.19	10.20	Credit Agreement, dated as of September 27, 2019, among Signet Jewelers Limited, as holdings; Signet Group Limited, as the lead administrative borrower, a lead borrower and a borrower, Signet Group Treasury Services Inc., Sterling Jewelers Inc., Signet Trading Limited and Zale Canada Co., each as a lead borrower and a borrower; the other borrowers from time to time party thereto; Bank of America, N.A., as administrative agent and collateral agent; BofA Securities Inc., Fifth Third Bank, JPMorgan Chase Bank, N.A. and PNC Capital Markets LLC, as joint lead arrangers and joint bookrunners; Fifth Third Bank, JPMorgan Chase Bank, N.A. and PNC Bank, National Association, as co-syndication agents; and the co-documentation agents, other lenders and issuers from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed September 27, 2019).
10.20	10.21	First Amendment to Credit Agreement, dated as of January 29, 2020, among Signet Jewelers Limited, as holdings; Signet Group Limited, as Lead Administrative Borrower; Signet Group Treasury Services Inc., Sterling Jewelers Inc., Signet Trading Limited, Zale Canada Co., Sterling Inc. and Zale Delaware, Inc., each as a lead borrower and a borrower, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and collateral agent (incorporated by reference to Exhibit 10.31 to the Company's Annual Report on Form 10-K filed March 26, 2020).
10.21	10.22	Second Amendment to Credit Agreement, dated as of July 28, 2021, among Signet Jewelers Limited, as holdings; Signet Group Limited, as the lead administrative borrower; Signet Group Treasury Services Inc., Sterling Jewelers Inc., Signet Trading Limited, Zale Canada Co., Sterling Inc., Zale Delaware Inc., R2Net Inc. and R2Net Manufacturing Inc., each as a borrower; the lenders and issuers party thereto; and Bank of America, N.A., as administrative agent, collateral agent and security trustee (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 3, 2021).
10.22*	10.23	Third Amendment to Credit Agreement, dated as of March 9, 2023, among Signet Jewelers Limited, as holdings; Signet Group Limited, as the lead administrative borrower; Signet Group Treasury Services Inc., Sterling Jewelers Inc., Signet Trading Limited, Zale Canada Co., Sterling Inc., Zale Delaware Inc., R2Net Inc., R2Net Manufacturing Inc., Diamonds Direct USA Inc., Blue Nile, Inc. and Blue Nile, LLC, each as a borrower; the lenders and issuers party thereto; and Bank of America, N.A., as administrative agent, collateral agent and security trustee, trustee (incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K filed March 16, 2023).
10.23†	10.24†	Amended and Restated Termination Protection Agreement dated March 15, 2022 between Sterling Jewelers Inc. and Virginia Drosos (incorporated (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed September 1, 2022)).
10.24†	10.25†	Form of Amended and Restated Termination Protection Agreement for members of senior leadership of Signet Jewelers Limited, including its executive officers (incorporated (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed March 17, 2022)).
10.25†	10.26†	Form of Termination Protection Agreement for members of senior leadership of Signet Jewelers Limited, including its executive officers (incorporated (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K filed March 17, 2022)).
10.26†	10.27†	Amended and Restated Personal Employment Agreement, dated March 15, 2022 between R2Net Israel Ltd. and Oded Edelman (incorporated (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K filed March 17, 2022)).
21.1*		Subsidiaries of Signet Jewelers Limited.
22.1*		List of Subsidiary Guarantors.
23.1*		Consent of independent registered public accounting firm.
31.1*		Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*		Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*		Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*		Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*		XBRL Instance Document.

97.1*

101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)
*	Filed herewith.
†	Management contract or compensatory plan or arrangement.
#	Certain portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date:

March 16, 2023 20, 2024

By:

/s/ Joan M. Hilson

Joan M. Hilson

Chief Financial, Strategy & Services Officer

(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated, and on the date set forth below, dates indicated.

Date		Signature	Title
March 16, 2023 20, 2024	By:	<u>/s/ Virginia C. Drosos</u> Virginia C. Drosos	Chief Executive Officer and Director (Principal Executive Officer and Director) Officer
March 16, 2023 20, 2024	By:	<u>/s/ Joan M. Hilson</u> Joan M. Hilson	Chief Financial, Strategy & Services Officer (Principal Financial Officer)
March 16, 2023 20, 2024	By:	<u>/s/ Vincent N. Ciccolini</u> Vincent N. Ciccolini	Senior Vice President Finance & Chief Accounting Officer (Principal Accounting Officer)
March 16, 2023 20, 2024	By:	<u>/s/ H. Todd Stitzer</u> H. Todd Stitzer	Chairman of the Board
March 16, 2023 20, 2024	By:	<u>/s/ André V. Branch</u> André V. Branch	Director
March 16, 2023 20, 2024	By:	<u>/s/ Sandra B. Cochran</u> Sandra B. Cochran	Director
March 20, 2024	By:	<u>/s/ R. Mark Graf</u> R. Mark Graf	Director
March 16, 2023 20, 2024	By:	<u>/s/ Zackery A. Hicks</u> Zackery A. Hicks	Director
March 16, 2023 20, 2024	By:	<u>/s/ Helen E. McCluskey</u> Helen E. McCluskey	Director
March 16, 2023 20, 2024	By:	<u>/s/ Sharon L. McCollam</u> Sharon L. McCollam	Director
March 16, 2023 20, 2024	By:	<u>/s/ Nancy A. Reardon</u> Nancy A. Reardon	Director
March 16, 2023 20, 2024	By:	<u>/s/ Jonathan Seiffer</u> Jonathan Seiffer	Director
March 16, 2023 20, 2024	By:	<u>/s/ Brian Tilzer</u> Brian Tilzer	Director
March 16, 2023 20, 2024	By:	<u>/s/ Eugenia M. Ulasewicz</u> Eugenia M. Ulasewicz	Director
March 16, 2023 20, 2024	By:	<u>/s/ Dontá L. Wilson</u> Dontá L. Wilson	Director

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Exhibit 10.22

THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT**, dated as of March 9, 2023 (this “*Third Amendment*”), is entered into among **SIGNET JEWELERS LIMITED**, an exempted company incorporated under the Laws of Bermuda with registration number 42069 (“*Holdings*”), **SIGNET**

GROUP LIMITED, a company incorporated in England and Wales with the company number 00477692 (the “*Lead Administrative Borrower*”), the other Borrowers (as defined in the Existing Credit Agreement referred to below) party hereto, the Lenders (as defined below) party hereto, and **BANK OF AMERICA, N.A.**, as the Administrative Agent (as defined below) and the Collateral Agent (as defined below).

PRELIMINARY STATEMENTS

A. Reference is made to that certain Credit Agreement, dated as of September 27, 2019 (as amended by that certain First Amendment to Credit Agreement, dated as of January 29, 2020, as further amended by that certain Second Amendment to Credit Agreement, dated as of July 28, 2021, and as further amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time and in effect immediately prior to the effectiveness of this Third Amendment, the “*Existing Credit Agreement*”, and the Existing Credit Agreement, as amended by this Third Amendment, the “*Amended Credit Agreement*”), among (a) Holdings, (b) the Lead Administrative Borrower, (c) Signet Group Treasury Services, Inc., a Delaware corporation, Sterling Jewelers Inc., a Delaware corporation, Signet Trading Limited, a company incorporated in England and Wales with the company number 03768979, and Zale Canada Co., an unlimited company organized under the laws of the Province of Nova Scotia, each as a Lead Borrower and a Borrower, (d) each other Restricted Subsidiary of Holdings party thereto as a Lead Borrower or a Borrower, (e) the lenders from time to time party thereto (each a “*Lender*”, and collectively, the “*Lenders*”) and (f) Bank of America, N.A., as administrative agent (in such capacity, including any successor thereto, the “*Administrative Agent*”) and as collateral agent and security trustee (in such capacity, including any successor thereto, the “*Collateral Agent*”) under the Loan Documents.

B. The Borrowers have requested that the Lenders agree to amend certain of the terms and provisions of the Existing Credit Agreement as specifically set forth in this Third Amendment.

C. The undersigned Lenders, constituting all of the Lenders under the Existing Credit Agreement on the date hereof, are prepared to amend the Existing Credit Agreement, subject to the conditions and in reliance on the representations set forth herein.

Accordingly, in consideration of the premises and other good and valuable consideration, the parties hereto hereby agree as follows:

1. **Capitalized Terms.** Capitalized terms used herein, including in preamble and the preliminary statements, and not otherwise defined herein shall have the meanings assigned to such terms in the Amended Credit Agreement.

2. Amendments to the Existing Credit Agreement.

(a) **Amended Credit Agreement.** The Existing Credit Agreement (excluding the schedules and exhibits thereto, which shall remain in full force and effect, except as specifically amended and restated pursuant to Section 2(b) of this Third Amendment) is hereby amended as set forth in Annex A attached hereto such that all of the newly inserted double underlined text (indicated textually in the same manner as the following example: double underlined text) and any formatting changes attached hereto shall be deemed to be inserted and all stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) shall be deemed to be deleted therefrom.

(b) **Amendments to Exhibits to the Existing Credit Agreement.** Each of the following exhibits to the Existing Credit Agreement is hereby deleted in its entirety and replaced with the corresponding exhibits set forth in Annex B attached to this Third Amendment:

(i) Exhibit C (Form of Notice of Borrowing); and

(ii) Exhibit F (Form of Interest Election Request).

3. **Interest Rate Transition Arrangements.** Each Borrowing of Revolving Loans denominated in Dollars that is outstanding under the Existing Credit Agreement immediately prior to the effectiveness of this Third Amendment and that consists of Eurocurrency Rate Loans (under and as defined in the Existing Credit Agreement), if any (each, an “Existing Eurocurrency Dollar Revolving Borrowing” and collectively, the “Existing Eurocurrency Dollar Revolving Borrowings”) shall continue to remain outstanding under the Existing Credit Agreement as a Borrowing of Eurocurrency Rate Loans (under and as defined in the Existing Credit Agreement) for the period from and after the Third Amendment Effective Date until the earlier of (a) the date the applicable Borrower elects to convert such Existing Eurocurrency Dollar Revolving Borrowing to a Borrowing of Base Rate Loans or to Term

Rate Loans pursuant to Section 2.11 of the Amended Credit Agreement as if the relevant Eurocurrency Rate Loans were a Type of Loans available under the Amended Credit Agreement, (b) the date the applicable Borrower elects or is otherwise required to repay the Revolving Loans included in such Existing Eurocurrency Dollar Revolving Borrowing in accordance with the Amended Credit Agreement, and (c) the last day of the applicable "Interest Period" (as defined in the Existing Credit Agreement) with respect to such Existing Eurocurrency Dollar Revolving Borrowing. If, prior to the end of an "Interest Period" (as defined in the Existing Credit Agreement) applicable to any Existing Eurocurrency Dollar Revolving Borrowing, the applicable Borrower shall have failed to deliver an Interest Election Request in accordance with Section 2.11 of the Amended Credit Agreement requesting the conversion of the Revolving Loans included in such Existing Eurocurrency Dollar Revolving Borrowing to Revolving Loans of another Type available under the Amended Credit Agreement, then such Revolving Loans shall be automatically converted to Term Rate Loans with an Interest Period of one month upon the expiration of the applicable "Interest Period" (as defined in the Existing Credit Agreement) with respect thereto. All provisions of the Existing Credit Agreement applicable to Eurocurrency Rate Loans (as defined in the Existing Credit Agreement) shall remain in effect with respect to the Existing Eurocurrency Dollar Revolving Borrowings until such time as no such Existing Eurocurrency Dollar Revolving Borrowings remain outstanding.

4. Conditions Precedent to Third Amendment. This Third Amendment shall become effective as of the date first written above (the "Third Amendment Effective Date") upon the satisfaction of each of the following conditions precedent:

(a) Third Amendment. The Administrative Agent shall have received this Third Amendment, duly executed by (i) Holdings, (ii) each Borrower, (iii) each of the Lenders under the Existing Credit Agreement, (iv) each Issuer and (v) the Swing Loan Lender.

(b) Costs and Expenses. The Administrative Agent and the Lenders (or their respective applicable affiliates) shall have received payment of all costs and expenses required to be paid or reimbursed by the Borrowers under the Amended Credit Agreement on or prior to the Third Amendment Effective Date; provided that invoices for any costs and expenses to be reimbursed on the Third Amendment Effective Date must be received at least three (3) Business Days prior to the Third Amendment Effective Date (except as otherwise reasonably agreed by the Lead Administrative Borrower) or otherwise such costs and expenses shall be paid no later than ten (10) days after the Third Amendment Effective Date.

Without limiting the generality of the provisions of Section 11.4 of the Amended Credit Agreement, for purposes of determining compliance with the conditions specified in this Section 4, each Lender, to the extent such Person has signed this Third Amendment, shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to such Person (if any), unless the Administrative Agent shall have received notice from such Person prior to the proposed Third Amendment Effective Date specifying its objection thereto.

5. Representations and Warranties. Holdings and each Borrower hereby represents and warrants to the Administrative Agent and the Lenders as of the Third Amendment Effective Date as follows:

(a) Authorization; No Contravention. (i) The execution, delivery and performance by each Loan Party of this Third Amendment has been duly authorized by all necessary corporate or other organizational action, and (ii) neither the execution, delivery and performance by each Loan Party of this Third Amendment nor the consummation of the transactions contemplated by this Third Amendment will (A) contravene the terms of any of such Person's Constituent Documents, (B) result in any breach or contravention of, or the creation of any Lien upon any of the property or assets of such Person or any of the Restricted Subsidiaries (other than as permitted under Section 9.1 of the Amended Credit Agreement) under (1) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (2) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (C) violate any applicable Law; except with respect to any breach, contravention or violation (but not creation of Liens) referred to in clauses (B) and (C), to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Binding Effect. This Third Amendment has been duly executed and delivered by each Loan Party that is party hereto. This Third Amendment constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

(c) Governmental Authorization. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Third Amendment, except for (i) filings necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings that have been duly obtained, taken, given or made and are in full force and effect and (iii) those

approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

6. **Survival of Representations and Warranties.** All representations and warranties made by Holdings or any Borrower (in each case, on behalf of itself or the other Loan Parties) in this Third Amendment or other document delivered pursuant to this Third Amendment or in connection herewith shall survive the execution and delivery hereof. Such representations and warranties have been or will be relied upon by the Agents, each Issuer and each Lender, regardless of any investigation made by the Agents, any Issuer or any Lender or on their behalf and notwithstanding that any Agent, any Issuer or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

7. **Third Amendment as a Loan Document.** This Third Amendment constitutes a "Loan Document" under the Amended Credit Agreement.

8. **Effect on Loan Documents.** After giving effect to this Third Amendment on the Third Amendment Effective Date, the Amended Credit Agreement and the other Loan Documents shall be and remain in full force and effect in accordance with their terms and are hereby ratified and confirmed by Holdings and the Borrowers in all respects. The execution, delivery, and performance of this Third Amendment shall not operate as a waiver of any right, power, or remedy of any Agent or the Lenders under the Existing Credit Agreement or the other Loan Documents. Holdings and the Borrowers hereby acknowledge and agree that, after giving effect to this Third Amendment, all of its obligations and liabilities under the Existing Credit Agreement and the other Loan Documents to which it is a party, as such obligations and liabilities have been amended by this Third Amendment, are reaffirmed and remain in full force and effect. All references to the Existing Credit Agreement in any Loan Document or other document or instrument delivered in connection therewith shall be deemed to refer to the Amended Credit Agreement. Nothing contained herein shall be construed as a novation of the Obligations outstanding under and as defined in the Existing Credit Agreement, which shall remain in full force and effect, except as modified hereby.

9. **Reaffirmation of Grant of Security Interests.** Each of Holdings and each Borrower hereby reaffirms its grant to the Collateral Agent, for the benefit of the Secured Parties, of a continuing security interest in and Lien upon the Collateral of such Person, whether now owned or hereafter acquired or arising, and wherever located, all as provided in the Collateral Documents, and Holdings and each Borrower hereby reaffirms that the Obligations are and shall continue to be secured by the continuing security interest and Lien granted by such Person to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Collateral Documents.

10. **Limited Effect.** The Lead Administrative Borrower and the Administrative Agent hereby confirm that certain Borrowing Base Certificates, contemplated to be delivered from time to time pursuant to Section 7.4(a)(i) of the Existing Credit Agreement with respect to Fiscal Months ended October 31, November 30 and December 31, were not received by the Administrative Agent. The Administrative Agent and the undersigned Lenders hereby confirm that any requirement to deliver the above-referenced monthly Borrowing Base Certificates, solely to the extent relating to any applicable Fiscal Month period ended prior to the Third Amendment Effective Date, was instead satisfied by delivery of quarterly Borrowing Base Certificates otherwise contemplated to be delivered pursuant to Section 7.4(a)(i) of the Existing Credit Agreement and that no Default or Event of Default shall have occurred and be continuing as a result of the failure to deliver the above-referenced monthly Borrowing Base Certificates (including as a result of any failure to notify the Administrative Agent or the Lenders thereof).

This Third Amendment relates only to the specific matters expressly covered herein, shall not be considered to be an amendment or waiver of any rights or remedies that any Agent or any Lender may have under the Existing Credit Agreement or any other Loan Document (except as expressly set forth herein) or under applicable law, and shall not be considered to create a course of dealing or to otherwise obligate in any respect any Agent or any Lender to execute similar or other amendments or waivers or grant any amendments or waivers under the same or similar or other circumstances in the future.

11. **GOVERNING LAW, ETC.** THIS THIRD AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS THIRD AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF, BUT INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW. THE PROVISIONS OF SECTION 12.12(D) OF THE AMENDED CREDIT AGREEMENT SHALL APPLY IN RELATION TO THIS THIRD AMENDMENT AS IF IT WAS SET OUT IN FULL IN THIS THIRD AMENDMENT, *MUTATIS MUTANDIS*.

12. **Counterparts.** This Third Amendment 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. Delivery of an executed counterpart of a signature page of this Third Amendment by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Third Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Third Amendment and/or any document to be signed in connection with this Third Amendment 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 and enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to the Credit Agreement to be executed and delivered as of the date first above written.

SIGNET JEWELERS LIMITED,

as Holdings

By: /s/ Joan Hilson

Name: Joan Hilson

Title: Chief Financial Officer

SIGNET GROUP LIMITED,

incorporated in England and Wales with company number 00477692, as the Lead Administrative Borrower and a Borrower

By: /s/ Joan Hilson

Name: Joan Hilson

Title: Director

SIGNET GROUP TREASURY SERVICES INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: Secretary

STERLING JEWELERS INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

[Signature Page to Third Amendment to Credit Agreement]

SIGNET TRADING LIMITED,

incorporated in England and Wales with company number 03768979, as a Borrower

By: /s/ Benjamin Harris

Name: Benjamin Harris

Title: Director

ZALE CANADA CO.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

STERLING INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

ZALE DELAWARE, INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

[Signature Page to Third Amendment to Credit Agreement]

R2NET INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

R2NET MANUFACTURING INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

DIAMONDS DIRECT USA INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

BLUE NILE, INC.,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

[Signature Page to Third Amendment to Credit Agreement]

BLUE NILE, LLC,

as a Borrower

By: /s/ Stash Ptak

Name: Stash Ptak

Title: President

[Signature Page to Third Amendment to Credit Agreement]

BANK OF AMERICA, N.A.,

as Administrative Agent, Collateral Agent, Swing Loan Lender, a Lender and an Issuer

By: /s/ Courtney Kolb

Name: Courtney Kolb

Title: Vice President

BANK OF AMERICA, N.A. (acting through its Canada branch), as a Swing Loan Lender, a Lender and an Issuer

By: /s/ Sylwia Durkiewicz

Name: Sylwia Durkiewicz

Title: Vice President

[Signature Page to Third Amendment to Credit Agreement]

FIFTH THIRD BANK,

as a Lender and an Issuer

By: /s/ Geoffrey Jinnah

Name: Geoffrey Jinnah

Title: AVP, Principal

[Signature Page to Third Amendment to Credit Agreement]

JPMORGAN CHASE BANK, N.A.,

as a Lender and an Issuer

By: /s/ Christopher A. Salek

Name: Christopher A. Salek

Title: Executive Director

[Signature Page to Third Amendment to Credit Agreement]

JPMORGAN CHASE BANK, N.A.,

TORONTO BRANCH,

as a Lender and an Issuer

By: /s/ Auggie Marchetti

Name: Auggie Marchetti

Title: Authorized Officer

[Signature Page to Third Amendment to Credit Agreement]

PNC BANK, NATIONAL ASSOCIATION,

as a Lender and an Issuer

By: /s/ Ralph Mielnik

Name: Ralph Mielnik

Title: Assistant Vice President

[Signature Page to Third Amendment to Credit Agreement]

GOLDMAN SACHS BANK USA,

as a Lender

By: /s/ Keshia Leday

Name: Keshia Leday

Title: Authorized Signatory

[Signature Page to Third Amendment to Credit Agreement]

REGIONS BANK,

as a Lender

By: /s/ Curtis Foye

Name: Curtis Foye

Title: Director

[Signature Page to Third Amendment to Credit Agreement]

CITIZENS BANK, N.A.,

as a Lender

By: /s/ Peter M. Walther

Name: Peter M. Walther

Title: Senior Vice President

[Signature Page to Third Amendment to Credit Agreement]

U.S. BANK NATIONAL ASSOCIATION,

as a Lender

By: /s/ Carol Anderson

Name: Carol Anderson

Title: Senior Vice President

[Signature Page to Third Amendment to Credit Agreement]

BANK OF MONTREAL, as a Lender

By: /s/ Kara Goodwin

Name: Kara Goodwin

Title: Managing Director, Chicago Branch

By: /s/ Helen Alvarez-Hernandez

Name: Helen Alvarez-Hernandez

Title: Managing Director

By: /s/ Richard Pittam

Name: Richard Pittam

Title: *Managing Director*, on behalf of Bank of Montreal, London Branch

By: /s/ Scott Matthews

Name: Scott Matthews

Title: *Chief Financial Officer International*, on behalf of Bank of Montreal, London Branch

[Signature Page to Third Amendment to Credit Agreement]

HSBC BANK USA, NATIONAL ASSOCIATION, as a Lender

By: /s/ Michael Mondazzi

Name: Michael Mondazzi

Title: Senior Vice President

[Signature Page to Third Amendment to Credit Agreement]

BARCLAYS BANK PLC,

as a Lender

By: /s/ Koruthu Mathew

Name: Koruthu Mathew

Title: VP

[Signature Page to Third Amendment to Credit Agreement]

ANNEX A

Amended Credit Agreement

[Please See Attached]

CREDIT AGREEMENT

dated as of September 27, 2019,
as amended on January 29, 2020,
as further amended on July 28, 2021
[as further amended on March 9, 2023](#)
among

SIGNET JEWELERS LIMITED,

as Holdings,

SIGNET GROUP LIMITED,
as the Lead Administrative Borrower, a Lead Borrower and a Borrower,

**SIGNET GROUP TREASURY SERVICES, INC., STERLING JEWELERS INC.,
SIGNET TRADING LIMITED and ZALE CANADA CO.,**
each as a Lead Borrower and a Borrower,

~~STERLING INC., ZALE DELAWARE, INC.,
R2NET INC. and R2NET MANUFACTURING INC.,~~
~~each as a Borrower,~~

THE OTHER BORROWERS FROM TIME TO TIME PARTY HERETO,

THE LENDERS AND ISSUERS FROM TIME TO TIME PARTY HERETO,

and
BANK OF AMERICA, N.A.,
as Administrative Agent and Collateral Agent

FIFTH THIRD BANK,
JPMORGAN CHASE BANK, N.A. and PNC BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agents,
CITIZENS BANK, N.A. and REGIONS BANK,
as Co-Documentation Agents,
BofA SECURITIES INC., FIFTH THIRD BANK,
JPMORGAN CHASE BANK, N.A. and PNC CAPITAL MARKETS LLC,
as Joint Lead Arrangers and Joint Bookrunners

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This **CREDIT AGREEMENT**, dated as of September 27, 2019, is entered into among (a) **SIGNET JEWELERS LIMITED**, an exempted company incorporated under the Laws of Bermuda with registration number 42069 (“*Holdings*”), (b) **SIGNET GROUP LIMITED**, a company incorporated in England and Wales with the company number 00477692 (the “*Lead Administrative Borrower*”), as a Lead Borrower (as defined herein) and a Borrower (as defined herein), (c) **SIGNET GROUP TREASURY SERVICES, INC.**, a Delaware corporation, **STERLING JEWELERS INC.**, a Delaware corporation, **SIGNET TRADING LIMITED**, a company incorporated in England and Wales with the company number 03768979 and **ZALE CANADA CO.**, an unlimited company organized under the laws of the Province of Nova Scotia, each as a Lead Borrower and a Borrower, (d) **STERLING INC.**, an Ohio corporation, **ZALE DELAWARE, INC.**, a Delaware corporation, **R2NET INC.**, a Delaware corporation, and **R2NET MANUFACTURING INC.**, a Delaware corporation, each as a Borrower, (e) each other Restricted Subsidiary (as defined herein) of Holdings party hereto as a Lead Borrower or a Borrower, (f) each Lender (as defined herein) from time to time party hereto and (g) **BANK OF AMERICA, N.A.**, as administrative agent (in such capacity, including any successor thereto, the “*Administrative Agent*”) and as collateral agent and security trustee (in such capacity, including any successor thereto, the “*Collateral Agent*”) under the Loan Documents.

PRELIMINARY STATEMENTS

The Borrowers have requested that the Lenders provide a revolving credit facility and a first-in last-out term loan facility, and the Lenders have indicated their willingness to lend and the Issuers (as defined below) have indicated their willingness to issue letters of credit, in each case, on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS, INTERPRETATION AND ACCOUNTING TERMS

SECTION 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

"75% Cash Consideration Basket" has the meaning assigned to such term in Section 9.5(j).

"ABL License" means the irrevocable license granted by the Loan Parties to the Administrative Agent pursuant to Section 4.01 of the U.S. Security Agreement or any other similar provision in any other Security Agreement.

"Acceptable Intercreditor Agreement" means, (a) with respect to the Senior Notes Indebtedness or any Permitted Refinancing thereof (together with any other Indebtedness that is secured on a *pari passu* basis with the Senior Notes), the Senior Notes Intercreditor Agreement and (b) with respect to any other Indebtedness secured by any Liens on Collateral, any other intercreditor agreement the terms of which are reasonably acceptable to the Lead Administrative Borrower and the Administrative Agent.

"Account" means (a) "accounts" as defined in Article 9 of the UCC or the PPSA, as applicable, (b) all amounts owing from Credit Card Issuers and Credit Card Processors and all rights under contracts relating to the creation or collection of such amounts and (c) all rights to

payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, or (iii) arising out of the use of a credit or charge card or information contained on or for use with the card. The term "Account" does not include (1) rights to payment evidenced by chattel paper or an instrument, (2) commercial tort claims, (3) deposit accounts, (4) investment property, or (5) letter-of-credit rights or letters of credit.

"Account Debtor" has the meaning given to such term in Article 9 of the UCC, and includes any Person obligated on an Account.

"ACH" means automated clearing house transfers.

"Additional English Security" has the meaning specified in Section 8.12(g).

"Additional FILO Lender" has the meaning specified in Section 2.15(b).

"Additional Revolving Lender" has the meaning specified in Section 2.15(a).

"Adjustment Date" means the first day of each calendar quarter, commencing with the calendar quarter beginning on January 1, 2020.

"Administrative Agent" has the meaning specified in the introductory paragraph to this Agreement, and shall include any branches or Affiliates of Bank of America in its or their capacity as Administrative Agent.

"Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 12.8 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify the Lead Administrative Borrower and the Lenders.

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

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any U.K. Financial Institution.

"Affiliate" means, with respect to any 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. For the avoidance of doubt, none of the Arrangers, the Agents or their respective lending affiliates or any entity acting as an Issuer hereunder shall be deemed to be an Affiliate of Holdings, the Borrowers or any of their respective Subsidiaries.

"Affirm" means Affirm Holdings, Inc. and its Subsidiaries.

"Agent Parties" has the meaning specified in Section 12.8(d).

"Agent-Related Persons" means the Agents, together with their respective Affiliates and branches and the officers, directors, employees, agents, attorney-in-fact, partners, trustees and advisors of such Persons and of such Persons' Affiliates and branches.

"Agents" means, collectively and without duplication, (a) the Administrative Agent, (b) the Collateral Agent, (c) each co-agent or sub-agent (if any) appointed by the

Administrative Agent or the Collateral Agent from time to time pursuant to *Section 11.5*, and (d) the Arrangers.

"Agreed Currency" means Dollars or any Alternative Currency, as applicable.

"Agreed Security Principles" has the meaning specified in the definition of "Collateral and Guarantee Requirement".

"Aggregate Revolving Credit Commitments" means the Revolving Credit Commitments of all the Revolving Credit Lenders. As of the Second Amendment Effective Date, the Aggregate Revolving Credit Commitments are \$1,500,000,000.

"Agreement" means this Credit Agreement, as amended, restated, modified, replaced, extended, renewed or supplemented from time to time in accordance with the terms hereof.

"Agreement Currency" has the meaning specified in *Section 12.30*.

"Alternative Currency" means each of the following currencies: Euro, Sterling and Canadian Dollars, together with each other currency (other than Dollars) that is approved in accordance with *Section 1.11*; provided that for each Alternative Currency, such requested currency is an Eligible Currency.

"Alternative Currency Equivalent" means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the applicable Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

"Alternative Currency Loan" means a Loan denominated in an Alternative Currency.

"Alternative Currency Scheduled Unavailability Date" has the meaning specified in *Section 3.4(c)*.

"Alternative Currency Successor Rate" has the meaning specified in *Section 3.4(c)*.

"AML Legislation" has the meaning specified in *Section 11.17*.

"Annual Financial Statements" means the audited consolidated balance sheets of Holdings and its Subsidiaries for the Fiscal Year ended February 2, 2019, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for Holdings and its Restricted Subsidiaries for the Fiscal Year then ended, including the notes thereto.

"Anti-Corruption Laws" means the United States Foreign Corrupt Practices Act of 1977, the Bribery Act of 2010 (U.K.), the Corruption of Foreign Public Officials Act (Canada) and all other applicable Laws and regulations or ordinances concerning or relating to bribery, money laundering or corruption in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business.

"Anti-Money Laundering Laws" means the applicable Laws or regulations in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing

business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

"Applicable Authority" means (a) with respect to SOFR, the SOFR Administrator or any Governmental Authority having jurisdiction over the Administrative Agent or the SOFR Administrator with respect to its publication of SOFR, in each case acting in such capacity and (b) with respect to any Alternative Currency, the applicable administrator for the Relevant Rate for such Alternative Currency or any Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of the applicable Relevant Rate, in each case acting in such capacity.

"Applicable Indebtedness" has the meaning specified in the definition of "Weighted Average Life to Maturity".

"Applicable LGP Preference Shares" means, as of any date of determination, the LGP Preference Shares that Holdings may be required by the holders thereof to redeem or repurchase on a date on or before the 91st day after such date of determination.

"Applicable Margin" means:

(a) with respect to the Revolving Credit Facility, Revolving Loans, Swing Loans and Letters of Credit:

(i) from and after the Closing Date until the first Adjustment Date occurring thereafter, the applicable percentage set forth in the table below corresponding to Level II, and

(ii) thereafter, the applicable percentage set forth in the table below based upon Average Historical Excess Availability as of the most recent Adjustment Date:

Level	Average Historical Excess Availability	~~Eurocurrency~~ Term Rate Loans and SONIA Rate Loans	Base Rate Loans, Canadian Prime Rate Loans, and Canadian Base Rate Loans	Letter of Credit Fees -Standby Letters of Credit	Letter of Credit Fees - Documentary Letters of Credit
I	Greater than or equal to 50% of the Aggregate Revolving Credit Commitments	1.250%	0.250%	1.250%	0.625%
II	Less than 50% of the Aggregate Revolving Credit Commitments	1.500%	0.500%	1.500%	0.750%

(b) [reserved];

(c) with respect to any Junior FILO Loans, Revolving Loans, Letters of Credit and Swing Loans under Revolving Credit Commitments of any Revolving Extension Series or FILO Loans under any FILO Extension Series, the “Applicable Margin” set forth in the Incremental FILO Amendment, Revolving Extension Amendment or the FILO Extension Amendment (as applicable) relating thereto.

The Applicable Margin shall be adjusted quarterly in accordance with each table above on each Adjustment Date for the period beginning on such Adjustment Date based upon the Average Historical Excess Availability as the Administrative Agent shall determine in good faith within ten (10) Business Days after such Adjustment Date. Any increase or decrease in the Applicable Margin resulting from a change in the Average Historical Excess Availability shall become effective as of the Adjustment Date. If any Borrowing Base Certificates are at any time restated or otherwise revised or if the information set forth in any Borrowing Base Certificates otherwise proves to be false or incorrect such that the Applicable Margin would have been higher than was otherwise in effect during any period, without constituting a waiver of any Default or Event of Default arising as a result thereof, interest due under this Agreement shall be immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under any Debtor Relief Laws, automatically and without further action by the Administrative Agent, any Lender or any Issuer). If at any time the Aggregate Revolving Credit Commitments shall have been terminated pursuant to *Section 10.2*, the Applicable Margin shall be the applicable percentages per annum in effect on the date of the termination of the Aggregate Revolving Credit Commitments pursuant to *Section 10.2*, with respect to any outstanding Obligations.

“*Applicable Time*” means, with respect to any Borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the applicable Issuer, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“*Appropriate Lender*” means, at any time, (a) with respect to any of the FILO Facility or the Revolving Credit Facility, a Lender that has a Commitment with respect to such Facility or holds a FILO Loan or a Revolving Loan, respectively (or as applicable and as the context shall require, a Lender that has a Class of Commitments under the applicable Facility or holds a specified Class of Loans under the applicable Facility) at such time, (b) with respect to the Letter of Credit Sublimit, (i) each applicable Issuer and (ii) if any Letters of Credit have been issued pursuant to *Section 2.4*, the Revolving Credit Lenders and (c) with respect to the Swing Loan Sublimit, (i) the Swing Loan Lender and (ii) if any Swing Loans are outstanding pursuant to *Section 2.3*, the Revolving Credit Lenders.

“*Approved Account Bank*” means an Approved U.S. Account Bank, an Approved Bermuda Account Bank, an Approved Canadian Account Bank, Approved Irish Account Bank or an Approved U.K. Account Bank, as the context may require.

“*Approved Bermuda Account Bank*” means a financial institution (or branch thereof) located in Bermuda at which any Loan Party maintains an Approved Bermuda Deposit Account.

"Approved Bermuda Deposit Account" means each Deposit Account located in Bermuda in respect of which any Loan Party and the Collateral Agent shall have established an Approved Control Arrangement.

"Approved Canadian Account Bank" means a financial institution (or branch thereof) located in Canada at which any Loan Party maintains an Approved Canadian Deposit Account.

"Approved Canadian Deposit Account" means each Deposit Account located in Canada in respect of which any Loan Party and the Collateral Agent shall have established an Approved Control Arrangement.

"Approved Control Arrangements" means (a) with respect to any Deposit Account at a depository bank located in the United States, delivery of a Deposit Account Control Agreement, (b) with respect to any Deposit Account at a depository bank located in Canada, either (i) if acceptable to the relevant depository bank, delivery of a Deposit Account Control Agreement or (ii) other arrangements satisfactory to the Administrative Agent under applicable Law to create a perfected security interest in each Deposit Account (and all funds therein), and (c) with respect to any Deposit Account (including any English Collection Account) at a depository bank located in any Covered U.K. Jurisdiction, the Republic of Ireland or Bermuda, either (i) if acceptable to the relevant depository bank, delivery of a Deposit Account Control Agreement, or (ii) delivery of a notice of charge from the Collateral Agent or applicable Loan Party in customary form on the applicable depository bank and receipt of a written acknowledgement from the applicable depository bank confirming that it acknowledges the terms of the notice of charge and will comply with the terms thereof (which shall, in any event, specify that upon the occurrence of a Cash Dominion Period, the Administrative Agent shall be entitled to serve a notice on the depository bank notifying it that instructions in respect of such Deposit Account may only be given by the Administrative Agent).

"Approved Deposit Account" means an Approved U.S. Deposit Account, an Approved Bermuda Deposit Account, an Approved Canadian Deposit Account, an Approved Irish Deposit Account or an Approved U.K. Deposit Account, as the context may require.

"Approved Fund" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate or branch of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender.

"Approved Irish Account Bank" means a financial institution (or branch thereof) located in the Republic of Ireland at which any Loan Party maintains an Approved Irish Deposit Account.

"Approved Irish Deposit Account" means each Deposit Account located in the Republic of Ireland in respect of which any Loan Party and the Collateral Agent shall have established an Approved Control Arrangement.

"Approved Securities Account" means each Securities Account in respect of which any Loan Party shall have entered into a Securities Account Control Agreement.

"Approved Securities Intermediary" means a securities intermediary at which any Loan Party maintains an Approved Securities Account.

"Approved U.K. Account Bank" means a financial institution (or branch thereof) located in a Covered U.K. Jurisdiction at which any Loan Party maintains an Approved U.K. Deposit Account.

"Approved U.K. Deposit Account" means each Deposit Account located in a Covered U.K. Jurisdiction in respect of which any Loan Party and the Collateral Agent shall have established an Approved Control Arrangement.

"Approved U.S. Account Bank" means a financial institution (or branch thereof) located in the United States at which any Loan Party maintains an Approved U.S. Deposit Account.

"Approved U.S. Deposit Account" means each Deposit Account located in the United States in respect of which any Loan Party and the Collateral Agent shall have established an Approved Control Arrangement.

"Arrangers" means BofA Securities Inc., Fifth Third Bank, JPMorgan Chase Bank, N.A. and PNC Capital Markets LLC, each in its capacity as a joint lead arranger and joint bookrunner under this Agreement.

"Assets Acquisition Date" means, with respect to any assets acquired in a Permitted Acquisition or other Investment permitted by this Agreement, the date of the consummation of the applicable Permitted Acquisition or other Investment.

"Assets Diligence Date" means, with respect to any assets acquired in a Permitted Acquisition or other Investment permitted by this Agreement or any assets that are held by a Subsidiary that is designated as a Borrower pursuant to Section 2.14(e), the earlier of (a) the date that is ninety (90) days after (x) in the case of assets acquired in a Permitted Acquisition or other Investment, the consummation of the applicable Permitted Acquisition or other Investment or (y) in the case of assets held by a newly designated Borrower, the date such Subsidiary becomes a Borrower

hereunder, as applicable, and (b) the date Field Examinations and/or Inventory Appraisals requested by the Administrative Agent in its Permitted Discretion, as applicable, covering such assets is completed.

"Assignee Group" means two or more Eligible Assignees that are Affiliates or branches of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of *Exhibit A* or any other form (including electronic documentation generated by use of an electronic platform) approved by the Administrative Agent.

"Assignment Tax" has the meaning specified in the definition of "Other Taxes".

"Attorney Costs" means all reasonable and documented fees, expenses and disbursements of any law firm or other external legal counsel.

"Attributable Indebtedness" means, on any date, in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

~~**"Available Tenor"** means, as of any date of determination and with respect to the then current Benchmark, as applicable, (x) if the then current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.~~

"Availability Reserves" means (a) the Specified Litigation and Arbitration Reserve, (b) the LGP Preference Shares Reserve, (c) the Untendered Existing 2024 Notes Reserve and (d) without duplication of any other Reserves or items that are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent from time to

time determines in its Permitted Discretion as being appropriate (i) to reflect the impediments to the Collateral Agent's ability to realize upon the assets included in the Revolving Borrowing Base or the FILO Borrowing Base, (ii) to reflect claims and liabilities that the Administrative Agent determines will need to be satisfied in connection with the realization upon the assets included in the Revolving Borrowing Base or the FILO Borrowing Base, (iii) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Revolving Borrowing Base or the FILO Borrowing Base, the Collateral or the validity or enforceability of this Agreement or the other Loan Documents or any material remedies of the Secured Parties hereunder or thereunder, or (iv) to reflect the impediments to the Collateral Agent's ability to realize upon the assets included in the Revolving Borrowing Base or the FILO Borrowing Base to the extent that an Event of Default then exists. Without limiting the generality of the foregoing *clause (d)*, such Availability Reserves may include (but are not limited to): (A) the Dilution Reserve; (B) the Canadian Priority Payables Reserve; (C) the Canadian Wage Earner Protection Act Reserve; (D) the English Priority Payables Reserve; (E) the Rent and Charges Reserve; (F) Customer Credit Liability Reserve; (G) reserves in respect of outstanding Taxes and other governmental charges, including, without limitation, *ad valorem*, real estate, personal property, sales, and other Taxes which are *pari passu* to or would have priority over the interests of the Collateral Agent in the Current Asset Collateral; (H) reserves in respect of customs duties, and other costs to release imported Inventory; (I) during the continuance of a Cash Dominion Period, reserves in respect of salaries, wages and benefits due to employees of the Loan Parties; (J) reserves based on Liens permitted under *Section 9.1* which are *pari passu* to or would have priority over the interests of the Collateral Agent in the Current Asset Collateral; (K) reserves in respect of Cash Management Obligations; *provided* that reserves of the type described in this *clause (K)* in respect of such Cash Management Obligations shall not be established unless either Excess Availability is less than \$300,000,000 or an Event of Default is continuing; (L) reserves in respect of Obligations in respect of Secured Hedge Agreements; *provided* that reserves of the type described in this *clause (L)* in respect of such Obligations shall not be established unless either Excess Availability is less than \$300,000,000 or an Event of Default is continuing; (M) reserves in respect of accrued and unpaid royalties payable in connection with Inventory of the Borrowers subject to intellectual property licensing arrangements with third parties; (N) reserves in respect of self-insured group health plan liabilities of the Loan Parties and their Subsidiaries; and (O) reserves in respect of accrued payables in respect of Inventory consigned to the Loan Parties and their Subsidiaries or that is subject to any title retention agreements. Any Availability Reserve established or modified by the Administrative Agent shall have a reasonable relationship to the circumstances, conditions, events or contingencies which are the basis for such Availability Reserve; *provided* that no Availability Reserve may be taken after the Closing Date pursuant to *clause (d)* above based on any circumstance, condition, event or contingency disclosed in writing in the Field Examination or the Inventory Appraisal delivered to the Administrative Agent prior to the Closing Date in connection with the Transactions or otherwise known to the Administrative Agent prior to the Closing Date (other than as described in *clauses (A) through (O)* in the second sentence above), unless such circumstance, condition, event or contingency has changed in any material adverse respect since the Closing Date.

"Average Historical Excess Availability" means, at any Adjustment Date, the average daily Excess Availability for the Fiscal Quarter immediately preceding such Adjustment Date through the date immediately preceding such Adjustment Date.

"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, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bank Levy" means any amount payable by any Tax Indemnitee or any of its Affiliates on the basis of, or in relation to, its balance sheet or capital base or any part of that person or its liabilities or minimum regulatory capital or any combination thereof (including as required under Part 5 and Schedule 19 of the Finance Act 2011 (U.K.) (as amended) and any other levy or tax in any jurisdiction levied on a similar basis or for a similar purpose), to the extent applying to that Tax Indemnitee or its Affiliates as at the date that Tax Indemnitee became a party to this Agreement as a Lender, Issuer or Agent (as the case may be).

"Bank of America" means Bank of America, N.A., a national banking association, acting in its individual capacity, and its successors and assigns.

"Banker's Acceptance" means a time draft or bill of exchange or other deferred payment obligation relating to a Documentary Letter of Credit which has been accepted by the Issuer.

"Base Rate" means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate for such day, plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate", and (c) ~~the Eurocurrency Rate~~ Term SOFR determined pursuant to clause (b) of the definition of "Term SOFR", plus 1.00%; ~~and provided that~~, if the Base Rate as so determined shall be less than zero, then the Base Rate shall be deemed to be zero for purposes of this Agreement. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.4(a), then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"Base Rate Loan" means a Loan to a U.S. Borrower that bears interest based on the Base Rate. All Base Rate Loans shall be denominated in Dollars.

~~"Benchmark" means, initially, LIBOR; provided that, if a replacement of the Benchmark has occurred pursuant to Section 3.4(c), then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.~~

~~"Benchmark Replacement" means:~~

~~(1) For purposes of Section 3.4(c)(i), the first alternative set forth below that can be determined by the Administrative Agent:~~

~~(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three months' duration, 0.42926% (42.926 basis points) for an~~

~~Available Tenor of six months' duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve months' duration, or~~

~~(b) the sum of: (i) Daily Simple SOFR and (ii) 0.26161% (26.161 basis points);~~

~~provided that, if initially LIBOR is replaced with the rate contained in clause (b) above (Daily Simple SOFR plus the applicable spread adjustment) and subsequent to such replacement, the Administrative Agent determines that Term SOFR has become available and is administratively feasible for the Administrative Agent in its sole discretion, and the Administrative Agent notifies the Lead Administrative Borrower and each Lender of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Benchmark Replacement shall be as set forth in clause (a) above; and~~

~~(2) For purposes of Section 3.4(c)(ii), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Lead Administrative Borrower as the replacement Benchmark giving due consideration to any evolving or then prevailing market convention, including any applicable recommendations made by a Relevant Governmental Body, for U.S. dollar denominated syndicated credit facilities at such time;~~

~~provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than 0.00%, the Benchmark Replacement will be deemed to be 0.00% for the purposes of this Agreement and the other Loan Documents. Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.~~

~~"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "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, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents);~~

~~"Benchmark Transition Event" means, with respect to any then current Benchmark other than LIBOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then current Benchmark or a Governmental Authority with jurisdiction over such administrator announcing or stating that all Available Tenors are or will no longer be representative, or made available, or used for determining the interest rate of loans, or shall or will otherwise cease; provided that, at the time of such statement or publication, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide any representative tenors of such Benchmark after such specific date.~~

Regulation. "Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Bermuda" shall mean the Islands of Bermuda.

"Bermuda Collateral" means the "Charged Property" (or equivalent term) as defined in any Bermuda Collateral Document.

"Bermuda Collateral Documents" means, collectively, (a) the Bermuda Fixed and Floating Charge, and (b) each of the other debentures, fixed and floating charges, share charges, agreements, instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and that are governed by the Laws of Bermuda.

"Bermuda Fixed and Floating Charge" means the fixed and floating charge governed by the Laws of Bermuda, effective as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"BHC Act Affiliate" has the meaning specified in Section 12.29(b).

"Board of Directors" means, for any Person, the board of directors (or equivalent governing body) of such Person or, if such Person does not have such a board of directors (or equivalent governing body) and is owned or managed by another entity or entities, the board of directors (or equivalent governing body) of such entity or entities.

"BofA Securities" means BofA Securities, Inc.

"Borrower Materials" has the meaning specified in Section 7.2.

"Borrowers" means, collectively, (a) the Lead Administrative Borrower, (b) each Lead Borrower, (c) each wholly-owned Restricted Subsidiary of Holdings organized or incorporated in a Covered Loan Party Jurisdiction (other than Bermuda) that is identified as a Borrower on the signature pages hereto, and (d) each other wholly-owned Restricted Subsidiary of Holdings that becomes a Borrower hereunder in accordance with the terms of this Agreement. As of the Third Amendment Effective Date, the Borrowers include (i) the Lead Administrative Borrower, (ii) the Lead

Borrowers, (iii) Blue Nile, Inc., a Delaware corporation, (iv) Blue Nile, LLC, a Delaware limited liability company, (v) Diamonds Direct USA Inc., a Delaware corporation, (vi) R2Net Inc., a Delaware corporation, (vii) R2Net Manufacturing Inc., a Delaware corporation, (viii) Sterling Inc., an Ohio corporation, and (ix) Zale Delaware, Inc., a Delaware corporation.

"Borrowing" means a borrowing consisting of Loans of the same Class, Type and currency made, converted or continued on the same date and, in the case of Eurocurrency Term Rate Loans, having the same Interest Period.

"Borrowing Base Certificate" means a certificate of the Lead Administrative Borrower substantially in the form of Exhibit H, duly executed by a Responsible Officer of the Lead Administrative Borrower.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the jurisdiction where the Administrative Agent's Office with respect to Obligations denominated in Dollars or Canadian Dollars is located and:

~~(a) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day that is also a London Banking Day;~~

(a) ~~(b)~~ if such day relates to any interest rate settings as to a Eurocurrency Term Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Term Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Term Rate Loan, means a TARGET Day;

(b) ~~(c)~~ if such day relates to any interest rate settings as to a Eurocurrency Term Rate Loan denominated in Canadian Dollars, any fundings, disbursements, settlements and payments in Canadian Dollars in respect of any such Eurocurrency Term Rate Loan, or any other dealings in Canadian Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Term Rate Loan, means any such day on which dealings in deposits in Canadian Dollars are conducted by and between banks in the Toronto, Ontario interbank market for Canadian Dollars;

(c) ~~(d)~~ if such day relates to any interest rate settings as to a SONIA Rate Loan, any fundings, disbursements, settlements and payments in Sterling in respect of any such SONIA Rate Loan, or any other dealings in Sterling to be carried out pursuant to this Agreement in respect of any such SONIA Rate Loan, means any such day other than a day on which banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom;

(d) ~~(e)~~ if such day relates to any interest rate settings as to an Alternative Eurocurrency Rate Loan denominated in a currency other than Dollars, Canadian Dollars or, Euro, or Sterling as to which interest is determined by reference to an interbank offered rate, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; ~~and~~

(e) ~~(f)~~ if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars, Canadian Dollars or, Euro, or Sterling in respect of an Alternative Eurocurrency Rate Loan denominated in a currency other than Dollars, Canadian Dollars or, Euro, or Sterling, or any other dealings in any currency other than Dollars, Canadian Dollars or, Euro, or Sterling to be carried out pursuant to this Agreement in respect of any such Alternative Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

"Business Optimization Initiative" means any asset sale, acquisition, merger, amalgamation, business combination, Investment, Disposition, operating improvement, restructuring, cost saving initiative and/or other similar initiative (including the entry into or renegotiation of, or in respect of which binding commitments have been entered for, any contract and/or other arrangement), any specified transaction and any plan.

"Canadian Base Rate" means, for any day, the per annum rate of interest equal to the highest of (a) the Federal Funds Rate for such day, plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America (acting through its Canada branch) in Toronto, Ontario as its "base rate" for commercial loans made by it in Dollars, such rate being a reference rate and not necessarily representing the lowest or best rate being charged to any customer, or (c) the Eurocurrency Rate (Term SOFR determined for a Credit Extension denominated in Dollars) pursuant to clause (b) of the definition of "Term SOFR", plus 1.00%; ~~and provided that~~, if the Canadian Base Rate as so determined shall be less than zero, then the Canadian Base Rate shall be deemed to be zero for purposes of this Agreement. Any change in such rate announced by Bank of America (acting through its Canada branch) shall take effect at the opening of business on the day specified in the public announcement thereof. If the Canadian Base Rate is being used as an alternate rate of interest pursuant to Section 3.4, then the Canadian Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

"*Canadian Base Rate Loan*" means a Loan to a Canadian Borrower that bears interest at a rate based on the Canadian Base Rate. All Canadian Base Rate Loans shall be denominated in Dollars.

"*Canadian Borrower*" means any Borrower incorporated or organized under the Laws of Canada or a province or territory thereof.

"*Canadian Collateral*" means the "Collateral" (or equivalent term) as defined in any Canadian Collateral Document.

"*Canadian Collateral Documents*" means, collectively, (a) the Canadian Security Agreement, (b) the Canadian Security Agreement Supplements, (c) the Canadian Intellectual Property Security Agreements, (d) the Canadian Pledge Agreement and (e) each of the other agreements, deeds of hypothec, pledge agreements, mortgages, instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and that are governed by the Laws of Canada or any province or territory thereof.

"*Canadian Defined Benefit Plan*" means a Canadian Pension Plan that contains a "defined benefit provision", as such term is defined in Section 147.1(1) of the ITA.

"*Canadian Dollar*", "CAD" and "CAD \$" mean the lawful currency of Canada.

"*Canadian Intellectual Property Security Agreements*" has the meaning specified in the Canadian Security Agreement.

"*Canadian Loan Party*" means any Loan Party incorporated or organized under the Laws of Canada or a province or territory thereof.

"*Canadian Pension Event*" means (a) the whole or partial withdrawal of a Canadian Loan Party from a Canadian Defined Benefit Plan during a plan year; (b) the filing of a notice of intent to terminate in whole or in part a Canadian Defined Benefit Plan; (c) the treatment by a Governmental Authority of a Canadian Defined Benefit Plan amendment as a termination or partial termination; or (d) the appointment of a trustee by a Governmental Authority to administer a Canadian Defined Benefit Plan.

"*Canadian Pension Plan*" means a pension plan that is required to be registered under applicable Canadian federal or provincial pension benefits standards legislation, and that is

sponsored or maintained by any Loan Party in respect of its Canadian employees or former employees, but, for the avoidance of doubt, does not include any statutory plans such as the Canada Pension Plan and the Quebec Pension Plan.

"*Canadian Pledge Agreement*" means the Canadian Pledge Agreement, dated as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"*Canadian Prime Rate*" means, for any day, a per annum rate equal to the highest of (a) the rate of interest in effect for such day as publicly announced from time to time by Bank of America (acting through its Canada branch) as its "prime rate" for commercial loans made by it in Canada in Canadian Dollars, such rate being a reference rate and not necessarily representing the lowest or best rate being charged to any customer, or (b) ~~CDOR~~ the rate per annum equal to CDOR for a term of one month commencing on such day, plus 1.00%; and ~~provided that~~, if the Canadian Prime Rate as so determined shall be less than zero, then the Canadian Prime Rate shall be deemed to be zero for purposes of this Agreement. Any change in such rate announced by Bank of America (acting through its Canada branch) shall take effect at the opening of business on the day specified in the public announcement thereof. If the Canadian Prime Rate is being used as an alternate rate of interest pursuant to *Section 3.4*, then the Canadian Prime Rate shall be as set forth in *clause (a)* and shall be determined without reference to *clause (b)* above.

"*Canadian Prime Rate Loan*" means a Loan to a Canadian Borrower that bears interest at a rate based on the Canadian Prime Rate. All Canadian Prime Rate Loans shall be denominated in Canadian Dollars.

"*Canadian Priority Payables Reserve*" means, as of any date of determination, an Availability Reserve in such amount as the Administrative Agent may determine in its Permitted Discretion to reflect amounts secured by any Liens, choate or inchoate, which rank or are capable of ranking in priority to the Liens of the Collateral Agent and/or for amounts which may represent costs relating to the enforcement of the Liens of the Collateral Agent, including any such amounts due and not paid for wages, vacation pay, severance pay, amounts due and not paid under any legislation relating to workers' compensation or to employment insurance, all amounts deducted or withheld and not paid and remitted when due under the ITA, sales tax, goods and services tax, harmonized sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act (Canada)* or similar applicable provincial legislation, government royalties, amounts currently or past due and not paid for realty, municipal or similar taxes (to the extent impacting personal or movable property), all amounts due and not contributed, remitted or paid to any Canadian Pension Plans (including all unfunded wind up or solvency deficiency amounts), as required by the PBA, or under the Canada Pension Plan, and all amounts in respect of similar statutory or other claims, in each case, that would have or would reasonably be expected to have priority over or rank *pari passu* with any Liens of the Collateral Agent in Canada now or in the future, other than amounts included in the Canadian Wage Earner Protection Act Reserve.

"*Canadian Security Agreement*" means the Canadian Security Agreement, dated as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"*Canadian Security Agreement Supplement*" has the meaning specified in the Canadian Security Agreement.

"*Canadian Wage Earner Protection Act Reserve*" means, as of any date of determination, an Availability Reserve in such amount as the Administrative Agent may determine in its Permitted Discretion to reflect the amounts that may become due under the *Wage Earner Protection Program Act* (Canada) or secured by Section 81.3 or Section 81.4 of the *Bankruptcy and Insolvency Act* (Canada) with respect to the employees of any Loan Party employed in Canada which would give rise to a Lien with priority under applicable Law over the Liens of the Collateral Agent.

"*Capital Expenditures*" means, for any period, the aggregate of (a) all amounts that would be reflected as additions to property, plant or equipment on a Consolidated statement of cash flows of Holdings and its Restricted Subsidiaries in accordance with GAAP and (b) the value of all assets under Capitalized Leases incurred by Holdings and its Restricted Subsidiaries during such period; *provided* that the term "Capital Expenditures" shall not include (i) expenditures made in connection with the replacement, substitution, restoration or repair of assets to the extent financed with (x) insurance proceeds paid on account of the loss of or damage to the assets being replaced, substituted, restored or repaired or (y) awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, (ii) the purchase of plant, property or equipment or software to the extent financed with the Net Cash Proceeds of Dispositions that are not required to be applied to prepay the Loans, the Existing 2024 Notes, the Senior Notes or any Material Indebtedness, (iii) expenditures that are accounted for as capital expenditures by Holdings or any Restricted Subsidiary and that actually are paid for, or reimbursed to Holdings or any Restricted Subsidiary in cash or Cash Equivalents, by a Person other than Holdings or any Restricted Subsidiary and for which neither Holdings nor any Restricted Subsidiary has provided or is required to provide or incur, directly or indirectly, any consideration or obligation (other than rent) in respect of such expenditures to such Person or any other Person (whether before, during or after such period), including, without limitation, expenditures which are contractually required to be, and are, reimbursed to a Loan Party in cash by its landlords as tenant allowances during such period, (iv) expenditures to the extent constituting any portion of a Permitted Acquisition, (v) the purchase price of equipment purchased during such period to the extent the consideration therefor consists of any combination of (A) used or surplus equipment traded in at the time of such purchase, and (B) the Net Cash Proceeds of a concurrent sale of used or surplus equipment, in each case, in the ordinary course of business, *provided* that such portion of the purchase price in excess of the credit granted by the seller of such equipment for the equipment being traded in at such time or such Net Cash Proceeds, as applicable, shall not be excluded as "Capital Expenditures" hereunder, (vi) expenditures relating to the construction, acquisition, replacement, reconstruction, development, refurbishment, renovation or improvement of any property which has been transferred to a Person other than a Loan Party or any of its Restricted Subsidiaries during the same Fiscal Year in which such expenditures were made pursuant to a sale-leaseback transaction, to the extent of the Net Cash Proceeds received by a Loan Party or such Restricted Subsidiary pursuant to such sale-leaseback transaction, *provided* that such portion of the expenditures which exceed the Net Cash Proceeds received by a Loan Party or such Restricted Subsidiary pursuant to such sale-leaseback transaction shall not be excluded as "Capital Expenditures" hereunder, or (vii) expenditures financed with the proceeds of an issuance of Equity Interests of Holdings or a capital contribution to Holdings or Indebtedness permitted to be incurred hereunder, to the extent such expenditures are made within 365 days after the receipt of such proceeds.

"*Capitalized Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP.

"*Capitalized Leases*" means all leases that have been or are required to be, in accordance with GAAP, recorded as capitalized leases; *provided* that for all purposes hereunder

the amount of obligations under any Capitalized Lease shall be the Capitalized Lease Obligation with respect thereto; *provided further* that notwithstanding the foregoing, only those leases (assuming for purposes hereof that such leases were in existence prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)") that would have constituted Capitalized Leases or financing leases in conformity with GAAP as in effect prior to giving effect to the adoption of ASU No. 2016-02 "Leases (Topic 842)" and ASU No. 2018-11 "Leases (Topic 842)", shall be considered Capitalized Leases or financing leases hereunder, and all calculations and deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith (other than the financial statements delivered pursuant to this Agreement).

"*Carrier Agreement*" means an agreement in form and substance reasonably satisfactory to the Administrative Agent, among a Loan Party, a Permitted Carrier, and the Collateral Agent, in which such Permitted Carrier acknowledges that it has control over and holds any Inventory and the documents evidencing ownership of, or other shipping documents relating to, the subject Inventory or other property for the benefit of the Collateral Agent and agrees, upon notice from the Collateral Agent (which notice shall be delivered only upon the occurrence and during the continuance of an Event of Default), to hold and dispose of the subject Inventory and other property solely as directed by the Collateral Agent and

which, in respect of any such agreement governed by the laws of any Covered U.K. Jurisdiction or the Republic of Ireland, includes a pledge over such shipping documents and inventory granted by the relevant Loan Party.

“Carval” means CarVal Investors.

“Cash Collateral” shall have a meaning correlative to “Cash Collateralize” and shall include the proceeds of such cash collateral and other credit support.

“Cash Collateralize” means to pledge and deposit with or deliver to the Collateral Agent, for the benefit of the Administrative Agent, the Collateral Agent, an Issuer or the Swing Loan Lender (as applicable) and the Lenders, as collateral for Letter of Credit Obligations, Obligations in respect of Swing Loans, or obligations of the Revolving Credit Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances or, if the applicable Issuer or Swing Loan Lender benefitting from such collateral shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent, (b) the Collateral Agent and (c) the applicable Issuer or the Swing Loan Lender (as applicable).

“Cash Dominion Period” means (a) each period beginning on the date that Excess Availability shall have been less than the greater of (x) 10.0% of the Modified Revolving Loan Cap and (y) \$100,000,000, in either case, for five (5) consecutive Business Days, and ending on the date Excess Availability shall have been equal to or greater than the greater of (x) 10.0% of the Modified Revolving Loan Cap and (y) \$100,000,000, in each case, for twenty (20) consecutive calendar days or (b) upon the occurrence of a Specified Event of Default, the period that such Specified Event of Default shall be continuing; provided that a Cash Dominion Period shall be deemed continuing (even if Excess Availability exceeds the required amounts for twenty (20) consecutive calendar days) if a Cash Dominion Period has occurred and been discontinued on five (5) occasions in any twelve (12) month period. The termination of a Cash Dominion Period as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Period in the event that the conditions set forth in this definition again arise.

“Cash Equivalents” means any of the following types of Investments, to the extent owned by Holdings or any Restricted Subsidiary:

(a) Dollars and each Alternative Currency;

(b) in the case of any Foreign Subsidiary that is a Restricted Subsidiary, such local currencies held by it from time to time in the ordinary course of business and not for speculation;

(c) readily marketable direct obligations issued or directly and fully and unconditionally guaranteed or insured by the (i) federal government of United States or any agency or instrumentality thereof, (ii) federal government of Canada or any agency or instrumentality thereof, or (iii) the government of the U.K. or any agency or instrumentality thereof, in each case, the securities of which are unconditionally guaranteed as a full faith and credit obligation of such government and with maturities of one year or less from the date of acquisition;

(d) (i) certificates of deposit, guaranteed investment certificates, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, (ii) demand deposits and bankers' acceptances with maturities of one year or less and (iii) overnight bank deposits, in each case of (i) any Lender or (ii) any commercial bank organized under the Laws of any Covered Jurisdiction and having capital and surplus of not less than \$500,000,000;

(e) repurchase obligations for underlying securities of the types described in clauses (c) and (d) above or clause (g) below entered into with any financial institution meeting the qualifications specified in clause (d) above;

(f) commercial paper rated at least P-2 by Moody's or at least A-2 by S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) and in each case maturing within one year after the date of creation thereof;

(g) marketable short-term money market and similar highly liquid funds having a rating of at least P-2 or A-2 from either Moody's or S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency);

(h) readily marketable direct obligations issued by any state or commonwealth of the United States, any province of Canada or any other political subdivision or taxing authority in any Covered Jurisdiction having an Investment Grade Rating from either Moody's or S&P (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency) with maturities of one year or less from the date of acquisition;

(i) Investments with average maturities of one year or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's (or, if at any time neither Moody's nor S&P shall be rating

such obligations, an equivalent rating from another nationally recognized statistical rating agency); and

(j) investment funds investing substantially all of their assets in securities of the types described in *clauses (a) through (i)* above.

In the case of Investments by any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States, Cash Equivalents shall also include (i) investments of the type and maturity described in *clauses (a) through (j)* above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings

described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in *clauses (a) through (j)* and in this paragraph.

Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in *clause (a)* above; *provided that* such amounts are converted into Dollars or an Alternative Currency as promptly as practicable and in any event within ten (10) Business Days following the receipt of such amounts.

"Cash Management Bank" means, as of any date of determination, any Person that is an Agent, a Lender or an Affiliate or branch of a Lender on such date.

"Cash Management Compliance Date" has the meaning specified in *Section 8.12(a)*.

"Cash Management Obligations" means obligations owed by Holdings or any Restricted Subsidiary in respect of or in connection with any Cash Management Services (a) provided by the Administrative Agent or any Affiliate or branch thereof or (b) designated by any other Cash Management Bank and the Lead Administrative Borrower in writing to the Administrative Agent as "Cash Management Obligations".

"Cash Management Services" means any agreement or arrangement to provide cash management services, including automated clearinghouse transfers, controlled disbursement accounts, treasury, depository, overdraft, lease financing or related services, supply chain financing, merchant services, credit card processing or credit or debit card, purchase card, electronic funds transfer and other cash management arrangements.

"Cash Receipts" has the meaning specified in *Section 8.12(d)*.

"Cash Taxes" means, with respect to any Test Period, all Taxes paid or payable in cash by Holdings and its Restricted Subsidiaries during such Test Period.

"Castlelake" means Castlelake, L.P.

"CDOR" has the meaning specified in the definition of "Eurocurrency Term Rate."

"Change in Law" means the occurrence, after Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty (excluding the taking effect after the Closing Date of a law, rule, regulation or treaty adopted prior to the Closing Date), (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided that*, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or CRR, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Change of Control" means the earliest to occur of:

(a) any Person or Persons constituting a "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such Person and its Subsidiaries, and any Person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act), directly or indirectly, of Equity Interests representing more than forty percent (40.0%) of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings; or

(b) any "Change of Control" (or any comparable term) in (i) any of the Senior Notes Documents (or pursuant other Indebtedness secured on a *pari passu* basis with the Senior Notes Indebtedness) or (ii) any document governing Indebtedness for borrowed money having an

individual outstanding principal amount in excess of Threshold Amount (including the amounts owing to all creditors under any combined or syndicated credit arrangement); or

(c) (i) the Lead Administrative Borrower (including, for the avoidance of doubt, any Successor Borrower pursuant to *Section 9.4(e)*) ceases to be a direct wholly-owned Subsidiary of Holdings or (ii) except as otherwise permitted by this Agreement, any Borrower (other than the Lead Administrative Borrower) ceases to be a direct wholly-owned Subsidiary of Holdings or another Loan Party.

“Charged Company” has the meaning specified in *Section 4.1(o)*.

“Class” (a) when used with respect to any Commitment, refers to whether such Commitment is a Revolving Credit Commitment, an Extended Revolving Credit Commitment of a given Revolving Extension Series, a FILO Incremental Commitment or a FILO Incremental Commitment for Junior FILO Loans, (b) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Revolving Loans, Loans under Extended Revolving Credit Commitments of a given Revolving Extension Series, FILO Loans, Junior FILO Loans or Extended FILO Loans of a given FILO Extension Series, and (c) when used with respect to Lenders, refers to whether such Lenders have a Loan or Commitment with respect to a particular Class of Loans or Commitments. Junior FILO Loans and Loans under a Revolving Extension Series or FILO Extension Series that have different terms and conditions (together with the Commitments in respect thereof) from the initial Loans and Commitments therefor, respectively, or from other Junior FILO Loans or Loans and Commitments under any other Revolving Extension Series or FILO Extension Series, as applicable, shall be construed to be in separate and distinct Classes.

“Closing Date” has the meaning set forth in *Section 4.1*, which for purposes hereof is September 27, 2019.

“CME” means [CME Group Benchmark Administration Limited](#).

“Co-Documentation Agents” means Citizens Bank, N.A., Goldman Sachs Bank USA and Regions Bank, in their respective capacities as co-documentation agents under this Agreement.

“Co-Syndication Agents” means Fifth Third Bank, JPMorgan Chase Bank, N.A. and PNC Bank, National Association, in their respective capacities as co-syndication agents under this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations thereunder.

“Collateral” means all the “Collateral” (or equivalent term) as defined in any Collateral Document, and shall include the U.S. Collateral, the Bermuda Collateral, the Canadian Collateral, the English Collateral and the Irish Collateral.

“Collateral Access Agreement” means an agreement reasonably satisfactory in form and substance to the Collateral Agent executed by, as the case may be, (a) a bailee or other Person in possession of Collateral, and (b) any landlord of any premises leased by any Loan Party, pursuant to which, except as the Collateral Agent otherwise may agree, such Person (i) acknowledges the Collateral Agent’s Lien on the Collateral, (ii) releases or subordinates such Person’s Liens on the Collateral held by such Person or located on such premises, (iii) agrees to provide the Collateral Agent with access to the Collateral held by such bailee or other Person or located in or on such premises for the purpose of conducting field exams, appraisals or a Liquidation, and (iv) makes such other agreements with the Collateral Agent as the Collateral Agent may reasonably require.

“Collateral Agent” has the meaning specified in the introductory paragraph to this Agreement, and shall include any branches or Affiliates of Bank of America in its or their capacity as Collateral Agent.

“Collateral and Guarantee Requirement” means, at any time, the requirement that:

(a) the Administrative Agent shall have received each Collateral Document required to be delivered on the Closing Date pursuant to *Section 4.1(a)(iii)* or pursuant to *Section 8.11*, *Section 8.12*, *Section 8.13* or *Section 8.17* at such time, duly executed by each Loan Party thereto;

(b) all Obligations (including those pursuant to *clauses (a) and (b)* of the definition of Guaranty) shall have been unconditionally Guaranteed by (i) Holdings, (ii) each Borrower (other than with respect to its own obligations), (iii) each Restricted Subsidiary of Holdings that is a Wholly-Owned Subsidiary (other than (x) any Borrower or (y) any Excluded Subsidiary), including those Subsidiaries that are listed on *Schedule II* and (iv) any Restricted Subsidiary of Holdings (not included in *clause (ii)* or *(iii)* above) that Guarantees the Senior Notes Indebtedness, the Untendered Existing 2024 Notes Indebtedness or any Material Indebtedness of any Loan Party (or, in each case, any Permitted Refinancing thereof) (each such Subsidiary referred to in *clauses (iii)* and *(iv)* above, a “Subsidiary Guarantor”);

(c) the Obligations and the Guaranty shall have been secured by a first-priority perfected security interest in substantially all Current Asset Collateral of each Loan Party, in each case, with the priority required by the Collateral Documents and *Section 8.12* shall have been complied with;

(d) the Obligations and the Guaranty shall have been secured by a perfected security interest (subject in priority only (i) to Liens permitted by Sections 9.1(p), (w), (ee) and (jj) and (ii) to any non-consensual Liens permitted by Section 9.1) in the following:

(i) all Equity Interests of each Loan Party (other than the Equity Interests of Holdings and TXDC, L.P., a Texas limited partnership, and any successor thereto),

(ii) all Equity Interests of each direct Subsidiary of any Loan Party (other than any such Subsidiary that is (A) not a Loan Party and (B)(I) a FSHCO or (II) a Foreign Subsidiary of a Domestic Subsidiary),

(iii) 65% of the issued and outstanding voting Equity Interests and 100% of the issued and outstanding non-voting Equity Interests of each direct Subsidiary of any Loan Party that is (A) not a Loan Party and (B)(I) a FSHCO or (II) a Foreign Subsidiary of a Domestic Subsidiary; and

(e) the Obligations and the Guaranty shall have been secured by a perfected security interest (subject in priority only (i) to Liens permitted by Sections 9.1(p), (w), (ee) and (jj) and (ii) to any non-consensual Liens permitted by Section 9.1) in substantially all other tangible and intangible personal property of each Loan Party other than the Current Asset Collateral.

Except as specifically set forth in Section 8.17, the Administrative Agent may grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of any Guarantee by any Subsidiary (including in connection with assets acquired, or Restricted Subsidiaries formed or acquired, after the Closing Date) where it reasonably determines to do so, in consultation with the Lead Administrative Borrower.

Notwithstanding the other provisions of this definition or anything in this Agreement or any other Loan Document to the contrary:

(a) in no event shall the Collateral include any Excluded Assets; it being understood that no assets (including any assets that would otherwise constitute Excluded Assets) shall be excluded from any floating charge granted by any English Loan Party, the Specified Irish Subsidiary Guarantor or Holdings under any Bermuda Collateral Document, any English Collateral Document or any Irish Collateral Document, as applicable;

(b) the other provisions of this definition shall not require the creation or perfection of Liens in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of Guarantees by any Restricted Subsidiary, if, and for so long as the Administrative Agent and the Lead Administrative Borrower reasonably agree in writing that the cost of creating or perfecting Liens in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees, exceeds the practical benefits to be obtained by the Lenders therefrom; it being understood that no assets shall be excluded from any floating charge granted by any English Loan Party, the Specified Irish Subsidiary Guarantor or Holdings under any Bermuda Collateral Document, any English Collateral Document or any Irish Collateral Document, as applicable, pursuant to this clause (b);

(c) no Material Real Property shall be required to be subject to a Mortgage under the Laws of any Covered U.K. Jurisdiction or the Republic of Ireland;

(d) the Liens required to be granted from time to time pursuant to the Collateral and Guarantee Requirement shall be subject to exceptions and limitations otherwise set forth in this Agreement and in the Collateral Documents;

(e) Deposit Account Control Agreements, Securities Account Control Agreements and perfection by "control" (as defined in the UCC) or any equivalent concept in any Covered Jurisdiction (other than in respect of certificated Equity Interests required to be pledged hereunder) shall not be required with respect to any Collateral, except to the extent required by Section 8.12, Section 3.03(b) of the U.S. Security Agreement or Section 3.03(b) of the Canadian Security Agreement;

(f) with respect to each Loan Party, except with respect to assets included in the Revolving Borrowing Base or FILO Borrowing Base in violation of the eligibility criteria applicable thereto, (i) no actions in any jurisdiction outside any Covered Jurisdiction or required by the Laws of any jurisdiction other than a Covered Jurisdiction shall be required in order to create any Liens in assets located or titled outside of any Covered Jurisdiction or to perfect such Liens, including any Intellectual Property registered in any jurisdiction that is not a Covered Jurisdiction and (ii) no security agreement, pledge agreement, mortgage, deed, charge or other collateral document governed by the Laws of any jurisdiction other than a Covered Jurisdiction shall be required; it being understood that no Loan Party will be required to take any action to perfect a Lien in the Collateral in any jurisdiction other than a Covered Jurisdiction, except for any actions required by the Administrative Agent or the Collateral Agent after the occurrence of a Cash Dominion Period to secure or perfect security over the Accounts of a Borrower included in the Revolving Borrowing Base or the FILO Borrowing Base owing by an Account Debtor located outside any Covered Jurisdiction or subject to an underlying contract governed by a law other than the law of any Covered Jurisdiction;

(g) in no event shall any U.S. Loan Party be required to take any action with respect to the perfection of Liens in (i) assets subject to certificates of title or any aircraft or aircraft engine, (ii) letter-of-credit rights (as defined in the UCC), except to the extent constituting a Supporting Obligation (as defined in the UCC) for other Collateral, or (iii) commercial tort claims (as defined in the UCC) in an amount (taking the greater of the aggregate claimed damages thereunder or the reasonably estimated value thereof) less than \$10,000,000, in each case of this clause (d), beyond the filing of UCC financing statements;

(h) in no event shall any Loan Party be required to obtain any Collateral Access Agreement; *provided* that the foregoing shall not affect the right of the Administrative Agent to implement the Rent and Charges Reserves in accordance with the terms of this Agreement; and

(i) notwithstanding anything to the contrary in any Collateral Document, unless requested in writing by the Administrative Agent, in no event shall any Loan Party be required to deliver certificates representing Pledged Equity of any Non-Operating Subsidiary.

In addition to the provisions outlined above, the provisions the Loan Documents relating to the creation or perfection of Liens, or the provision of Guarantees, by any Foreign Loan Party (other than a Canadian Loan Party) will be subject to the following principles (collectively, the "Agreed Security Principles"):

(a) notification or other assignments or assignments to debtors (i) of receivables security (other than to the extent of a legend set forth in a promissory note evidencing one or more intercompany obligations of Holdings and its Restricted Subsidiaries) of security over goods held by third parties or (ii) of security over Intellectual Property, in each case, will only be provided (after consultation with the Lead Administrative Borrower) if an Event of Default or a Cash Dominion Period has occurred and is continuing (other than (A) customary filings of UCC financing statements, PPSA financing statements, MR01 filings with Companies House and (B) filings with the U.S. Patent and Trademark Office, the U.S. Copyright Office or the U.K. Intellectual Property Office, or in each case of clauses (A) and (B), analogous filings, actions or procedures or delivery of customary notices and acknowledgments under applicable Laws of a Covered Jurisdiction);

(b) if any such Foreign Loan Party (other than a Canadian Loan Party) or any of its Subsidiaries grants security over its Intellectual Property, receivables or other assets, it shall be free to deal with those assets (including the proceeds thereof) in the ordinary course of its business (other than in respect of receivables while any Cash Dominion Period exists) and no such grant of security shall constitute an assignment in full of such Intellectual Property; and

(c) the applicable Collateral Documents executed and delivered by any such Foreign Loan Party (other than a Canadian Loan Party) will only operate to create Liens in the Collateral rather than to impose new commercial obligations and, accordingly, will not contain any additional representations, covenants or other terms unless the same are strictly required for the creation or perfection of the Liens in the Collateral, and are no more onerous to any such applicable Foreign Loan Party than the corresponding terms of the other Collateral Documents.

"Collateral Documents" means, collectively, (a) each Security Agreement, (b) each Guaranty, (c) each Mortgage, (d) each of the security agreements or other similar agreements delivered to the Administrative Agent or the Collateral Agent and the Lenders pursuant to Section 4.1(a)(iii), Section 8.11, Section 8.12, Section 8.13 or Section 8.17, (e) each Credit Card Notification, (f) each Lien Acknowledgment Agreement, (g) the Senior Notes Intercreditor Agreement, (h) each other Acceptable Intercreditor Agreement, (i) the Securities Account Control Agreements (if any), (j) the Deposit Account Control Agreements and any other documentation evidencing Approved Control Arrangements, and (k) each of the other agreements, instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and shall include each U.S. Collateral Document, each Bermuda Collateral Document, each Canadian Collateral Document, each English Collateral Document and each Irish Collateral Document.

"Collateral Monitoring Trigger Event" means the failure of the Borrowers to maintain Excess Availability of at least the greater of (x) \$900,000,000 and (y) 75.0% of the Modified Revolving Loan Cap, in each case, for five (5) consecutive Business Days.

"Combined Loan Cap" means, at any time, the sum of (a) the Modified Revolving Loan Cap and (b) the lesser of (i) the FILO Borrowing Base at such time and (ii) the Outstanding Amount of the FILO Term Loans at such time.

"Comenity" means Comenity Bank or any of its Affiliates.

"Commitments" means the Revolving Credit Commitments, the FILO Commitments, a FILO Incremental Commitment, or any combination thereof (as the context requires).

"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.

"Communication" means this Agreement, any Loan Document and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document.

"*Compliance Certificate*" means a certificate substantially in the form of *Exhibit L* and which certificate shall in any event be a certificate of a Financial Officer (a) certifying as to whether a Default has occurred and is continuing and, if applicable, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (b) solely to the extent that a Monthly Borrowing Base Reporting Period occurred at any time during the Fiscal Quarter most recently ended prior to the delivery of such Compliance Certificate, setting forth a reasonably detailed calculation of the Consolidated Fixed Charge Coverage Ratio for the most recently completed Test Period, and (c) setting forth reasonably detailed calculations, in the case of financial statements delivered under *Section 7.1* of the Net Cash Proceeds received during the

applicable period by or on behalf of, Holdings or any of its Restricted Subsidiaries in respect of any Disposition subject to prepayment pursuant to *Section 2.9(b)*.

"*Concentration Account*" has the meaning specified in *Section 8.12(d)*.

"*Conforming Changes*" means, with respect to the use, administration of or any conventions associated with CDOR, EURIBOR, SOFR, SONIA or any proposed Successor Rate for an Agreed Currency, as applicable, any conforming changes to the definitions of "Base Rate", "Canadian Base Rate", "Canadian Prime Rate", "SOFR", "Term SOFR", "Term Rate", "SONIA", "SONIA Rate", and "Interest Period", timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "U.S. Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the reasonable discretion of the Administrative Agent (in consultation with the Lead Administrative Borrower), to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such Agreed Currency (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate for such Agreed Currency exists, in such other manner of administration as the Administrative Agent (in consultation with the Lead Administrative Borrower) determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"*Consolidated*" means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) on a consolidated basis in accordance with the applicable principles of consolidation under GAAP.

"*Consolidated Depreciation and Amortization Expense*" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the total amount of depreciation and amortization expense of Holdings and its Restricted Subsidiaries, including the amortization of deferred financing fees or costs for such Test Period and determined in accordance with GAAP.

"*Consolidated EBITDA*" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the Consolidated Net Income for such Test Period:

(a) increased by (without duplication):

(i) provision for taxes based on income or profits or capital, *plus* state, provincial, territorial, franchise, property or similar taxes and foreign withholding taxes and foreign unreimbursed value added taxes, of such Person for such Test Period (including, in each case, penalties and interest related to such taxes or arising from tax examinations), to the extent the same were deducted in computing Consolidated Net Income for such Test Period, *plus*

(ii) (A) total interest expense of such Person for such Test Period and (B) bank fees and costs of surety bonds for such Test Period, in each case under this *clause (B)*, in connection with financing activities and, in each case under *clauses (A)* and *(B)*, to the extent the same were deducted in computing Consolidated Net Income for such Test Period, *plus*

(iii) Consolidated Depreciation and Amortization Expense for such Test Period, to the extent the same was deducted in computing Consolidated Net Income for such Test Period, *plus*

(iv) any expenses or charges related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or the incurrence or repayment of Indebtedness permitted to be incurred hereunder including a refinancing thereof (whether or not successful) and any amendment or modification to the terms of any such transactions, including such fees, expenses or charges related to the Transactions, incurred during such Test Period, in each case, to the extent the same were deducted in computing Consolidated Net Income for such Test Period, *plus*

(v) the amount of any restructuring charge or reserve deducted in such Test Period in computing Consolidated Net Income, including any one-time costs incurred in connection with (A) Permitted Acquisitions after the Closing Date or (B) the closing of any Stores or distribution centers after the Closing Date; *plus*

(vi) the amount of costs relating to pre-opening and opening costs for Stores, signing, retention and completion bonuses, costs incurred in connection with any strategic initiatives, transition costs, consolidation and closing costs for Stores and costs incurred in connection with non-recurring (without, in any such case, limitation on the calculation hereof by Item 10(e) of Regulation S-K promulgated by the SEC) product and Intellectual Property development after the Closing Date, other business optimization expenses (including costs and expenses relating to business optimization programs), and new systems design and implementation costs and project start-up costs, *plus*

(vii) any other non-cash charges including any write offs or write downs reducing such Consolidated Net Income for such Test Period (*provided* that, if any such non-cash charges represent an accrual or reserve for potential cash items in any future Test Period, (A) Holdings may determine not to add back such non-cash charge in the current Test Period and (B) to the extent Holdings decides to add back such non-cash charge, the cash payment in respect thereof in such future Test Period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior Test Period), *plus*

(viii) the amount of any minority interest expense deducted in calculating Consolidated Net Income for such Test Period, *plus*

(ix) the amount of Expected Costs Savings that are reasonably identifiable and factually supportable (in the good faith determination of the Lead Administrative Borrower) related to (A) the Transactions, (B) any Business Optimization Initiative consummated prior to or on the Closing Date and/or (C) any Business Optimization Initiative consummated after the Closing Date (in each case, net of the amount of actual amounts realized during such Test Period from such actions); *provided* that (1) with respect to *clause (C)*, the relevant action resulting in (or substantial steps towards the relevant action that would result in) such Expected Costs Savings must either be taken or reasonably expected to be taken within eighteen (18) months after the determination to take such action and (2) amounts added back pursuant to this *clause (ix)* with respect to any Test Period shall not exceed 25% of Consolidated EBITDA for such Test Period

(calculated prior to giving effect to any adjustments pursuant to this *clause (ix)*); *plus*

(x) any (A) one-time fee, cost, charge or expense incurred during such Test Period in connection with regulatory fines or processes and (B) cost of, and payment of, actual or prospective litigations, legal settlements, fines, judgments or orders during such Test Period; *plus*

(xi) any fee, cost, charge or expense incurred in connection with (A) lease buy-outs or termination fees in connection with Store closures and (B) contract terminations (including holdback amounts) during such Test Period; *plus*

(xii) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any Test Period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to *clause (b)* below for any previous Test Period and not added back, *plus*

(xiii) any costs or expenses incurred by Holdings or any Restricted Subsidiary during such Test Period pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or stockholders agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Loan Parties or net cash proceeds of issuance of Equity Interests of the Loan Parties (other than Disqualified Equity Interests);

(b) decreased by (without duplication):

(i) any non-cash gains increasing Consolidated Net Income of such Person for such Test Period, excluding any gains that represent the reversal of any accrual of, or cash reserve for, anticipated cash charges in any prior Test Period (other than such cash charges that have been added back to Consolidated Net Income in calculating Consolidated EBITDA in accordance with this definition), *plus*

(ii) any non-cash gains with respect to cash actually received in a prior Test Period unless such cash did not increase Consolidated EBITDA in such prior Test Period.

Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated EBITDA under this Agreement for any Test Period that includes any of the Fiscal Quarters ended on or about October 31, 2018, January 30, 2019, April 30, 2019 and July 30, 2019, Consolidated EBITDA for such Fiscal Quarters shall be \$11,218,000, \$285,745,000, \$68,132,000 and \$166,035,000, respectively. For the avoidance of doubt, Consolidated EBITDA shall be calculated (whether pursuant to the immediately preceding sentence or otherwise), including pro forma adjustments, in accordance with *Section 1.8* (*provided* that any such adjustments, when taken together with any such similar adjustments made in accordance with *clause (a)(ix)* above, shall not exceed 25% of Consolidated EBITDA for such Test Period (calculated prior to giving effect to such addbacks).

"Consolidated Fixed Charge Coverage Ratio" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the ratio of (a) (i) Consolidated EBITDA for such Test Period, *minus* (ii) Capital Expenditures paid in cash during such Test Period and not financed with the proceeds of Indebtedness (other than Loans), *minus*

(iii) Cash Taxes during such Test Period to (b) Debt Service Charges of or by Holdings and its Restricted Subsidiaries for such Test Period.

"Consolidated Interest Charges" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the sum of (a) all cash interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, *plus* (b) the cash portion of rent expense with respect to such period under Capitalized Lease Obligations that is treated as interest in accordance with GAAP, *minus* (c) cash interest income during such period, in each case of or by Holdings and its Restricted Subsidiaries on a Consolidated basis for such Test Period in accordance with GAAP. For purposes of the foregoing, interest expense shall exclude, for the avoidance of doubt, (i) one-time financing fees (including arrangement, amendment and contract fees), debt issuance costs, commissions and expenses, (ii) the amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses (including as a result of the effects of acquisition method accounting or pushdown accounting), (iii) any interest expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, (iv) penalties and interest relating to Taxes, and (v) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under hedging agreements or other derivative instruments pursuant to FASB Accounting Standards Codification No. 815-Derivatives and Hedging (other than any interest rate hedging agreement or other derivative instrument), any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization or purchase accounting, all as calculated on a Consolidated basis in accordance with GAAP.

"Consolidated Net Debt" means, as of any date of determination, (a) Consolidated Total Debt, *minus* (b) the amount of cash and Cash Equivalents on a consolidated balance sheet of Holdings and its Restricted Subsidiaries that are not "Restricted" for purposes of GAAP on such balance sheet; *provided* that Consolidated Net Debt shall not include the principal amount of any Indebtedness with respect to which an irrevocable deposit of the necessary funds for the payment, redemption or satisfaction of such Indebtedness has been made (and, for the avoidance of any doubt, such deposits shall not be included as cash and Cash Equivalents pursuant to *clause (b)* above).

"Consolidated Net Income" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the aggregate of the Net Income of Holdings and its Restricted Subsidiaries for such Test Period and otherwise determined in accordance with GAAP; *provided, however, that, without duplication,*

(a) any net after-tax extraordinary, non-recurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses, and Transaction Expenses, relocation costs, integration costs, facility consolidation and closing costs, severance costs and expenses and non-recurring compensation charges (without, in any such case, limitation on the calculation hereof by Item 10(e) of Regulation S-K promulgated by the SEC), shall be excluded,

(b) the Net Income for such Test Period shall not include the cumulative effect of a change in accounting principles during such Test Period, whether effected through a cumulative effect adjustment or a retroactive application in each case in accordance with GAAP,

(c) effects of adjustments (including the effects of such adjustments pushed down to the Lead Administrative Borrower and its Restricted Subsidiaries) in such Person's Consolidated financial statements pursuant to GAAP (including in the inventory, property and equipment, software, goodwill, intangible assets, in-process research and development, deferred revenue and debt line items thereof) resulting from the application of recapitalization accounting or purchase accounting, as the case may be, in relation to the Transactions or any consummated Permitted Acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded,

(d) any net after-tax income (loss) from disposed or discontinued operations and any net after-tax gains or losses on disposal of disposed or discontinued operations shall be excluded,

(e) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset Dispositions or the other Disposition of any Equity Interests of any Person other than in the ordinary course of business, as determined in good faith by Holdings, shall be excluded,

(f) the Net Income for such Test Period of any Person that is not a Restricted Subsidiary, or is an Unrestricted Subsidiary, or that is accounted for by the equity method of accounting, shall be excluded; *provided* that Consolidated Net Income of Holdings and its Restricted Subsidiaries shall include the amount of dividends or distributions or other payments that are actually paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof in respect of such Test Period,

(g) (i) any net unrealized gain or loss (after any offset) resulting in such Test Period from obligations in respect of Swap Contracts and the application of FASB Accounting Standards Codification 815 (Derivatives and Hedging), (ii) any net gain or loss resulting in such Test Period from currency translation gains or losses related to currency remeasurements of Indebtedness (including the net loss or gain (A) resulting from Swap Contracts for currency exchange risk and (B) resulting from intercompany Indebtedness) and all other foreign currency translation gains or losses to the extent such gain or losses are non-cash items, and (iii) any net after-tax income (loss) for such Test Period attributable to the early extinguishment or conversion of (A) Indebtedness, (B) obligations under any Swap Contracts or (C) other derivative instruments, shall be excluded,

(h) any impairment charge or asset write-off, including impairment charges or asset write-offs or write-downs related to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded,

(i) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other Disposition of assets permitted under this Agreement, to the extent actually reimbursed, or, so long as Holdings has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future Test Period for any amount so added back to the extent not so indemnified or reimbursed within such 365 days), shall be excluded,

(j) to the extent covered by insurance and actually reimbursed, or, so long as the Lead Administrative Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed within 365 days of the date of such determination (with a deduction in the applicable future Test Period for any amount so added back to the extent not so reimbursed within such 365 days), expenses, charges or losses with respect to liability or casualty events or business interruption shall be excluded, and

(k) any non-cash (for such Test Period and all other Test Periods) compensation charge or expense, including any such charge or expense arising from the grants of

stock appreciation or similar rights, stock options, restricted stock or other rights or equity incentive programs shall be excluded, and any cash charges associated with the rollover, acceleration or payout of Equity Interests by, or to, management of Holdings or any of its Restricted Subsidiaries in connection with the Transactions, shall be excluded.

“*Consolidated Total Debt*” means, as of any date of determination, the aggregate principal amount of Indebtedness of Holdings and its Restricted Subsidiaries outstanding on such date, determined on a Consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of purchase accounting in connection with the Transactions, any Permitted Acquisition or any other Investment permitted hereunder) consisting of (a) Indebtedness for borrowed money, (b) unreimbursed obligations in respect of drawn letters of credit, (c) obligations in respect of Capitalized Leases and (d) debt obligations evidenced by promissory notes or similar instruments; *provided* that Consolidated Total Debt shall not include Indebtedness in respect of (i) any letter of credit, except to the extent of unreimbursed obligations in respect of drawn letters of credit (*provided* that any unreimbursed amount under commercial letters of credit shall not be counted as Consolidated Total Debt until three (3) Business Days after such amount is drawn (it being understood that any borrowing, whether automatic or otherwise, to fund such reimbursement shall be counted)) or (ii) obligations under Swap Contracts.

“*Constituent Documents*” means (a) with respect to any corporation or company, the certificate or articles of incorporation, the certificate or articles of amalgamation, the bylaws and memorandum of association (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation, incorporation or organization, memorandum of association (if applicable) and operating or limited liability company agreement (if applicable); and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“*Contractual Obligation*” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“*Contribution Notice*” means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004 (U.K.).

“*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “*Controlling*” and “*Controlled*” have meanings correlative thereto.

“Cost” means the cost of purchases of Inventory determined according to the accounting policies used in the preparation of the Borrowers’ financial statements.

“Covenant Trigger Event” means that Excess Availability on any day is less than the greater of (i) \$100,000,000 and (ii) 10.0% of the Modified Revolving Loan Cap. For purposes hereof, the occurrence of a Covenant Trigger Event shall be deemed to be continuing until Excess Availability is equal to or greater than the greater of (i) \$100,000,000 and (ii) 10.0% of the Modified Revolving Loan Cap, in each case, for thirty (30) consecutive calendar days, in which case a Covenant Trigger Event shall no longer be deemed to be continuing for purposes of

this Agreement. The termination of a Covenant Trigger Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Covenant Trigger Event in the event that the conditions set forth in this definition again arise.

“Covered Entity” has the meaning specified in Section 12.29(b).

“Covered Jurisdiction” means each of (a) the United States, any state thereof or the District of Columbia, (b) Bermuda, (c) Canada or any province or territory thereof, (d) each Covered U.K. Jurisdiction and (e) the Republic of Ireland.

“Covered Loan Party Jurisdiction” means each of (a) the United States, any state thereof or the District of Columbia, (b) Bermuda, (c) Canada or any province or territory thereof, (d) England and Wales, and (e) solely with respect to the Specified Irish Subsidiary Guarantor, the Republic of Ireland.

“Covered Party” has the meaning specified in Section 12.29(a).

“Covered U.K. Jurisdiction” means each of (a) England and Wales, (b) Scotland and (c) Northern Ireland. For the avoidance of doubt, the Isle of Man, the Bailiwick of Jersey and the Bailiwick of Guernsey are not a part of any Covered U.K. Jurisdiction for purposes of the Loan Documents.

“Credit Card Agreements” means all agreements or arrangements now or hereafter entered into by any Loan Party, in each case with any Credit Card Issuer, Credit Card Processor, Specified Non-Recourse Private Label Provider or Specified Rent-to-Own Provider, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, including, but not limited to, the agreements or arrangements set forth on Schedule 1.1B.

“Credit Card Issuer” means any Person (other than a Loan Party) who issues or whose members issue credit cards or debit cards (which may include “virtual” credit and debit cards), including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., Novus Services, Inc., Affirm and any Specified Non-Recourse Private Label Provider.

“Credit Card Notification” means, collectively, the notices to Credit Card Issuers, Credit Card Processors, Specified Non-Recourse Private Label Providers or Specified Rent-to-Own Providers who are parties to Credit Card Agreements, in substantially the form of Exhibit G, which Credit Card Notifications shall require the ACH or wire transfer no less frequently than each Business Day (and whether or not there are then any outstanding Obligations) to an Approved Deposit Account of all payments due from Credit Card Processors, Specified Non-Recourse Private Label Providers or Specified Rent-to-Own Providers.

“Credit Card Processor” means any servicing or processing agent or any factor or financial intermediary who (a) facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to the Loan Parties’ sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer or (b) otherwise acquires goods or pays for services from the Loan Parties, as lessor of the subject goods to customers, and shall include any Specified Non-Recourse Private Label Provider and any Specified Rent-to-Own Provider.

“Credit Card Receivables” means, collectively, (a) all present and future rights of any Loan Party to payment from any Credit Card Issuer, Credit Card Processor, Specified Non-Recourse Private Label Provider, or other third party arising from sales of goods or rendition of services to customers who have purchased such goods or services using a credit or debit card (including “virtual” credit or debit cards), (b) all present and future rights of any Loan Party to payment from any Credit Card Issuer, Credit Card Processor, Specified Non-Recourse Private Label Provider, or other third party in connection with the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers, and (c) all present and future rights of any Loan Party to payment from any Specified Rent-to-Own Provider in connection with the sale of goods or rendition of services to such Specified Rent-to-Own Provider, as lessor of the subject goods to customers, including, but not limited to, all amounts at any time due or to become due from any Credit Card Issuer, Credit Card Processor, Specified Non-Recourse Private Label Provider or Specified Rent-to-Own Provider under the Credit Card Agreements or otherwise, in each case above calculated net of prevailing interchange charges.

"Credit Card Receivables Advance Rate" means (a) with respect to the determination of the Revolving Borrowing Base, 90.0%, and (b) with respect to the determination of the FILO Borrowing Base, 5.0%.

"Credit Extension" means each of the following: (a) a Borrowing and (b) a L/C Credit Extension.

"Credit Extension Conditions" means, in relation to any determination thereof at any time, the requirements that:

(a) the Total Outstandings at such time shall not exceed the Combined Loan Cap at such time (other than as a result of any Protective Advance);

(b) the Revolving Credit Outstandings at such time shall not exceed the Revolving Loan Cap at such time (other than as a result of any Protective Advance);

(c) the Revolving Credit Exposure of any Revolving Credit Lender (other than the Revolving Credit Lender acting as the Swing Loan Lender) at such time shall not exceed the Revolving Credit Commitment of such Lender at such time (or, as applicable, the Revolving Credit Commitments of any applicable Class of such Revolving Credit Lender);

(d) solely in connection with any Borrowing by an English Borrower, the Total Outstandings at the time of such Borrowing consisting of Credit Extensions made to the English Borrowers shall not exceed \$400,000,000;

(e) solely in connection with the Issuance of any Letter of Credit, the Letter of Credit Obligations at such time shall not exceed the Letter of Credit Sublimit; and

(f) solely in connection with the making of any Swing Loans, the Swing Loan Obligations at such time shall not exceed the Swing Loan Sublimit.

"CRR" means either CRR-EU or, as the context may require, CRR-UK.

"CRR-EU" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and Regulation (EU) No 2019/876 of the European Union amending Regulation (EU) No 575/2013 and all delegated and implementing regulations supplementing that Regulation.

"CRR-UK" means CRR-EU as amended and transposed into the laws of the United Kingdom by the European Union (Withdrawal) Act 2018 and the European Union (Withdrawal Agreement) Act 2020 and as amended by the Capital Requirements (Amendment) (EU Exit) Regulations 2019.

"Cure Amount" has the meaning specified in Section 10.4(b).

"Cure Expiration Date" has the meaning set forth in Section 10.4(a).

"Current Asset Collateral" means all the "ABL Priority Collateral" as defined in the Senior Notes Intercreditor Agreement, as attached hereto on the Closing Date.

"Customer Credit Liabilities" means, at any time, the aggregate remaining balance at such time of (a) outstanding gift certificates and gift cards of the Loan Parties (or any Subsidiary that issues gift cards) entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price for any Inventory of the Loan Parties, (b) "bounceback" obligations of the Loan Parties, to the extent the Loan Parties may be liable for such obligations, (c) outstanding insurance card obligations of the Loan Parties, to the extent the Loan Parties may be liable for such obligations, and (d) outstanding merchandise credits and, to the extent not fully processed, customer refund obligations of the Loan Parties with respect to Inventory of the Loan Parties.

"Customer Credit Liability Reserve" means a reserve in respect of Customer Credit Liabilities, customer deposits and layaway payments.

~~"Daily Simple SOFR" with respect to any applicable determination date means the secured overnight financing rate ("SOFR") published on such date by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's website (or any successor source).~~

"Debt Service Charges" means, with respect to Holdings and its Restricted Subsidiaries on a Consolidated basis for any Test Period, the sum of (a) Consolidated Interest Charges paid, or required to be paid, in cash for such Test Period, *plus* (b) scheduled principal payments made or required to be made on account of Indebtedness of the types set forth in clauses (a), (b), (c) and (f) of the definition of "Indebtedness" (excluding the

Obligations but including, without limitation, Capitalized Lease Obligations) of or by Holdings and its Restricted Subsidiaries for such Test Period, in each case determined on a consolidated basis in accordance with GAAP.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada), the *Insolvency Act 1986* (U.K.), the *Enterprise Act 2002* (U.K.), the *Companies Act 1981* (Bermuda) and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, adjustment, administration, composition, receivership, examinership, insolvency, reorganization, or similar debtor relief Laws of any Covered Jurisdiction from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would constitute an Event of Default.

"Default Rate" means (a) when used with respect to Obligations under the FILO Facility an interest rate equal to (i) the Base Rate *plus* (ii) the Applicable Margin applicable to

FILO Loans that are Base Rate Loans *plus* (iii) 2.0% per annum, or (b)(i) when used with respect to Obligations under the Revolving Credit Facility (other than Letter of Credit Fees), (A) the Base Rate *plus* (B) the Applicable Margin applicable to Revolving Loans that are Base Rate Loans *plus* (C) 2.0% per annum; *provided that*, with respect to the outstanding principal amount of any Revolving Loan (including any Swing Loan), the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Revolving Loan (giving effect to *Section 2.10*) *plus* 2.0% per annum, and (ii) when used with respect to Letter of Credit Fees, a rate equal to (A) the Applicable Margin for Standby Letters of Credit or Documentary Letters of Credit, as applicable, *plus* (B) 2.0% per annum, in each case of *clause (a)* and *(b)*, to the fullest extent permitted by applicable Laws.

"Default Right" has the meaning specified in *Section 12.29(b)*.

"Defaulting Lender" means, subject to *Section 2.16(b)*, any Lender that,

(a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Lead Administrative Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuer, the Swing Loan Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two (2) Business Days of the date when due,

(b) has notified the Lead Administrative Borrower, the Administrative Agent, an Issuer or the Swing Loan Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied),

(c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Lead Administrative Borrower, to confirm in writing to the Administrative Agent and the Lead Administrative Borrower that it will comply with its prospective funding obligations hereunder (*provided that* such Lender shall cease to be a Defaulting Lender pursuant to this *clause (c)* upon receipt of such written confirmation by the Administrative Agent and the Lead Administrative Borrower), or

(d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other Governmental Authority acting in such a capacity (in each case of *clause (i)* or *(ii)*, other than pursuant to an Undisclosed Administration) or (iii) become the subject of a Bail-In Action; *provided that* a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or any other Covered Jurisdiction or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of *clauses (a)* through *(d)* above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender

(subject to *Section 2.16(b)*) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Lead Administrative Borrower, each Issuer, the Swing Loan Lender and each other Lender promptly following such determination.

“Defined Benefit Scheme” has the meaning specified in *Section 5.11(e)*.

“Deposit Account” means any checking or other demand deposit account maintained by the Loan Parties, including any “deposit accounts” within the meaning given to such term in Article 9 of the UCC. All funds in such Deposit Accounts shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agents and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in the Deposit Accounts.

“Deposit Account Control Agreement” means a control agreement reasonably satisfactory to the Collateral Agent, executed by an institution maintaining a Deposit Account for a Loan Party, to perfect or evidence a Lien on, or control of, such account in favor of the Collateral Agent as security for the Obligations.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Designated Lender” has the meaning set forth in *Section 2.18*.

“Designated Non-Cash Consideration” means the fair market value of non-cash consideration received by any Loan Party or a Restricted Subsidiary in connection with a Disposition pursuant to *Section 9.5(j)* that is designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer of the Lead Administrative Borrower, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within one-hundred eighty (180) days following the consummation of the applicable Disposition).

“Dilution Factors” means, without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs, charge-offs and other non-cash credits and account adjustments which are recorded to reduce Credit Card Receivables in a manner consistent with current and historical accounting practices of the Borrowers.

“Dilution Ratio” means, for any relevant period of determination (as selected by the Administrative Agent in its Permitted Discretion), the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for such period with respect to Credit Card Receivables divided by (b) the aggregate amount of sales comprising such Credit Card Receivables for such period.

“Dilution Reserve” means, at any time of determination, an Availability Reserve in an amount sufficient to reduce the advance rate against Eligible Credit Card Accounts Receivable by one (1) percentage point for each percentage point by which the applicable Dilution Ratio exceeds five percent (5%).

“Direction” has the meaning specified in *Section 3.2*.

“Disposition” or *“Dispose”* means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction, any sale or issuance of Equity Interests in a Restricted Subsidiary or any sale, transfer, license, lease or other disposition effected pursuant to any Investment) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interests” means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and all outstanding Letters of Credit (unless the Outstanding Amount of the Letter of Credit Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit in form and substance reasonably satisfactory to the applicable Issuer)), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one (91) days after Latest Maturity Date at the time of issuance; *provided* that if such Equity Interests are issued pursuant to a plan for the benefit of employees of Holdings, the Borrowers or the Restricted Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because it may be required to be repurchased by Holdings, the Borrowers or the Restricted Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Disqualified Institution” means:

(a) any Person that is a competitor of Holdings and its Restricted Subsidiaries and identified by the Lead Administrative Borrower in good faith in writing to the Administrative Agent from time to time after the Closing Date;

(b) those financial institutions, other institutional lenders and investors and other entities that were identified by the Lead Administrative Borrower as such in writing to the Administrative Agent on or prior to August 26, 2019; and

(c) any Affiliates of Persons described in the foregoing clauses (a) and (b) that are readily identifiable as such solely on the basis of their names (other than any such Affiliate that is a bank, financial institution or fund (other than a Person described in clause (b) above) that regularly invest in commercial loans or similar extensions of credit in the ordinary course of business and for which no personnel involved with the relevant competitor or Person referred to in clause (b) above make investment decisions);

provided that in no event shall any update to the list of Disqualified Institutions (i) be effective prior to two (2) Business Days after receipt thereof by the Administrative Agent or (ii) apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest under this Agreement or that is party to a pending trade.

Notwithstanding anything in the Loan Documents to the contrary, the Administrative Agent shall not be responsible (or have any liability) for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions thereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (i) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (ii) have any liability with respect to or arising out of any assignment or participation of Loans, FILO Commitments, Revolving Credit Exposure or Revolving Credit Commitments, or disclosure of confidential information, to any Disqualified Institution. The list of Disqualified Institutions may be made available by the Administrative Agent on the Platform and to prospective assignees and Participants (including Public Lenders).

"Disqualifying Event" has the meaning set forth in the definition of "Eligible Currency".

"Division" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons with the dividing Person either continuing or terminating its existence as part of the division including as contemplated under Section 18-217 of the Delaware Limited Liability Act for limited liability companies formed under Delaware law or any analogous action taken pursuant to any applicable Law with respect to any corporation, limited liability company, partnership or other entity. The word "Divide", when capitalized shall have correlative meaning.

"Document" has the meaning set forth in Article 9 of the UCC and, if applicable, includes a "document of title" as defined in the PPSA.

"Documentary Letter of Credit" means any Letter of Credit that is drawable upon presentation of documents evidencing the sale or shipment of goods purchased by a Loan Party in the ordinary course of its business.

"Dollar Equivalent" means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any other currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the applicable Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such other currency.

"Dollars" and "\$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the Laws of Puerto Rico or any other territory).

~~"Early Opt in Effective Date" means, with respect to any Early Opt in Election, the sixth (6th) Business Day after the date notice of such Early Opt in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Early Opt in Election is provided to the Lenders, written notice of objection to such Early Opt in Election from Lenders comprising the Requisite Lenders.~~

~~"Early Opt in Election" means the occurrence of:~~

~~(a) a determination by the Administrative Agent, or a notification by the Lead Administrative Borrower to the Administrative Agent that the Lead Administrative Borrower has made a determination, that U.S. dollar denominated syndicated credit facilities currently being executed, or that include language similar to that contained in Section 3.4(c), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR, and~~

~~(b) the joint election by the Administrative Agent and the Lead Administrative Borrower to replace LIBOR with a Benchmark Replacement and the provision by the Administrative Agent of written notice of such election to the Lenders.~~

“*EEA Financial Institution*” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“*EEA Member Country*” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“*Effective Date*” means the date indicated in a document or agreement to be the date on which such document or agreement becomes effective, or, if there is no such indication, the date of execution of such document or agreement.

“*Electronic Record*” and “*Electronic Signature*” have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

“*Eligible Assignee*” means (a) a Lender or any of its Affiliates or branches; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with its Affiliates and branches, has a combined capital and surplus in excess of \$250,000,000; (c) an Approved Fund; (d) any Person to whom a Lender assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Lender’s rights in and to a material portion of such Lender’s portfolio of asset based credit facilities, and (e) any other Person that meets the requirements to be an assignee under Section 12.2(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 12.2(b)(iii)). For the avoidance of doubt, any Disqualified Institution is subject to the last sentence of Section 12.2(b)(v).

“*Eligible Credit Card Receivables*” means, as of the date of determination thereof, Credit Card Receivables due to the Borrowers on a non-recourse basis from a Specified Non-Recourse Private Label Provider, Specified Rent-to-Own Provider, Visa, Mastercard, American Express Co., Discover and other major Credit Card Processors reasonably acceptable to the Administrative Agent as arise in the ordinary course of business, which have been earned by performance and are deemed by the Administrative Agent in its Permitted Discretion to be included in the determination of Eligible Credit Card Receivables. In determining the amount to be so included in the calculation of the value of an Eligible Credit Card Receivable, the face amount thereof shall be reduced by, without duplication, to the extent not reflected in such face amount, (x) the amount of all customary fees and expenses in connection with any credit card or debit card arrangements or lease-purchase arrangements or similar financing arrangements, as applicable, required to be borne by any Loan Party and (y) the aggregate amount of all cash received in respect thereof but not yet applied by the applicable Borrower to reduce the amount of such Eligible Credit Card Receivable. Without limiting the foregoing, unless otherwise approved in writing by the Administrative Agent, none of the following shall be deemed to be Eligible Credit Card Receivables:

(a) any Credit Card Receivable that has been outstanding for more than five (5) Business Days from the date of sale of the Inventory giving rise to such Credit Card Receivable;

(b) any Credit Card Receivable with respect to which a Borrower does not have good, valid and marketable title thereto, free and clear of any Lien (other than (i) Liens granted to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Collateral Documents, (ii) Liens permitted under Sections 9.1(p), (w), (ee) and (jj) and (iii) Liens permitted under Section 9.1 that are *pari passu* with or that have priority by operation of applicable Law over the Liens of the Collateral Agent (to the extent, in the case of this clause (iii), an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect thereof);

(c) any Credit Card Receivable that is not subject to a first-priority security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Collateral Documents (other than Liens permitted under Section 9.1 that are *pari passu* with or that have priority by operation of applicable Law over the Liens of the Collateral Agent (to the extent, an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect thereof), it being the intent that chargebacks in the ordinary course by a Credit Card Processor shall not be deemed violative of this clause;

(d) any Credit Card Receivable that is disputed, or is with recourse, or with respect to which a claim, counterclaim, offset or chargeback has been asserted (to the extent of such claim, counterclaim, offset or chargeback);

(e) any Credit Card Receivable with respect to which, to the knowledge of any Loan Party, the applicable Credit Card Issuer or Credit Card Processor is the subject of a proceeding under any Debtor Relief Law or is a target of Sanctions;

(f) any Credit Card Receivable that is due from a Credit Card Processor (x) that is not located in the Local Covered Jurisdiction of such Borrower that owns such Credit Card Receivable or (y) is an Affiliate of any Loan Party;

(g) any Credit Card Receivable that arises from any private label credit card program or other similar credit program of a Borrower (other than any private label credit card program or similar program administered by a Specified Non-Recourse Private Label Provider or lease-purchase program administered by a Specified Rent-to-Own Provider); or

(h) any Credit Card Receivable that is payable in any currency other than (i) with respect to the U.S. Borrowers or the Canadian Borrowers, Dollars or Canadian Dollars, or (ii) with respect to the English Borrowers, Dollars, Sterling or Euro.

Any Credit Card Receivables which are not Eligible Credit Card Receivables shall nevertheless be part of the Collateral.

"Eligible Currency" means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the Lenders in such market and as to which a Dollar Equivalent may be readily calculated. If, after the designation by the Lenders of any currency as an Alternative Currency, any change in currency controls or exchange regulations, or any change in the national or international financial, political or economic conditions in the country in which such currency is issued, results in, in the reasonable opinion of the Administrative Agent (in the case of any Loans to be denominated in an Alternative Currency) or the applicable Issuer (in the case of any Letter of Credit to be denominated in an Alternative Currency), (a) such currency no longer being

readily available, freely transferable and convertible into Dollars, (b) a Dollar Equivalent no longer being readily calculable with respect to such currency, (c) providing such currency being impracticable for the Lenders or (d) such currency no longer being a currency in which the Requisite Lenders are willing to make such Credit Extensions (each of the foregoing clauses, a "Disqualifying Event"), then the Administrative Agent shall promptly notify the Lenders and the Lead Administrative Borrower, and such country's currency shall no longer be an Alternative Currency until such time as the Disqualifying Event(s) no longer exist; *provided that* each Alternative Currency shall be (and the Borrowers shall be authorized to treat each Alternative Currency as) an Eligible Currency unless and until the Lead Administrative Borrower receives notice of any Disqualifying Event with respect to such Alternative Currency (which notice may, for the avoidance of doubt, be given in connection with any request for a Credit Extension denominated in such Alternative Currency). Within five (5) Business Days after receipt of such notice from the Administrative Agent, the applicable Borrower or Borrowers shall repay all Loans in such currency to which the Disqualifying Event applies or convert such Loans into the Dollar Equivalent of Loans in Dollars, subject to the other terms contained herein.

"Eligible Inventory" means, as of the date of determination thereof, items of Inventory of the Borrowers that are finished goods, merchantable and readily saleable to the public in the ordinary course and are deemed by the Administrative Agent in its Permitted Discretion to be included in the determination of Eligible Inventory. Without limiting the foregoing, unless otherwise approved in writing by the Administrative Agent, none of the following shall be deemed to be Eligible Inventory:

(a) Inventory that is not owned solely by a Borrower, or with respect to which a Borrower does not have good and valid title thereto, free and clear of any Lien (other than (i) Liens granted to the Collateral Agent, for its benefit and the ratable benefit of the Secured Parties, pursuant to the Collateral Documents, (ii) Liens permitted under *Sections 9.1(p), (w), (ee) and (jj)* and (iii) Liens permitted under *Section 9.1* that are *pari passu* with or that have priority by operation of applicable Law over the Liens of the Collateral Agent (to the extent, in the case of this *clause (iii)*, an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect thereof);

(b) Inventory which is on consignment to a Borrower or which is consigned by a Borrower to a Person which is not a Borrower;

(c) Inventory that is not located at (i) a warehouse facility used by a Borrower in the ordinary course of business or (ii) a property that is owned or leased by a Loan Party, which warehouse or other property, as applicable, is located (x) in the case of Inventory owned by a U.S. Borrower, in the United States (excluding, for the avoidance of doubt, the territories and possessions thereof) or Canada, (y) in the case of Inventory owned by a Canadian Borrower, in Canada or the United States (excluding, for the avoidance of doubt, the territories and possessions thereof) or (z) in the case of Inventory owned by an English Borrower, in a Covered U.K. Jurisdiction or the Republic of Ireland; *provided that* the following Inventory, which in each case, otherwise meets the criteria for Eligible Inventory shall not be excluded solely by the application of this *clause (c)*: (x) Inventory of any U.S. Borrower which is in transit with a Permitted Carrier for a period not exceeding ten (10) days, within the United States or between the United States and Canada from a location of a U.S. Borrower or a Canadian Borrower (or a warehouse facility used by any such Person in the ordinary course of business) to a location of a U.S. Borrower or a Canadian Borrower, (y) Inventory of a Canadian Borrower which is in transit with a Permitted Carrier for a period not exceeding ten (10) days, within Canada or between the United States and Canada from a location of a U.S. Borrower or a Canadian Borrower (or a warehouse facility used by any such Person in the ordinary course of business) to a location of a U.S. Borrower or a Canadian Borrower and (z) Inventory of any English Borrower which is in transit with a Permitted Carrier for a period not exceeding ten (10) days, (i) within the Covered

U.K. Jurisdictions or the Republic of Ireland or (ii) between a Covered U.K. Jurisdiction and the Republic of Ireland, in each case from a location of an English Borrower (or a warehouse facility used by an English Borrower in the ordinary course of business) to a location of an English Borrower;

(d) Inventory that is comprised of goods which (i) are damaged, defective, “seconds” or otherwise unmerchantable (including incomplete or mismatched sets), (ii) have been returned or traded in by the buyer and are not in immediately saleable condition or are to be returned to the vendor, (iii) are work-in-process or raw materials (other than cut and finished diamonds and other gemstones and gold components), (iv) are obsolete or custom items or that constitute spare, tooling or replacement parts, (v) are promotional, marketing, packaging and shipping materials or supplies used or consumed in a Loan Party's business, (vi) are not in compliance in all material respects with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, (vii) are bill and hold goods or (viii) are held not for sale to retail customers and designated to be sent to a third-party provider for melting process;

(e) Inventory that is not located (i) in the case of Inventory owned by a U.S. Borrower, in the United States (excluding, for the avoidance of doubt, the territories and possessions thereof) or Canada, (ii) in the case of Inventory owned by a Canadian Borrower, in Canada or the United States (excluding, for the avoidance of doubt, the territories and possessions thereof) or (iii) in the case of Inventory owned by an English Borrower, in a Covered U.K. Jurisdiction or the Republic of Ireland;

(f) Inventory that is not subject to a perfected first-priority security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, pursuant to the Collateral Documents, under the Laws of the Covered Jurisdiction where such Inventory is located (subject only to Liens permitted under Section 9.1 that are *pari passu* with or that have priority by operation of applicable Law over the Liens of the Collateral Agent (to the extent an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect thereof);

(g) Inventory which consists of samples, labels, bags, packaging, and other similar non-merchandise categories;

(h) Inventory as to which insurance in compliance with the provisions of Section 8.5 is not in effect;

(i) Inventory which has been sold but not yet delivered or as to which a Loan Party or any Subsidiary has accepted a deposit;

(j) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third Person (i) which would require any consent of any third Person for the sale or disposition of that Inventory (which consent has not been obtained) or the payment of any monies to any third Person upon such sale or other disposition (to the extent of such monies) or (ii) from whom any Loan Party has received notice of a dispute in respect of such agreement, to the extent that the Administrative Agent determines, in its Permitted Discretion, that such dispute could be expected to prevent or impair the sale of such Inventory;

(k) Inventory which is being Disposed of in a Store closing, “going-out-of-business” or similar sale; and

(l) except to the extent and for so long as such Inventory is permitted to be included in the Revolving Borrowing Base pursuant to the definition of the Revolving

Borrowing Base, Inventory acquired in a Permitted Acquisition or similar Investment, unless and until the Administrative Agent has completed or received (i) an appraisal of such Inventory from appraisers satisfactory to the Administrative Agent, and has established Inventory Reserves (if applicable) therefor, and (ii) such other due diligence as the Administrative Agent may require, all of the results of the foregoing to be reasonably satisfactory to the Administrative Agent.

Any Inventory which is not Eligible Inventory shall nevertheless be part of the Collateral.

“English Borrower” means any Borrower incorporated in England and Wales.

“English Borrower DTTP Filing” means an HMRC Form DTTP2 duly completed and filed by an English Borrower, which (a) where it relates to a U.K. Treaty Lender that is a party to this Agreement as a Lender as at the Closing Date, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name on Schedule I, and (i) if the English Borrower is a Borrower under this Agreement as at the Closing Date, is filed with HMRC within thirty (30) days of the Closing Date, or (ii) if the English Borrower becomes a Borrower under Section 2.14, is filed with HMRC within thirty (30) days of the date on which that English Borrower becomes a Borrower under this Agreement: or (b) where it relates to a U.K. Treaty Lender that is not a party to this Agreement as a Lender as at the Closing Date, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the documentation which it executes on becoming a party to this Agreement as a Lender, and (i) if the English Borrower is a party to this Agreement on the date on which that Lender becomes a party to this Agreement as a Lender, is filed with HMRC within thirty (30) days of the date on which that U.K. Treaty Lender becomes a party to this Agreement as a Lender, or (ii) if the English Borrower becomes a Borrower under Section 2.14 after the date on which that Lender becomes a party to this Agreement as a Lender, is filed with HMRC within thirty (30) days of the date on which that English Borrower becomes a Borrower under this Agreement.

“English Collateral” means the “Security Assets” (or equivalent term) as defined in any English Collateral Document, and which shall include assets located in Northern Ireland and Scotland, as contemplated in the English Collateral Documents.

“*English Collateral Documents*” means, collectively, (a) the English Debenture, (b) the English Share Charge, and (c) each of the other debentures, share charges, agreements, instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and that are governed by the Laws of England and Wales.

“*English Collection Account*” means any Deposit Account of an English Loan Party into which collections of Accounts (including Credit Card Receivables) are deposited, which Deposit Account may be located in any Covered U.K. Jurisdiction or the Republic of Ireland.

“*English Debenture*” means the debenture governed by the Laws of England and Wales, effective as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“*English Loan Party*” means any Loan Party incorporated under the Laws of England and Wales.

“*English Priority Payables Reserve*” means, as of any date of determination, an Availability Reserve, in such amount as the Administrative Agent may determine in its Permitted Discretion to reflect the full amount of any liabilities or amounts which (by virtue of any Liens or any statutory provision) rank or are capable of ranking *pari passu* with or in priority to the Liens of the Collateral Agent in any Covered U.K. Jurisdiction or the Republic of Ireland and/or for amounts which may represent costs relating to the enforcement of the Liens of the Collateral Agent in any Covered U.K. Jurisdiction or the Republic of Ireland (but only to the extent prescribed pursuant to English law and statute then in force in any Covered U.K. Jurisdiction or the Republic of Ireland), including (a) amounts due to employees in respect of unpaid wages and holiday pay, (b) the amount of all scheduled but unpaid pension contributions, (c) the “prescribed part” of floating charge realisations held for unsecured creditors, (d) the expenses and liabilities incurred by any receiver, administrator (or other insolvency officer) and any remuneration of such receiver, administrator (or other insolvency officer) and (e) to the extent applicable in accordance with English law and statute then in force in any Covered U.K. Jurisdiction or the Republic of Ireland, VAT or any other relevant taxes.

“*English Share Charge*” means the share charge governed by the Laws of England and Wales, effective as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, in form and substance satisfactory to the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

“*Entitlement Holder*” has the meaning given to such term in Article 8 of the UCC.

“*Entitlement Order*” has the meaning given to such term in Article 8 of the UCC.

“*Environmental Claim*” means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations (other than internal reports prepared by any Loan Party or any of its Subsidiaries (a) in the ordinary course of such Person's business or (b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings with respect to any Environmental Liability (hereinafter “*Claims*”), including (i) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief pursuant to any Environmental Law.

“*Environmental Laws*” means any and all Laws relating to the protection of the environment or, to the extent relating to exposure to Hazardous Materials, human health.

“*Environmental Liability*” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) of any Loan Party or any of its Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“*Environmental Permit*” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“*Equity Interests*” means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other

ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that together with any Loan Party is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA.

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party or any of their respective ERISA Affiliates from a Multiemployer Plan, written notification of any Loan Party or any of their respective ERISA Affiliates concerning the imposition of Withdrawal Liability or written notification that a Multiemployer Plan is insolvent within the meaning of Title IV of ERISA; (d) the filing under Section 4041(c) of ERISA of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) the imposition of any liability under Title IV of ERISA with respect to the termination of any Pension Plan or Multiemployer Plan, other than for the payment of plan contributions or PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of their respective ERISA Affiliates; (f) the failure to satisfy the minimum funding standard (within the meaning of Section 302 of ERISA or Section 412 of the Code) with respect to a Pension Plan, whether or not waived, (g) the application for a minimum funding waiver under Section 302(c) of ERISA with respect to a Pension Plan; (h) the imposition of a lien under Section 303(k) of ERISA with respect to any Pension Plan; or (i) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 303 of ERISA).

"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" has the meaning specified in the definition of "Eurocurrency Term Rate."

"Euro" and "€" mean the single currency of the Participating Member States.

~~"Eurocurrency Rate" means:~~

~~(a) for any Interest Period with respect to any Credit Extension:~~

~~(i) denominated in Dollars, the rate per annum equal to the London Interbank Offered Rate for Dollar deposits ("LIBOR"), as administered by ICE Benchmark Administration Limited, or a comparable or successor rate approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on the date that is two (2) Business Days~~

~~prior to the commencement of such Interest Period (for delivery on the first day of such Interest Period), with a term equivalent to such Interest Period;~~

~~(ii) denominated in Euros, the rate per annum equal to the Euro Interbank Offered Rate ("EURIBOR"), as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, on the date that is two (2) Business Days prior to the commencement of such Interest Period, with a term equivalent to such Interest Period;~~

~~(iii) denominated in Canadian dollars (other than Canadian Prime Rate Loans), the rate per annum equal to the Canadian Dealer Offered Rate ("CDOR"), or a comparable or successor rate approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 10:00 a.m., Toronto, Ontario time, on the date of commencement of the applicable Interest Period, with a term equivalent to such Interest Period; or~~

~~(iv) denominated in any other Alternative Currency (other than Sterling) (to the extent such Loans denominated in such currency will bear interest at a term rate), the term rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the relevant Lenders pursuant to Section 1.11(a) plus the adjustment (if any) determined by the Administrative Agent and the relevant Lenders pursuant to Section 1.11(a);~~

~~(b) for any interest rate calculation with respect to a Base Rate Loan or a Canadian Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for Dollar deposits being delivered in the London interbank market for deposits in Dollars with a term of one month commencing that day;~~

~~(c) for any interest rate calculation with respect to a Canadian Prime Rate Loan on any date, the rate per annum equal to CDOR, at or about 10:00 a.m., Toronto, Ontario time determined on such date for banker's acceptances in Canadian Dollars with a term of one month commencing on such date;~~

~~provided that, (i) subject to Section 3.4(c), to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided further that, to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent and (ii) if the Eurocurrency Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement~~

~~"Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurocurrency Rate". Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency (other than Sterling). All Loans denominated in an Alternative Currency (other than Canadian Dollars or Sterling) must be Eurocurrency Rate Loans.~~

~~"Event of Default" has the meaning specified in Section 10.1.~~

~~"Excess Availability" means, at any time, (a) the Revolving Loan Cap at such time minus (b) the aggregate Revolving Credit Outstandings at such time.~~

~~"Exchange Act" means the Securities Exchange Act of 1934, as amended.~~

~~"Excluded Assets" means:~~

~~(a) (i) any fee-owned real property that is not Material Real Property and (ii) any leasehold interest in real property;~~

~~(b) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC, the PPSA or other applicable Law) other than Proceeds thereof, the assignment of which is expressly deemed effective under the UCC, the PPSA or other applicable Law notwithstanding such prohibition;~~

~~(c) any asset the granting of a security interest in which is prohibited or restricted by applicable Law (including any requirement to obtain the consent of any Governmental Authority (unless such consent has been received));~~

~~(d) any Excluded Equity Interest;~~

~~(e) pledges and security interests in agreements, licenses or leases that are prohibited or restricted by such agreement, licenses or (including any requirement to obtain the consent of any Governmental Authority or of any other third party (other than Holdings or any Affiliate of Holdings), unless such consent has been received), to the extent prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC, the PPSA or other applicable Law) other than Proceeds thereof, the assignment of which is expressly deemed effective under the UCC, the PPSA or other applicable Law notwithstanding such prohibition;~~

~~(f) any "intent-to-use" (or similar) trademark application prior to the filing and acceptance of a "Statement of Use", "Amendment to Allege Use" or similar filing with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use (or similar) trademark application under applicable Law;~~

~~(g) any asset subject to a purchase money security interest, Capitalized Lease Obligations or similar arrangement, in each case, permitted under this Agreement and to the extent the grant of a security interest herein would violate or invalidate such purchase money, Capitalized Lease Obligation or similar arrangement or create a right of termination in favor of any other party thereto (other than Holdings or any affiliate of Holdings), other than Proceeds and Accounts arising therefrom;~~

~~(h) any asset of a Restricted Subsidiary acquired by Holdings or any Restricted Subsidiary pursuant to a Permitted Acquisition or other similar Investment which has (at the time of such Permitted Acquisition or similar investment) been financed with Indebtedness permitted to be incurred pursuant to this Agreement as assumed Indebtedness (and not incurred in contemplation of such Permitted Acquisition or such similar Investment) and any Restricted Subsidiary thereof that Guarantees such Indebtedness, in each case to the extent, and so long as, such Indebtedness prohibits such assets from being pledged to secure the Obligations;~~

~~(i) any asset the grant or perfection of a security interest thereon would be reasonably likely to result in material and adverse Tax consequences as reasonably determined by the Lead Administrative Borrower in consultation with the Administrative Agent (including as a result of the operation of Section 956 of the Code or any similar law or regulation);~~

(j) any asset to the extent that the burden or cost of the grant or perfection of a security interest thereon would be excessive in light of the practical benefit afforded to the Lenders thereby (as reasonably determined by the Lead Administrative Borrower and the Administrative Agent); and

(k) with respect to Covered Jurisdictions (other than the United States, any state thereof or the District of Columbia or Canada or any province or territory thereof), all other assets specifically described in the Security Agreement governed by the laws of such Covered Jurisdiction as being excluded from the grant of a Lien in favor of the Collateral Agent;

provided that Excluded Assets shall not include any Proceeds of Excluded Assets unless such Proceeds otherwise constitute Excluded Assets.

"Excluded Equity Interests" means:

(a) other than with respect to the Equity Interest of any Loan Party, more than 65% of the issued and outstanding Equity Interests entitled to vote of each Subsidiary that is (i) not a Loan Party and (ii)(A) a FSHCO or (B) a Foreign Subsidiary of a Domestic Subsidiary;

(b) any Equity Interest of any Person that (i) is not a Wholly-Owned Subsidiary or (ii) is an Unrestricted Subsidiary;

(c) any Equity Interest if, to the extent and for so long as the pledge of such Equity Interest hereunder is prohibited by any applicable Law, including any requirement to obtain the consent of any Governmental Authority (other than to the extent that any such prohibition would be rendered ineffective pursuant to the UCC, PPSA or any other applicable Law); provided that such Equity Interest shall cease to be an Excluded Equity Interest pursuant to this clause (c) at such time as such prohibition ceases to be in effect;

(d) any Equity Interest the grant or perfection of a security interest in which would be reasonably likely to result in material and adverse Tax consequences as reasonably determined by the Lead Administrative Borrower in consultation with the Administrative Agent (including as a result of the operation of Section 956 of the Code or any similar law or regulation);

(e) any Margin Stock; and

(f) any Equity Interests to the extent that the burden or cost of the grant or perfection of a security interest thereon would be excessive in light of the practical benefit afforded to the Lenders thereby (as reasonably determined by the Lead Administrative Borrower and the Administrative Agent);

provided that, for the avoidance of doubt, the Equity Interests of Holdings and TXDC, L.P., a Texas limited partnership, and any successor thereto, shall constitute Excluded Equity Interests.

"Excluded Subsidiary" means:

(a) any Subsidiary that is not a Wholly-Owned Subsidiary that is a Restricted Subsidiary of Holdings;

(b) any Subsidiary that is organized or incorporated under the Laws of a jurisdiction that is not a Covered Loan Party Jurisdiction or that is incorporated under the Laws of Bermuda;

(c) any Foreign Subsidiary that is organized or incorporated under the Laws of a jurisdiction that is a Covered Loan Party Jurisdiction (other than the United States, any state of the United States of America or the District of Columbia) and that is a direct or indirect Subsidiary of a Domestic Subsidiary;

(d) any FSHCO;

(e) any Subsidiary that is not a Material Subsidiary;

(f) any Subsidiary that is prohibited or restricted from providing a Guaranty by (i) applicable Law or (ii) any Contractual Obligation that, in the case of this clause (ii), exists on the Closing Date or at the time such Subsidiary becomes a Subsidiary and was not incurred in contemplation of such Subsidiary's acquisition;

(g) any Subsidiary for which the provision of a Guaranty would require a governmental (including regulatory) or third party consent (other than from any Loan Party or any Affiliate thereof), approval, license or authorization that is required on the Closing Date or at the time of the acquisition of such Subsidiary (unless such consent, approval, license or authorization has been received);

(h) any Subsidiary where the provision of a Guaranty would result in material and adverse Tax consequences to Holdings, the Lead Administrative Borrower and/or any of its direct or indirect Restricted Subsidiaries (as reasonably determined in good faith by the Lead Administrative Borrower in consultation with the Administrative Agent);

(i) any Subsidiary that is special purpose securitization vehicle (or similar entity);

(j) any Subsidiary that is a not-for-profit organization;

(k) any Subsidiary that is subject to regulation as an insurance company;

(l) any subsidiary acquired by Holdings or any Restricted Subsidiary pursuant to a Permitted Acquisition or other similar Investment which has (at the time of such Permitted Acquisition or similar Investment) been financed with Indebtedness permitted to be incurred pursuant to this Agreement as assumed indebtedness (and not incurred in contemplation of such Permitted Acquisition or similar Investment) and any Restricted Subsidiary thereof that Guarantees such Indebtedness, in each case to the extent, and so long as, such Indebtedness prohibits such Subsidiary from becoming a Subsidiary Guarantor;

(m) any Unrestricted Subsidiary; and

(n) any Subsidiary to the extent that the burden or cost of providing a Guaranty would be excessive in light of the practical benefit afforded to the Lenders thereby (as reasonably determined by the Lead Administrative Borrower and the Administrative Agent);

provided that, notwithstanding the foregoing or any other provision of any Loan Document to the contrary (x) the Specified Irish Subsidiary Guarantor shall be deemed not to be an "Excluded Subsidiary" so long as the Specified Irish Subsidiary Guarantor holds any Equity Interests of any other Loan Party (it being understood and agreed that joinder of the Specified Irish Subsidiary

Guarantor as a Loan Party under the Loan Documents does not result in material adverse Tax consequences for any other Loan Party) and (y) no Loan Party shall subsequently be deemed to be an Excluded Subsidiary, unless the Lead Administrative Borrower shall have first complied with the provisions of Section 7.4(b), to the extent applicable.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Loan Party under the Guaranty of, or the grant under a Loan Document by such Loan Party of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act (or the application or official interpretation thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 12.27 and any and all guarantees of such Loan Party's Swap Obligations by other Loan Parties) at the time the guaranty of such Loan Party, or grant by such Loan Party of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such guaranty or security interest becomes illegal.

"Excluded Taxes" means, with respect to any Agent, any Lender, any Issuer or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, (a) any tax on such recipient's net income (however denominated), gains or profits (or franchise tax or minimum tax imposed in lieu of such tax on net income or profits) and capital taxes imposed by a jurisdiction as a result of such recipient being organized or having its principal office or applicable Lending Office located in such jurisdiction or any political subdivision thereof (including, for the avoidance of doubt, any backup withholding in respect of such a tax under section 3406 of the Code) or as a result of any other present or former connection between such recipient and the jurisdiction (including as a result of such recipient carrying on a trade or business, having a permanent establishment or being a resident for tax purposes in such jurisdiction), other than a connection arising solely from such recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction specifically contemplated by, or enforced, any Loan Documents, (b) any branch profits tax under Section 884(a) of the Code, or any similar tax, imposed by any jurisdiction described in clause (a), (c) with respect to any Foreign Lender (other than any Foreign Lender becoming a party hereto pursuant to the Borrowers' request under Section 3.8), any U.S. federal withholding tax that is imposed on amounts payable to such Foreign Lender pursuant to a Law in effect at the time such Foreign Lender becomes a party hereto (or where the Foreign Lender is a partnership for U.S. federal income tax purposes, pursuant to a Law in effect on the later of the date on which such Foreign Lender becomes a party hereto or the date on which the affected partner becomes a partner of such Foreign Lender) or designates a new Lending Office or experiences a change in circumstances (other than a Change in Law), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment or change in circumstances), to receive additional amounts from a Loan Party with respect to such withholding tax pursuant to Section 3.1, (d) any withholding tax attributable to such recipient's failure to comply with Section 3.1(c), (e) any U.S. federal withholding tax imposed as a result of such recipient's failure to establish a complete exemption under FATCA, (f) any Canadian withholding tax that would not have been imposed but for the recipient (A) not dealing at arm's length (within the meaning of the ITA) with any Loan Party or (B) being a specified shareholder (as defined in subsection 18(5) of the ITA) of any Loan Party or not dealing at arm's length with such a specified shareholder for purposes of the ITA, and (g) any interest, additions to taxes and penalties with respect to any taxes described in clauses (a) through (f) of this definition.

"Existing 2024 Notes" means, collectively, the 4.70% senior unsecured notes due 2024 issued by the Existing 2024 Notes Issuer, in an original aggregate principal amount of \$400,000,000, in favor of the holders thereof pursuant to the Existing 2024 Notes Indenture.

"Existing 2024 Notes Documents" means, collectively, (a) the Existing 2024 Notes Indenture, (b) the Existing 2024 Notes (including any Untendered Existing 2024 Notes), (c) the guarantees in respect of the Untendered Existing 2024 Notes Indebtedness and (d) the other documents, instruments or agreement entered into in connection with any of the foregoing, in each case, as the same may be amended, modified, supplemented or replaced in accordance therewith and with this Agreement.

"Existing 2024 Notes Indenture" means that certain Indenture, dated as of May 19, 2014, by and among the Existing 2024 Notes Issuer, the guarantors party thereto and the Existing 2024 Notes Trustee, as amended, supplemented or otherwise modified and as the same may be amended, modified, supplemented or replaced on or after the Closing Date in accordance therewith and with this Agreement.

"Existing 2024 Notes Issuer" means Signet UK Finance PLC, a public limited company incorporated under the Laws of England and Wales with the company number 09002729.

"Existing 2024 Notes Repurchase" means (a) the purchase by the Existing 2024 Notes Issuer of any Existing 2024 Notes that are tendered pursuant to the Existing 2024 Notes Tender Offer and/or (b) the repurchase, redemption, defeasance and/or discharge by the Existing 2024 Notes Issuer of any Existing 2024 Notes, in each case, on or prior to the Closing Date.

"Existing 2024 Notes Tender Offer" means the Existing 2024 Notes Issuer's tender offer with respect to the Existing 2024 Notes launched prior to the Closing Date.

"Existing 2024 Notes Trustee" means Deutsche Bank Trust Company Americas, as Trustee under the Existing 2024 Notes Indenture, together with any of its successors or assigns in such capacity.

"Existing Credit Agreement" means that certain Second Amended and Restated Credit Agreement, dated as of July 14, 2016, by and among Holdings, the Subsidiaries of Holdings party thereto as borrowers or guarantors, the lenders and other parties party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, supplemented or otherwise modified prior to the Closing Date.

"Existing Credit Agreement Refinancing" means the refinancing and repayment of the Indebtedness outstanding under the Existing Credit Agreement, the termination of all commitments under the Existing Credit Agreement and termination and release of guarantees in connection therewith.

"Existing FILO Tranche" has the meaning specified in Section 2.17(f).

"Existing Letter of Credit" means any letter of credit previously issued for the account of any Loan Party that is outstanding on the Closing Date and listed on Schedule 1.1A.

"Existing Revolver Tranche" has the meaning specified in Section 2.17(a).

"Expected Cost Savings" means pro forma "run rate" expected cost synergies, cost savings, operating expense reductions and operational improvements.

"Extended FILO Loans" has the meaning specified in Section 2.17(f).

"Extended Revolving Credit Commitments" has the meaning specified in Section 2.17(a).

"Extending FILO Lender" has the meaning specified in Section 2.17(g).

"Extending Revolving Credit Lender" has the meaning specified in Section 2.17(b).

"Facility" means the Revolving Credit Facility or the FILO Facility, as the context may require. The term **"Facilities"** shall mean the Revolving Credit Facility and the FILO Facility, collectively.

"FATCA" means Sections 1471 through 1474 of the Code as in effect on the date hereof (including, for the avoidance of doubt, any agreements between governmental authorities implementing such provisions, any law implementing such agreements and any agreements entered into pursuant to Section 1471(b)(1) of the Code) and any amended or successor provisions that are substantively comparable and not materially more onerous to comply with (and, in each case, any regulations promulgated thereunder or official interpretations thereof).

"FATCA Deduction" means a deduction or withholding from a payment under a Loan Document required by FATCA.

"FATCA Exempt Party" means a party to this Agreement that is entitled to receive payments free from any FATCA Deduction.

"Federal Funds Rate" means, for any day, the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate; *provided* that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Federal Reserve Board" means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"Fee Letters" means, collectively, (a) the Amended and Restated BofA Fee Letter, dated as of the Closing Date, by and among the Loan Parties party thereto, BofA Securities, and Bank of America; (b) the JLA Fee Letter, dated as of August 26, 2019, by and among the Loan Parties party thereto and the Arrangers; and (c) each Arranger Fee Letter, dated as of August 26, 2019, by and among the Loan Parties party thereto and the Arranger party thereto, in each case, as amended, amended and restated, supplemented or replaced and in effect from time to time.

"Field Examination" has the meaning specified in Section 7.5(b).

"FILO Borrowing Base" means, as of the date of determination thereof, an amount equal to:

- (a) the face amount of Eligible Credit Card Receivables, *multiplied* by the Credit Card Receivables Advance Rate; *plus*
- (b) the Net Recovery Percentage of Eligible Inventory, *multiplied* by the Inventory Advance Rate, *multiplied* by the Cost of Eligible Inventory, net of Inventory Reserves attributable to Eligible Inventory; *minus*
- (c) the then amount of all Availability Reserves (*provided* that such Availability Reserves shall not be duplicative of Availability Reserves maintained against the Revolving Borrowing Base).

The FILO Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 7.4, as adjusted to give effect to Reserves following such delivery. Notwithstanding the foregoing to the contrary, in respect of any English Borrower that has been an English Borrower for fewer than twelve (12) months, in no event shall the aggregate amount of Eligible Credit Card Receivables and Eligible Inventory of such English Borrower included in the FILO Borrowing Base exceed the aggregate principal amount of all Loans that have been borrowed by such English Borrower or are being borrowed by such English Borrower concurrently with such determination in reliance on the FILO Borrowing Base. The FILO Borrowing Base shall be reported in accordance with Section 1.10(c).

The establishment or increase of any Availability Reserve will be limited to the exercise by the Administrative Agent of its Permitted Discretion, upon (other than with respect to the establishment of the Dilution Reserve, the Specified Litigation and Arbitration Reserve, the LGP Preference Shares Reserve, the Untendered Existing 2024 Notes Reserve or any Availability Reserve established on the Closing Date; it being understood that, for the avoidance of doubt, the Borrower shall receive at least five (5) Business Days' prior written notice before any increase in the Dilution Reserve, the Specified Litigation and Arbitration Reserve, the LGP Preference Shares Reserve, the Untendered Existing 2024 Notes Reserve or any Availability Reserve established on the Closing Date, in each case, resulting from a change in the methodology, previously utilized or otherwise set forth herein, for calculating any such Availability Reserve) at least five (5) Business Days' prior written notice (which may be made by electronic mail) to the Lead Administrative Borrower (which written notice will include a reasonably detailed description of the Reserve being established or increased); *provided* that, notwithstanding the foregoing to the contrary, no such prior written notice shall be required for changes to any Availability Reserves resulting solely by virtue of mathematical calculations of the amount of the Availability Reserves in accordance with the methodology of calculation previously utilized or if an Event of Default is continuing; *provided further* that, during such five (5) Business Day period, (i) the Borrowers agree not to borrow in excess of the Revolving Borrowing Base after giving effect to such new or modified Reserves, except to the extent of any Credit Extensions made in good faith to pay costs and expenses in the ordinary course of business on a non-accelerated basis, and (ii) the Administrative Agent shall, upon the Lead Administrative Borrower's request, discuss any such Availability Reserve or modification to an Availability Reserve with the Lead Administrative Borrower, and the Borrowers may take any action that may be required so that the event, condition or matter that is the basis for such Availability Reserve or modification no longer exists or exists in a manner that would result in the establishment of a lower Availability Reserve or result in a lesser increase in any existing Availability Reserve, in each case, in a manner and to the extent reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary herein, (a) the amount of any such Availability Reserve or change in an Availability Reserve shall have a reasonable relationship to the event, condition or other matter that is the basis for such Availability Reserve or change, and (b) no such Availability Reserve or change shall be duplicative of any other Reserve or change or items that are already accounted for through eligibility criteria or collection or advance rates.

"FILO Commitment" means, with respect to each FILO Lender, such FILO Lender's FILO Incremental Commitment, if any.

"FILO Deficiency Reserve" means, at any time, a reserve established (against the Revolving Borrowing Base) by the Administrative Agent at such time in an amount equal to the sum of (a) the amount (if any) by which the aggregate outstanding principal amount of the FILO Loans (other than Junior FILO Loans) exceeds the FILO Borrowing Base and (b) the amount (if any) by which the aggregate outstanding principal amount of the Junior FILO Loans exceeds the borrowing base applicable thereto (as and to the extent set forth in the Incremental FILO Amendment applicable thereto).

"FILO Extension" means any establishment of Extended FILO Loans pursuant to *Section 2.17* and the applicable FILO Extension Amendment.

"FILO Extension Amendment" has the meaning specified in *Section 2.17(h)*.

"FILO Extension Election" has the meaning specified in *Section 2.17(g)*.

"FILO Extension Request" has the meaning specified in *Section 2.17(f)*.

"FILO Extension Series" has the meaning specified in *Section 2.17(f)*.

"FILO Facility" means any FILO Incremental Commitments and the provisions herein related to the FILO Loans and FILO Extended Loans. As of the Second Amendment Effective Date, the aggregate amount of the FILO Facility is \$0.

"FILO Incremental Commitment" has the meaning specified in *Section 2.15(b)*.

"FILO Incremental Facility" has the meaning set forth in *Section 2.15(b)*.

"FILO Incremental Junior Commitment" has the meaning set forth in *Section 2.15(b)*.

"FILO Incremental Loan" has the meaning specified in *Section 2.15(b)*.

"FILO Lender" means each Lender that has a FILO Commitment or holds a FILO Loan.

"FILO Loans" means, collectively, any FILO Incremental Loans including any Junior FILO Loans, and including any such Loan under a FILO Extension Series. As of the Second Amendment Effective Date, the aggregate outstanding amount of the FILO Loans is \$0.

"FILO Maturity Date" means the earliest of (a) the Scheduled Termination Date for FILO Loans for the applicable Class of such Loans, (b) the Revolving Credit Termination Date, and (c) the date on which the Obligations become due and payable pursuant to *Section 10.2*.

"FILO Note" means a promissory note made by the Borrowers, substantially in the form of *Exhibit B-2*, in favor of a FILO Lender, evidencing the FILO Loans made by such FILO Lender to the Borrowers.

"FILO Outstandings" means, at any particular time, the principal amount of the FILO Loans outstanding at such time.

"Financial Asset" has the meaning given to such term in Article 8 of the UCC.

"Financial Officer" means, with respect to any Loan Party, the chief financial officer, treasurer or controller of such Loan Party or, with respect to an English Loan Party or the Specified Irish Subsidiary Guarantor, any statutory director of such English Loan Party or the Specified Irish Subsidiary Guarantor with duties consistent with the duties of a chief financial officer, treasurer or controller. Any document delivered hereunder that is signed by a Financial Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Financial Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Financial Performance Projections" means (a) the projected Consolidated balance sheets, statements of income and cash flows of Holdings and its Restricted Subsidiaries, and (b) projected forecasts of Excess Availability, in each case, prepared by management of Holdings, in form, and with results and assumptions, reasonably satisfactory to the Arrangers (i) for each Fiscal Quarter for each of the four Fiscal Quarters following the Closing Date, and (ii) on an annual basis thereafter through the fifth anniversary of the Closing Date, and in each case, giving effect to the Transactions.

"Financial Support Direction" means a financial support direction issued by the Pension Regulator under section 43 of the Pensions Act 2004 (U.K.).

"Fiscal Month" means any fiscal month of any Fiscal Year, which month shall generally consist of either four (4) or five (5) weeks in accordance with the fiscal accounting calendar of Holdings and its Subsidiaries.

"Fiscal Quarter" means any fiscal quarter of any Fiscal Year, which quarters shall generally consist of thirteen (13) weeks or fourteen (14) weeks in accordance with the fiscal accounting calendar of Holdings and its Subsidiaries.

"Fiscal Year" means any period of twelve (12) consecutive months ending on the Saturday closest to January 31 of each calendar year.

"Foreign Lender" means any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"Foreign Loan Party" means any Loan Party that is not a U.S. Loan Party, including each English Loan Party, each Canadian Loan Party, the Specified Irish Subsidiary Guarantor and Holdings.

"Foreign Plan" means any material employee benefit plan, program or agreement maintained or contributed to by, or entered into with, Holdings or any Subsidiary of Holdings with respect to employees employed outside the United States or Canada, other than any Defined Benefit Scheme).

"Foreign Subsidiary" means any direct or indirect Subsidiary that is not a Domestic Subsidiary.

"Fronting Exposure" means, at any time there is a Defaulting Lender that is a Revolving Credit Lender, (a) with respect to an Issuer, such Defaulting Lender's Revolving Commitment Percentage of the outstanding Letter of Credit Obligations to the extent that such Defaulting Lender's Revolving Commitment Percentage of such outstanding Letter of Credit Obligations has not been reallocated pursuant to Section 2.16(a)(iv) or Cash Collateralized pursuant to Section 2.16(c), and (b) with respect to the Swing Loan Lender, such Defaulting

Lender's Revolving Commitment Percentage of Swing Loans to the extent that such Defaulting Lender's Revolving Commitment Percentage of Swing Loans has not been reallocated pursuant to Section 2.16(a)(iv) or Cash Collateralized pursuant to Section 2.16(c).

"FSHCO" means any Domestic Subsidiary that (a) has no material assets other than Equity Interests (or Equity Interests and Indebtedness) of one or more Foreign Subsidiaries, or (b) has no material assets other than Equity Interests (or Equity Interests and Indebtedness) of one or more other FSHCOs.

"Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"GAAP" means generally accepted accounting principles in the United States or the U.K. (as applicable), as in effect from time to time; provided, however, that (a) accounting for leases shall be determined in accordance with generally accepted accounting principles in the United States as in effect on the Closing Date and (b) if the Lead Administrative Borrower notifies the Administrative Agent that the Loan Parties request an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof (including through the adoption of IFRS) on the operation of such provision (or if the Administrative Agent notifies the Lead Administrative Borrower that the Requisite 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 GAAP or in the application thereof (including through the adoption of IFRS), then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

"General Asset Sale Basket" has the meaning assigned to such term in Section 9.5(i).

"General Restricted Debt Payment Basket" has the meaning assigned to such term in Section 9.11(ii).

"Genesis" means Genesis Financial Solution, including Genesis Financial Solution, acting through the Bank of Missouri.

"Governmental Authority" means the government of the United States, Canada, the U.K. or any other nation, or of any political subdivision thereof, whether state, provincial, territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Granting Lender" has the meaning specified in Section 12.2(g).

"Guarantee" means, as to any Person, without duplication, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or monetary other obligation of the payment or performance of such Indebtedness or other monetary obligation, (iii) to maintain working capital, equity capital or any other

financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other monetary obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or monetary other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term “Guarantee” shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness for borrowed money). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“*Guaranty*” means, collectively, (a) that certain Guaranty, dated as of the Closing Date, among the Loan Parties, the Administrative Agent and the Collateral Agent on behalf of the Secured Parties and (b) each other guaranty and guaranty supplement delivered pursuant to *Section 8.11*.

“*Hazardous Materials*” means all explosive or radioactive substances or wastes, all substances, wastes, contaminants or pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, and radon gas, regulated pursuant to any Environmental Law.

“*Hedge Bank*” means, as of any date of determination, (a) any Person that is a Lender or an Affiliate or branch of a Lender on such date or (b) any Person who (i) was a Lender or an Affiliate or branch of a Lender at the time the applicable Swap Contract was entered into and who is no longer a Lender or an Affiliate or branch of a Lender, (ii) is, and at all times remains, in compliance with the provisions of *Section 11.12*, and (iii) agrees in writing that the Agents and the other Secured Parties shall have no duty to such Person (other than the payment of any amounts to which such Person may be entitled under *Section 10.3* and acknowledges that the Agents and the other Secured Parties may deal with the Loan Parties and the Collateral as they deem appropriate (including the release of any Loan Party or all or any portion of the Collateral) without notice or consent from such Person, whether or not such action impairs the ability of such Person to be repaid the Secured Obligations under the Secured Hedge Agreements) and agrees to be bound by *Sections 11.12*, in each case such Person being a party to a Secured Hedge Agreement.

“*HMRC*” means H.M. Revenue & Customs.

“*Holdings*” has the meaning specified in the preamble to this Agreement.

“*Impacted Loans*” has the meaning specified in *Section 3.4(a)*.

“*Incremental Availability*” means, at any time of determination, an amount equal to the greater of (a) \$600,000,000 *minus* the aggregate amount of the sum of (i) all Revolving Commitment Increases, and (ii) all FILO Incremental Facilities, in each case, made or established prior to such time pursuant to *Section 2.15* or *2.16*, as applicable, in reliance on this *clause (a)*, and (b) the amount by which the Revolving Borrowing Base at such time exceeds the Aggregate Revolving Loan Commitments at such time.

“*Incremental FILO Amendment*” has the meaning specified in *Section 2.15(b)*.

“*Incremental FILO Availability*” has the meaning specified in *Section 2.15(b)*.

“*Incremental Revolving Amendment*” has the meaning specified in *Section 2.15(a)*.

“*Incremental Revolving Availability*” has the meaning specified in *Section 2.15(a)*.

“*Indebtedness*” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) the maximum amount (after giving effect to any prior drawings or reductions that may have been reimbursed) of all outstanding letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable and accrued expenses payable in the ordinary course of business, (ii) any earn-out obligation until such obligation is not paid after becoming due and payable and (iii) accruals for payroll and other liabilities accrued in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse, *provided* that if such Indebtedness has not been assumed by such Person, the amount of Indebtedness under this *clause (e)* shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value (as determined by such Person in good faith) of the property encumbered thereby;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, (x) the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent such Person's liability for such Indebtedness is otherwise limited and only to the extent such Indebtedness would be included in the calculation of Consolidated Total Debt, (y) the amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date, and (z) loans and advances

made by Loan Parties to Restricted Subsidiaries that are not Loan Parties which have a term not exceeding 364 days (inclusive of any roll over or extensions of terms) and which are made in the ordinary course of business shall not be deemed "Indebtedness" hereunder (except for purposes of Sections 9.2(c) and 9.3(d)) solely to the extent that such intercompany loans and advances are evidenced by one or more notes in form and substance reasonably satisfactory to the Administrative Agent and pledged as Collateral.

"*Indemnified Liabilities*" has the meaning specified in Section 12.4.

"*Indemnities*" has the meaning specified in Section 12.4.

"*Independent Financial Advisor*" means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Borrowers, qualified to perform the task for which it has been engaged and that is independent of the Borrowers and its Affiliates.

"*Information*" has the meaning specified in Section 12.17.

"*Information Certificate*" means, collectively, (a) that certain Information Certificate, dated as of the Closing Date, executed by each of the Loan Parties, and (b) each other information certificate (or update to the which shall be delivered by any Loan Party pursuant to the terms hereof, in each case, substantially in the form of *Exhibit N* or such other form as may be approved by the Administrative Agent.

"*Insolvency Regulation*" means the Council Regulation (EU) No. 2015/848 of 20 May 2015 on insolvency proceedings (recast).

"*Intellectual Property*" means all present and future: trade secrets, know-how and other proprietary information; trademarks, Internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing), indicia and other source and/or business identifiers, all of the goodwill related thereto, and all registrations and applications for registrations thereof; works of authorship and other copyrighted works (including copyrights for computer programs), and all registrations and applications for registrations thereof; inventions (whether or not patentable) and all improvements thereto; patents and patent applications, together with all continuances, continuations, divisions, revisions, extensions, reissues, and reexaminations thereof; industrial design applications and registered industrial designs; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; all rights to sue and recover at law or in equity for any past, present or future infringement, dilution or misappropriation, or other violation thereof; and all common law and other rights throughout the world in and to all of the foregoing.

"*Intellectual Property Security Agreement*" means a U.S. Intellectual Property Security Agreement or a Canadian Intellectual Property Security Agreement, as the context may require.

"*Intercompany Subordination Agreement*" means an agreement executed by Holdings and each of its relevant Restricted Subsidiaries, in substantially the form of *Exhibit J*.

"Interest Coverage Ratio" means, for any Test Period, the ratio of (a) Consolidated EBITDA to (b) Consolidated Interest Charges, in each case for such Test Period.

"Interest Election Request" means a notice of (a) a conversion of Loans from one Type to the other, or (b) a continuation of Eurocurrency Term Rate Loans, in each case, pursuant to Section 2.11, which shall be substantially in the form of Exhibit F or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of a Lead Borrower.

"Interest Period" means, as to each Eurocurrency Term Rate Loan, the period commencing on the date such Eurocurrency Term Rate Loan is disbursed or converted to or continued as a Eurocurrency Term Rate Loan and ending on the date that is (a) one month thereafter, (b) solely with respect to Loans interest with respect to which is determined by reference to CDOR, two months thereafter, (c) three months thereafter, ~~or~~ (d) other than with respect to Loans interest with respect to which is determined by reference to CDOR, six months thereafter, in each case of clause (a) through (d), subject to availability for the interest rate applicable to the relevant currency, or (e) to the extent consented to by each applicable Lender (and subject to availability for the interest rate applicable to the relevant currency), twelve months (or such period of less than one month as may be consented to by each applicable Lender), as selected by the Borrowers in its Notice of Borrowing or Interest Election Request; *provided that*:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month (or, in the case of a one-week Interest Period, in another calendar week), in which case such Interest Period shall end on the immediately preceding Business Day;

(b) any Interest Period (other than an Interest Period having a duration of less than one month) that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the applicable Scheduled Termination Date of the Class of Loans of which the Eurocurrency Term Rate Loan is a part.

"Inventory" means, individually and collectively, (a) "Inventory" as defined in Article 9 of the UCC, and (b) "Inventory" as defined in the **PPSA**.

"Inventory Advance Rate" means (a) with respect to the Revolving Borrowing Base, (i) during any Seasonal Inventory Advance Period, 92.5% and (ii) at all other times, 90.0%, and (b) with respect to the FILO Borrowing Base, 5.0%.

"Inventory Appraisal" has the meaning specified in Section 7.5(a).

"Inventory Reserves" means (a) such reserves as may be established from time to time by the Administrative Agent, in its Permitted Discretion, with respect to changes in the determination of the saleability, at retail, of the Eligible Inventory or which reflect such other factors as negatively affect the market value of the Eligible Inventory, (b) Shrink Reserves, and (c) contra Inventory load.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition (including without limitation by merger, amalgamation or otherwise) of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity

participation or interest in, another Person, including any partnership or joint venture interest in such other Person (excluding, in the case of Holdings and its Restricted Subsidiaries, intercompany loans, advances, or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business) or (c) the purchase or other acquisition (in one transaction or a series of transactions, including without limitation by merger, amalgamation or otherwise) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested (measured at the time made (which, in the case of any Investment constituting the contribution of an asset or property (other than cash or Cash Equivalents), shall be based on the Lead Administrative Borrower's good faith estimate of the fair market value of such asset or property at the time such Investment is made)), without adjustment for subsequent changes in the value of such Investment, net of any return representing a return of capital with respect to such Investment.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other nationally recognized statistical rating agency selected by Holdings.

"IP Rights" has the meaning specified in Section 5.15.

"Irish Collateral" means the "Security Assets" (or equivalent term) as defined in any Irish Collateral Document.

"Irish Collateral Documents" means, collectively, (a) the Irish Debenture, and (b) each of the other debentures, share charges, agreements, instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and that are governed by the Laws of the Republic of Ireland.

"Irish Debenture" means the debenture governed by the Laws of the Republic of Ireland, effective as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"IRS" means the Internal Revenue Service of the United States.

"ISP" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issue" means, with respect to any Letter of Credit, to issue, extend the expiry of, amend, renew or increase the maximum face amount (including by deleting or reducing any scheduled decrease in such maximum face amount) of, such Letter of Credit. The terms **"Issued"**, **"Issuing"** and **"Issuance"** shall have a corresponding meaning.

"Issuer" means each of Bank of America, Fifth Third Bank, JPMorgan Chase Bank, N.A. and PNC Bank National Association and each Revolving Credit Lender that (a) is listed on the signature pages hereof as an "Issuer" or (b) hereafter becomes an Issuer with the approval of the Administrative Agent and the Lead Administrative Borrower by agreeing pursuant to an agreement with and in form and substance satisfactory to the Administrative Agent and the Lead Administrative Borrower to be bound by the terms hereof applicable to Issuers (and in the case of any resignation, subject to and in accordance with *Section 12.2(h)*). Any Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by

Affiliates or branches of such Issuer, in which case the term "Issuer" shall include any such Affiliate or branch with respect to Letters of Credit issued by such Affiliate or branch (it being agreed that such Issuer shall, or shall cause such Affiliate or branch to comply with the requirements of *Section 2.4* with respect to such Letters of Credit). At any time there is more than one Issuer, any singular references to Issuer shall mean any Issuer, each Issuer, the Issuer that has issued the applicable Letter of Credit, or all Issuers, as the context may require.

"Issuer Documents" means, with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by an Issuer and the Loan Parties (or any of their Subsidiaries) or in favor of such Issuer and relating to such Letter of Credit.

"Issuer Sublimit" means, as of the Second Amendment Effective Date, (i) \$25,000,000, in the case of Bank of America, (ii) \$25,000,000, in the case of Fifth Third Bank, (iii) \$25,000,000, in the case of JPMorgan Chase Bank, N.A., (iv) \$25,000,000, in the case of PNC Bank National Association, and (v) such amount as shall be designated to the Administrative Agent and the Lead Administrative Borrower in writing by any other Issuer; *provided* that any Issuer shall be permitted at any time to increase (to an amount not exceeding the Letter of Credit Sublimit) upon providing three (3) Business Days' prior written notice thereof to the Administrative Agent and the Lead Administrative Borrower.

"ITA" means the *Income Tax Act* (Canada).

"Joinder Agreement" shall mean a joinder agreement, substantially in the form of *Exhibit E*.

"Joint Venture" means (a) any Person which would constitute an "equity method investee" of any Loan Party or any Restricted Subsidiary and (b) any Person in whom any Loan Party or any Restricted Subsidiary beneficially owns any Equity Interest that is not a Restricted Subsidiary (other than an Unrestricted Subsidiary).

"Joint Venture Investments" means Investments in any Joint Venture or Unrestricted Subsidiary in an aggregate amount not to exceed the greater of (a) \$80,000,000 and (b) 15% of Consolidated EBITDA as of the most recently ended Test Period, determined on a Pro Forma Basis.

"Judgment Currency" has the meaning specified in *Section 12.30*.

"Junior FILO Loans" has the meaning specified in *Section 2.15(b)*.

"Junior Financing" means any third party Indebtedness for borrowed money that is subordinated in right of payment to the Obligations expressly by its terms (other than (x) Indebtedness among Holdings, the Borrowers and their Restricted Subsidiaries, (y) for the avoidance of doubt, the Senior Notes and (z) to the extent constituting Indebtedness, obligations of Holdings relating to the LGP Preference Shares).

"Junior Financing Documentation" means any documentation governing any Junior Financing.

"Kimberley Process Certification Scheme" means the joint government certification system for the certification of rough diamonds pursuant to United Nations General Assembly Resolution 55/56 and all related rules and regulations promulgated by any Governmental Authority, including the United Nations.

"Landlord Lien Jurisdiction" means Washington, Virginia, Pennsylvania and any state, province (including the province of Quebec to the extent a hypothec has been granted by a Loan Party to a landlord), territory or other jurisdiction (including any such jurisdiction in a Covered U.K. Jurisdiction or the Republic of Ireland) in which, at any time, a landlord's claim for rent has priority (notwithstanding any contractual provision to the contrary) by operation of applicable Law over the Lien of the Collateral Agent on any of the Collateral.

"Latest Maturity Date" means, at any date of determination, the latest Scheduled Termination Date applicable to any Class of Loans or Commitments hereunder at such time, including the latest termination date of any Extended Revolving Credit Commitment or any Extended FILO Loans, as further extended in accordance with this Agreement from time to time.

"Laws" means, collectively, all applicable international, foreign, federal, state, provincial, territorial, municipal and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities and executive orders, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"LCT Election" has the meaning specified in *Section 1.9(a)*.

"LCT Test Date" mean, with respect to any Limited Condition Transaction,

(a) that is an acquisition or other similar Investment, the date the definitive agreement for such acquisition or other similar Investment is entered into,

(b) that is an acquisition as to which the U.K. City Code on Takeovers and Mergers (or any equivalent thereof under the Law of any other applicable jurisdiction) applies, the date on which a "Rule 2.7 announcement" of a firm intention to make an offer in respect of a target of such acquisition is made (or the equivalent notice under such equivalent Laws in such other applicable jurisdiction),

(c) that is a Restricted Payment, the date of the declaration of such Restricted Payment, or

(d) that is a payment to be made pursuant to *Section 9.11*, the date of delivery of irrevocable (which may be conditional) notice with respect to such payment.

"Lead Administrative Borrower" has the meaning specified in the introductory paragraph to this Agreement.

"Lead Borrower" means (a) with respect to the U.S. Borrowers, Signet Treasury and Sterling Jewelers, (b) with respect to the Canadian Borrowers, Zale Canada, and (c) with respect to the English Borrowers, Signet Group and Signet Trading.

"Leases" means, with respect to any Person, all of those leasehold estates in real property of such Person, as lessee, as such may be amended, supplemented or otherwise modified from time to time.

"Lender" means the Swing Loan Lender, each Revolving Credit Lender and each FILO Lender. The term "Lender" shall include any Designated Lender who has funded any Credit Extension.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Lead Administrative Borrower and the Administrative Agent which office may include any Affiliate of such Lender or any domestic or foreign branch of such Lender or such Affiliate. Unless the context otherwise requires each reference to a Lender shall include its applicable Lending Office.

"Letter of Credit" means any Banker's Acceptance or any letter of credit Issued (or deemed Issued) pursuant to *Section 2.4* and any Existing Letter of Credit. A Letter of Credit may be a Documentary Letter of Credit or a Standby Letter of Credit. Letters of Credit may be issued in Dollars or in an Alternative Currency.

"Letter of Credit Application" means an application and agreement for the Issuance of a Letter of Credit in the form from time to time in use by the applicable Issuer.

"Letter of Credit Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit that has not been reimbursed on the applicable Reimbursement Date or refinanced as a Revolving Loan. All Letter of Credit Borrowings shall be denominated in Dollars.

"Letter of Credit Expiration Date" means, as to any applicable Issuer, the date that is the earlier to occur of (a) five (5) Business Days prior to the Scheduled Termination Date for the applicable Class of Revolving Credit Commitments maintained by such Issuer (in its capacity as a Revolving Credit Lender hereunder) (or, if such day is not a Business Day, the next preceding Business Day) and (b) the Revolving Credit Termination Date.

"Letter of Credit Fee" has the meaning specified in Section 2.12(b)(ii).

"Letter of Credit Obligations" means, at any time, the aggregate of all liabilities at such time of any Loan Party to all Issuers with respect to Letters of Credit, whether or not any such liability is contingent, including, without duplication, the sum of (a) the Reimbursement Obligations at such time and (b) the Letter of Credit Undrawn Amounts at such time.

"Letter of Credit Sublimit" means \$75,000,000, as such amount may be increased or reduced in accordance with the provisions of this Agreement. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Commitments.

"Letter of Credit Undrawn Amounts" means, at any time, the aggregate undrawn Stated Amount of all Letters of Credit outstanding at such time.

"LGP Investment Agreement" means that certain Investment Agreement, dated as of August 24, 2016, by and among Holdings, Green Equity Investors VI, L.P. and Green Equity Investors Side VI, L.P.

"LGP Preference Shares" means the Series A Convertible Preference Shares of Holdings, par value \$0.01 per share, issued to Green Equity Investors VI, L.P. Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC and LGP Associates VI-B LLC, each an affiliate of Leonard Green & Partners, L.P., pursuant to the LGP Investment Agreement, for an aggregate purchase price of \$625,000,000, or \$1,000 per share.

"LGP Preference Shares Reserve" means, at any time of determination during an LGP Preference Shares Reserve Period, an Availability Reserve in an amount equal to the sum of (a) the "Stated Value" (as defined in Schedule A attached to the LGP Investment Agreement) as of such time of all outstanding Applicable LGP Preference Shares, plus (b) the amount of all accrued, but unpaid, Dividends (as defined in Schedule A attached to the LGP Investment Agreement) on such outstanding Applicable LGP Preference Shares described in clause (a) above (other than any Regular Dividends (as defined in Schedule A attached to the LGP Investment Agreement) included in such Stated Value), in each case, through such time of determination. For the avoidance of doubt, the amount of any LGP Preference Shares Reserve shall be reduced from time to time during any LGP Preference Shares Reserve Period to give effect to (a) any redemption or repurchase by Holdings of the LGP Preference Shares made during such LGP Preference Shares Reserve Period (including any payments made with the proceeds of Loans hereunder) to the extent such payments are permitted hereunder, (b) any conversion of the LGP Preference Shares to common Equity Interests of Holdings and (c) any extension of the date on which LGP Preference Shares are required to be repurchased or redeemed by Holdings such that such shares no longer constitute Applicable LGP Preference Shares.

"LGP Preference Shares Reserve Period" means the period commencing on the 91st day prior to the earliest date on which the holders of any Applicable LGP Preference Shares may require Holdings to redeem or repurchase such Applicable LGP Preference Shares and ending on the date that is the earlier to occur of (a) the date of the redemption or repurchase in full of all Applicable LGP Preference Shares and (b) the date on which the date holders of the Applicable LGP Preference Shares are permitted to require Holdings to repurchase or redeem the Applicable LGP Preference Shares is extended to a date such that such shares no longer constitute Applicable Preference Shares.

"LIBOR" has the meaning specified in the definition of "Eurocurrency Rate."

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capitalized Lease having substantially the same economic effect as any of the foregoing); *provided*, that in no event shall an operating lease in and of itself be deemed a Lien.

"Lien Acknowledgment Agreement" means each Collateral Access Agreement and Carrier Agreement.

"Limited Condition Transaction" means (a) any Restricted Payment, acquisition or other Investment (including any Permitted Acquisition) permitted hereunder by Holdings or one or more of its Restricted Subsidiaries whose consummation is not conditioned on the availability of, or on obtaining, third party financing and (b) any repayment, repurchase or refinancing of Indebtedness with respect to which a notice of repayment (or

similar notice) has been delivered, which may be conditional, and in each case of *clause (a)* or *(b)*, which is designated as a Limited Condition Transaction by the Lead Administrative Borrower in writing to the Administrative Agent on or before the LCT Test Date applicable thereto.

"Liquidation" means the exercise by the Collateral Agent or the Administrative Agent of those rights and remedies accorded to the Collateral Agent or the Administrative Agent under the Loan Documents and applicable Law as a creditor of the Loan Parties with respect to the realization on the Collateral, including (after the occurrence and continuation of an Event of Default) the conduct by the Loan Parties acting with the consent of the Collateral Agent or the

Administrative Agent, of any public, private or "going out of business" sale or other disposition of the Collateral for the purpose of liquidating the Collateral. Derivations of the word **"Liquidation"** (such as **"Liquidate"**) are used with like meaning in this Agreement.

"Loan" means any loan made by any Lender pursuant to this Agreement, including, without limitation, Swing Loans, Revolving Loans and FILO Loans.

"Loan Documents" means, collectively, this Agreement, the Revolving Credit Notes, the FILO Notes, any Incremental FILO Amendment, any Incremental Revolving Amendment, any Revolving Extension Amendment, any FILO Extension Amendment, the Guaranty, each Fee Letter, the Collateral Documents, the Issuer Documents, each Information Certificate and each certificate, agreement or document executed by a Loan Party and delivered to the Administrative Agent or any Lender in connection with or pursuant to any of the foregoing.

"Loan Parties" means, collectively, (a) Holdings, (b) the Borrowers and (c) each Subsidiary Guarantor.

"Local Covered Jurisdiction" means with respect to (a) any U.S. Loan Party, the United States, any state thereof or the District of Columbia, (b) Holdings, Bermuda, (c) any Canadian Loan Party, Canada or any province or territory thereof, and (d) any English Loan Party, England and Wales.

~~**"London Banking Day"** means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.~~

"Margin Stock" has the meaning set forth in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"Master Agreement" has the meaning specified in the definition of **"Swap Contract."**

"Material Adverse Effect" means any event, circumstance or condition that has had a materially adverse effect on (a) the business, operations, assets, liabilities (actual or contingent) or financial condition of Holdings and its Subsidiaries, taken as a whole, (b) the ability of the Loan Parties (taken as a whole) to perform their respective material payment obligations under any Loan Document to which any of the Loan Parties is a party or (c) the rights and remedies of the Lenders, the Collateral Agent or the Administrative Agent (taken as a whole) under any Loan Document.

"Material Deposit Accounts" has the meaning specified in *Section 8.12(a)*.

"Material Indebtedness" means Indebtedness for borrowed money having an individual outstanding principal amount in excess of \$25,000,000 (including the amounts owing to all creditors under any combined or syndicated credit arrangement).

"Material Intellectual Property" means any Intellectual Property owned or licensed by a Loan Party or a Restricted Subsidiary that is reasonably necessary (as determined by the Administrative Agent in its Permitted Discretion) in connection with the enforcement of any rights or remedies with respect to the Collateral, including such Intellectual Property the sale, assignment, pledge, transfer, contribution or other disposition of which could reasonably be expected to adversely affect the ability of the Administrative Agent to sell or otherwise liquidate the assets included in the Revolving Borrowing Base or the FILO Borrowing Base or the amount the Administrative Agent or the Collateral Agent is able to realize upon any such sale or

Liquidation (it being understood that such Intellectual Property shall not constitute **"Material Intellectual Property"** if, after giving effect to the relevant sale, assignment, pledge, transfer, contribution or other disposition, the Loan Parties no longer own Inventory or other assets previously included in the calculation of the Revolving Borrowing Base or the FILO Borrowing Base relating to such Intellectual Property).

"Material Junior Financing" means, at any time of determination, Junior Financing with an individual principal amount equal to the greater of (a) \$25,000,000 (including all amounts owing to creditors under any combined or syndicated credit arrangement) and (b) 4.5% of Consolidated EBITDA as of the most recently ended Test Period, determined on a Pro Forma Basis.

"Material Real Property" means any real property located in a Covered Jurisdiction (other than the United States) owned by a Loan Party with a fair market value in excess of \$7,500,000, as reasonably determined by the Lead Administrative Borrower.

"Material Real Property Collateral Requirements" means, with respect to any Material Real Property subject to a Mortgage, the following, in form and substance reasonably satisfactory to the Administrative Agent and received by the Administrative Agent: (a) a mortgagee title policy (or binder therefor) covering the Collateral Agent's interest under the Mortgage, in a form and amount and by an insurer reasonably acceptable to the Administrative Agent, which must be fully paid on such effective date of such policy, (b) a survey of such Material Real Property, (c) a written opinion of local counsel relating to the Mortgage and with respect to such other matters as the Administrative Agent may reasonably request and (d) such other evidence that all other actions that the Administrative Agent may reasonably deem necessary or desirable in order to create valid and subsisting Liens on the Material Real Property described in the Mortgage has been taken.

"Material Subsidiary" means, at any date of determination, each Restricted Subsidiary of Holdings (a) whose total assets at the last day of the most recent Test Period were equal to or greater than 2.5% of Total Assets at such date or (b) whose gross revenues for such Test Period were equal to or greater than 2.5% of the Consolidated gross revenues of Holdings and its Restricted Subsidiaries for such period, in each case determined in accordance with GAAP; *provided* that if, at any time and from time to time after the Closing Date, Restricted Subsidiaries that are not Loan Parties solely because they do not meet the thresholds set forth in *clauses* (a) or (b) comprise in the aggregate more than 5.0% of Total Assets as of the end of the most recently ended Fiscal Quarter of Holdings or more than 5.0% of the consolidated gross revenues of Holdings and its Restricted Subsidiaries for the most recently ended Test Period, then the Lead Administrative Borrower shall (i) deem one or more of such Restricted Subsidiaries as "Material Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (ii) by the date specified in *Section 8.11*, comply with (or cause to be complied with) the provisions of *Sections 8.11, 8.12 and 8.13* applicable to any such Restricted Subsidiary.

"Maximum Rate" has the meaning specified in *Section 12.23*.

"Modified Revolving Loan Cap" means, at any time, the Revolving Loan Cap (calculated without giving effect to any FILO Deficiency Reserve).

"Monthly Borrowing Base Reporting Period" means each period beginning on the date that Excess Availability shall have been less than the greater of (x) 50.0% of the Modified Revolving Loan Cap and (y) \$600,000,000, in either case, for five (5) consecutive Business Days, and ending on the date Excess Availability shall have been equal to or greater than the greater of (x) 50.0% of the Modified Revolving Loan Cap and (y) \$600,000,000, in each case,

for thirty (30) consecutive calendar days. The termination of a Monthly Borrowing Base Reporting Period as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Monthly Borrowing Base Reporting Period in the event that the conditions set forth in this definition again arise.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Mortgages" means, collectively, the deeds of trust, trust deeds, deeds of hypothec and mortgages made by the Loan Parties in favor or for the benefit of the Collateral Agent on behalf of the Lenders, in form and substance reasonably satisfactory to the Administrative Agent, including any such Mortgages executed and delivered pursuant to *Sections 8.11 or 8.13*.

"Multiemployer Plan" means any multiemployer plan as defined in Section 4001(a)(3) of ERISA and subject to Title IV of ERISA, to which any Loan Party or any of their respective ERISA Affiliates makes or is obligated to make contributions, or during the preceding five plan years has made or been obligated to make contributions.

"Net Cash Proceeds" means:

(a) with respect to the Disposition of any asset by Holdings or any of its Restricted Subsidiaries, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such Disposition (including any cash and Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) *over* (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by the asset subject to such Disposition and that is required to be repaid in connection with such Disposition (other than Indebtedness under the Loan Documents), (B) the out-of-pocket fees and expenses (including attorneys' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees) actually incurred by Holdings or such Restricted Subsidiary in connection with such Disposition, (C) in the case of any Disposition by a non-wholly-owned Restricted Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this *clause* (C)) attributable to minority interests and not available for distribution to or for the account of Holdings or a wholly-owned Restricted Subsidiary as a result thereof, (D) taxes paid or reasonably estimated to be payable in connection therewith (including taxes imposed on the distribution or repatriation of any such Net Cash Proceeds), *provided*

that to the extent that the actual taxes are less than such estimate, the excess shall constitute Net Cash Proceeds, and (E) any funded reserve for adjustment in respect of (x) the sale price of such asset or assets established in accordance with GAAP and (y) any liabilities associated with such asset or assets and retained by Holdings or any Restricted Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, it being understood that "Net Cash Proceeds" shall include the amount of any reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in this clause (E); provided that, so long as no Cash Dominion Period has occurred and is continuing hereunder, no net cash proceeds calculated in accordance with the foregoing realized in any Fiscal Year shall constitute Net Cash Proceeds under this clause (a) in such Fiscal Year until the aggregate amount of all such net cash proceeds in such Fiscal Year shall exceed \$10,000,000 (and thereafter only net cash proceeds in excess of such amount shall constitute Net Cash Proceeds under this clause (a)); and

(b) (i) with respect to the incurrence or issuance of any Indebtedness by Holdings or any Restricted Subsidiary or any Permitted Equity Issuance by Holdings or any Restricted Subsidiary, the excess, if any, of (A) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (B) the investment banking fees, underwriting discounts, commissions, costs and other out-of-pocket expenses and other customary expenses, incurred by Holdings or such Restricted Subsidiary in connection with such incurrence or issuance and (ii) with respect to any Permitted Equity Issuance, the amount of cash from such Permitted Equity Issuance contributed to the capital of the Loan Parties.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends.

"New Lender" has the meaning specified in Section 3.2(e).

"Net Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Net Debt as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

"Net Recovery Percentage" means the fraction, expressed as a percentage, (a) the numerator of which is the amount equal to the recovery on the aggregate amount of the Inventory at such time on a "going out of business sale" basis as set forth in the most recent Inventory Appraisal received by the Administrative Agent in accordance with Section 7.5, net of operating expenses, liquidation expenses and commissions, and (b) the denominator of which is the applicable original cost of the aggregate amount of the Inventory subject to such Inventory Appraisal. The Net Recovery Percentage for any category of Inventory used in determining the Revolving Borrowing Base and the FILO Borrowing Base shall be based on the applicable percentage in the most recent Inventory Appraisal conducted as set forth in Section 7.5.

"New Revolving Commitment Lenders" has the meaning specified in Section 2.17(c).

"Non-Consenting Lender" has the meaning specified in Section 3.8.

"Non-Excluded Taxes" means all Taxes other than Excluded Taxes and Other Taxes.

"Non-Loan Party" means any Restricted Subsidiary of Holdings that is not a Loan Party.

"Non-Operating Subsidiary" means, at any date of determination, each Restricted Subsidiary of Holdings that is not a Material Subsidiary.

"Notice of Borrowing" means a notice of Borrowing pursuant to Section 2.2, which shall be substantially in the form of Exhibit C or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of a Lead Borrower.

"Notice of Intent to Cure" has the meaning specified in Section 7.2(a).

"Obligations" means all (a) advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by

assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees and expenses that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees and expenses are allowed claims in such proceeding, (b) obligations of any Loan Party or any Restricted Subsidiary arising under any Secured Hedge Agreement, and (c) Cash Management Obligations. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and any of their Subsidiaries to the extent they have obligations under the Loan Documents) include the obligation (including guarantee obligations) to pay principal, interest, Letter of Credit, reimbursement obligations,

charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document; *provided* that Obligations of a Loan Party shall exclude any Excluded Swap Obligations with respect to such Loan Party.

"Obligations Payment Date" means the date on which (a) the Obligations have been paid in full in cash and in the required currency (other than (i) contingent indemnification obligations and other obligations of the Loan Parties that expressly survive the termination of the Loan Documents for which no claim has been asserted and (ii) Obligations in respect of Secured Hedge Agreements and Cash Management Obligations, in each case, not yet due and payable; unless the Administrative Agent has received written notice, at least two (2) Business Days prior to the proposed Obligations Payment Date, stating that arrangements reasonably satisfactory to the applicable Hedge Bank or Cash Management Bank, as the case may be, in respect thereof have not been made), (b) all Letters of Credit shall have expired or terminated (or been Cash Collateralized or backstopped in a manner reasonably satisfactory to the applicable Issuer), (c) all Letter of Credit Obligations have been reduced to zero (or Cash Collateralized or backstopped in a manner reasonably satisfactory to the applicable Issuer) and (d) all lending commitments under this Agreement and the other Loan Documents have been terminated.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"OID" means original issue discount.

~~**"Other Rate Early Opt in"** means the Administrative Agent and the Lead Administrative Borrower have elected to replace LIBOR with a Benchmark Replacement other than a SOFR based rate pursuant to (a) an Early Opt in Election and (b) Section 3.4(c)(iii) and clause (2) of the definition of "Benchmark Replacement".~~

"Other Taxes" means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes arising from any payment made under any Loan Document or from the execution, delivery, performance, registration or enforcement of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document excluding, in each case, any such tax that result from an Assignment and Assumption, grant of a participation, transfer or assignment to or designation of a new applicable Lending Office or other office for receiving payments under any Loan Document (an **"Assignment Tax"**), but only if (1) such Assignment Tax is imposed as a result of a present or former connection of the assignor or assignee and the jurisdiction imposing such Assignment Tax (other than a connection arising solely from such recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction specifically contemplated by, or enforced, any Loan Documents) and (2) the assignment, participation, etc., giving rise to such Assignment Tax did not take place at the request of the Borrowers.

"Outstanding Amount" means (a) with respect to the Revolving Loans, FILO Loans and Swing Loans on any date, the Dollar Equivalent amount of the aggregate Outstanding Amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Loans (including any refinancing of Letter of Credit Obligations as a Revolving Loan), FILO Loans and Swing Loans, as the case may be, occurring on such date; and (b) with respect to any Letter of Credit Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such Letter of Credit Obligations on such date after giving effect to any related extension of any Letter of Credit occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Letter of Credit Obligations (including any refinancing of outstanding Letter of Credit Obligations under related Letters of Credit or related extensions of any Letters of Credit as a Revolving Loan) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date.

"Overadvance" means a Credit Extension to the extent that, immediately after giving effect thereto, Excess Availability is less than zero.

"Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent, an Issuer, or the Swing Loan Lender, as applicable, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

"Participant" has the meaning specified in Section 12.2(d).

"Participant Register" has the meaning specified in Section 12.2(e).

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

"Payment Conditions" means, at any time of determination, with respect to any Payment Conditions Transaction, the requirements that:

(a) as of the date of any such Payment Conditions Transaction, and after giving effect to such Payment Conditions Transaction, no Specified Event of Default shall exist or have occurred and be continuing or would result from such Payment Conditions Transaction;

(b) as of the date of any such Payment Conditions Transaction, on a Pro Forma Basis, and after giving effect to such Payment Conditions Transaction, either:

(i) (x) Excess Availability, for the thirty (30) consecutive day period ending immediately prior such Payment Condition Transaction, shall have been not less than 15.0% of the Modified Revolving Loan Cap, and (y) Excess Availability, on the date of such Payment Condition Transaction, shall not be less than 15.0% of the Modified Revolving Loan Cap; or

(ii) (x) Excess Availability, for the thirty (30) consecutive day period ending immediately prior such Payment Condition Transaction, shall have been not less than 12.5% of the Modified Revolving Loan Cap, (y) Excess Availability,

on the date of such Payment Condition Transaction, shall not be less than 12.5% of the Modified Revolving Loan Cap, and (z) the Consolidated Fixed Charge Coverage Ratio based on the most recently ended Test Period, shall not be less than 1.00 to 1.00.

In each case with respect to any Payment Conditions Transaction, the Lead Administrative Borrower shall have delivered to the Administrative Agent, in accordance with *Section 7.2(e)*, a certificate of a Responsible Officer of the Lead Administrative Borrower as described in *Section 7.2(e)*.

"*Payment Conditions Transaction*" means any Investment (including any Permitted Acquisition), any incurrence of Indebtedness, any Restricted Payment, any payment made pursuant to *Section 9.11* or any other transaction that in each case is subject to the satisfaction of the Payment Conditions.

"*PBA*" means the Pension Benefits Act (Ontario) or any other Canadian federal or provincial pension benefits standards legislation applicable to a Canadian Pension Plan.

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

"*Pension Plan*" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Loan Party or any of their respective ERISA Affiliates or to which any Loan Party or any of their respective ERISA Affiliates contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions in the preceding five plan years.

"*Pensions Regulator*" means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004 (U.K.).

"*Permitted Acquisition*" means the purchase or other acquisition by Holdings or any of its Restricted Subsidiaries of property and assets or businesses of any Person or of assets constituting a business unit, a line of business or division of such Person, a Store or Equity Interests in a Person that, upon the consummation thereof, will be a wholly-owned Restricted Subsidiary of the Borrowers (including as a result of a merger, amalgamation or consolidation); *provided* that, with respect to each such purchase or other acquisition:

(a) both before and after giving effect thereto, no Event of Default has occurred and is continuing;

(b) to the extent required by the Collateral and Guarantee Requirement, the property, assets and businesses acquired in such purchase or other acquisition shall constitute Collateral and each applicable Loan Party and any newly created or acquired Subsidiary (and, to the extent required under the Collateral and Guarantee Requirement, the Subsidiaries of such created or acquired Subsidiary) shall be a Loan Party, and shall have complied with the requirements of *Section 8.11*, *8.12* and *8.13*, within the times specified therein (for the avoidance of doubt, this *clause (ii)* shall not override any provisions of the Collateral and Guarantee Requirement);

(c) except to the extent the Permitted Acquisition is of (x) any Person that on the date of such Permitted Acquisition is (or will concurrently therewith) become a Loan Party or (y) assets that on the date of such Permitted Acquisition shall be owned by a Loan Party, the

Borrowers are in compliance, on a Pro Forma Basis after giving effect to such transaction, with the Payment Conditions; and

(d) the Lead Administrative Borrower shall have delivered to the Administrative Agent, in accordance with *Section 7.2(e)*, a certificate of a Responsible Officer of the Lead Administrative Borrower as described in *Section 7.2(e)*.

"*Permitted Carrier*" means (a) from and after the Closing Date until the date that is ninety (90) days after the Closing Date, a carrier (including armored car carrier) or third party logistics provider acceptable to the Administrative Agent in its Permitted Discretion, to the extent the Loan Parties are using commercially reasonable efforts during such time period to obtain a Carrier Agreement with respect to the Inventory to be handled by

such Person; (b) from and after the date that is ninety (90) days after the Closing Date, (i) a carrier (including armored car carrier) or third party logistics provider acceptable to the Administrative Agent in its Permitted Discretion that has executed and delivered a Carrier Agreement or (ii) a carrier (including armored car carrier) or third party logistics provider that is approved by the Administrative Agent in writing in its Permitted Discretion, to the extent that the Loan Parties are unable to obtain a Carrier Agreement with such carrier or third party logistics provider after their use of commercially reasonable efforts to do so; *provided* that, with respect to this *clause (ii)*, an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect of all charges and other obligations owing to any such Person; and (c) a third party logistics provider that is approved by the Administrative Agent in writing in its Permitted Discretion; *provided* that an Availability Reserve is maintained against the Revolving Borrowing Base or FILO Borrowing Base in respect of all charges and other obligations owing to any such Person.

"Permitted Discretion" means a determination made by the Administrative Agent or the Collateral Agent (as applicable) in good faith in the exercise of its reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Equity Issuance" means any sale or issuance of any Qualified Equity Interests of Holdings, in each case to the extent permitted hereunder.

"Permitted Refinancing" means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest and premium (including tender premiums) thereon plus fees and expenses (including upfront fees and OID) reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to *Sections 9.3(b) and (e)*, such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended, (c) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to *Sections 9.3(e)*, at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being modified, refinanced, refunded, renewed, replaced or extended is subordinated in right of payment to the Obligations, (i) such modification, refinancing, refunding, renewal, replacement or extension shall be subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended, (ii) the terms and conditions (excluding as to subordination, pricing, premiums and optional prepayment

or redemption provisions) of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, are not materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended; *provided* that a certificate of a Responsible Officer of Holdings delivered to the Administrative Agent at least five (5) Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that Holdings has determined in good faith that such terms and conditions satisfy the foregoing requirement shall be conclusive evidence that such terms and conditions satisfy the foregoing requirement unless the Administrative Agent notifies Holdings within such five Business Day period that it disagrees with such determination (including a description of the basis upon which it disagrees) and (iii) such modification, refinancing, refunding, renewal or extension is incurred by the Person who is the obligor of the Indebtedness being modified, refinanced, refunded, renewed or extended and no additional obligors become liable for such Indebtedness, and (e) in the case of any Permitted Refinancing in respect of the Senior Notes Indebtedness and Indebtedness under the Existing 2024 Notes Documents (to the extent the Existing 2024 Notes Documents are then secured), such Permitted Refinancing is secured only by assets pursuant to one or more security agreements permitted by and subject to an Acceptable Intercreditor Agreement (or another intercreditor agreement containing terms that are at least as favorable to the Secured Parties as those contained in such Acceptable Intercreditor Agreement).

"Person" means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any material "employee benefit plan" (as such term is defined in Section 3(3) of ERISA), other than a Foreign Plan, established by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any of their respective ERISA Affiliates.

"Platform" has the meaning specified in *Section 7.2*.

"Pledged Debt" means, collectively, (a) the *"Pledged Debt"* (as defined in the U.S. Security Agreement) and (b) the *"Pledged Debt"* (as defined in the Canadian Security Agreement).

"Pledged Equity" means, collectively, (a) the *"Pledged Equity"* (as defined in the U.S. Security Agreement), (b) the *"Pledged Equity"* (as defined in the Canadian Security Agreement), and (c) the *"Shares"* (as defined in the English Share Charge and the English Debenture) or any

equivalent term in any other English Collateral Document.

“PPSA” means the *Personal Property Security Act* (Ontario), including the regulations thereto and related Minister’s Orders, *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder or under any other Loan Document on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in any applicable jurisdiction in Canada, “PPSA” means the *Personal Property Security Act* or such other applicable legislation (including, the Civil Code of Quebec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“Pro Forma Basis” and “Pro Forma Effect” mean, with respect to compliance with any test or covenant or calculation hereunder, or the calculation of Consolidated EBITDA

hereunder, the determination or calculation of such test, covenant, ratio or Consolidated EBITDA (including in connection with Specified Transactions) in accordance with *Section 1.8*.

“Pro Forma Financial Statements” means the unaudited pro forma Consolidated balance sheet and the related pro forma Consolidated statement of income and cash flows of Holdings and its Restricted Subsidiaries as of and for the twelve (12) month period ending on the last day of the most recently completed four Fiscal Quarter period ended at least forty-five (45) days prior to the Closing Date, prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the statement of income and cash flows).

“Proceeds” has the meaning given to such term in Article 9 of the UCC and, if applicable, in the PPSA.

“Proceeds of Crime Act” means the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended from time to time and all regulations thereunder.

“Progressive” means Prog Leasing, LLC and its NPRTO subsidiaries.

“Projections” has the meaning specified in *Section 7.1(d)*.

“Protective Advance” means any Credit Extension (including any such Credit Extension resulting in an Overadvance) made or deemed to exist by the Administrative Agent, in its discretion, which:

(a) is made to maintain, protect or preserve the Collateral and/or the Loan Parties’ rights under the Loan Documents or which is otherwise for the benefit of the Loan Parties; or

(b) is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation; or

(c) is made to pay any other amount chargeable to any Loan Party hereunder; and

(d) together with all other Protective Advances then outstanding, shall not (i) exceed five percent (5%) of the Revolving Borrowing Base at any time or (ii) unless a Liquidation is taking place, remain outstanding for more than forty-five (45) consecutive Business Days, unless in each case, the Requisite Lenders otherwise agree; *provided, however*, that the foregoing shall not (i) modify or abrogate any of the provisions regarding the Lenders’ obligations with respect to Letters of Credit or with respect to Swing Loans, or (ii) result in any claim or liability against the Administrative Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances, and such Unintentional Overadvances shall not reduce the amount of Protective Advances allowed hereunder.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“PublicLender” has the meaning specified in *Section 7.2*.

“QFC” has the meaning specified in *Section 12.29(b)*.

“QFC Credit Support” has the meaning specified in *Section 12.29*.

“Qualified ECP Guarantor” means, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an “eligible contract participant” under the Commodity Exchange Act and can cause another Person to qualify as an “eligible contract participant” at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Equity Interests" means any Equity Interests that are not Disqualified Equity Interests.

"Quarterly Borrowing Base Reporting Period" means any period that is not a Monthly Borrowing Base Reporting Period or Weekly Borrowing Base Reporting Period.

"Quarterly Financial Statements" means the unaudited Consolidated balance sheets and related statements of income, and cash flows of Holdings and its Restricted Subsidiaries for the most recent Fiscal Quarters after the date of the Annual Financial Statements and ended at least forty-five (45) days before the Closing Date.

"Ratable Portion" and **"Pro Rata Share"** means (a) in respect of the FILO Facility, with respect to any FILO Lender at any time, the percentage (carried out to the ninth decimal place) of the FILO Facility represented by, as applicable and as the context may require, (x) the principal amount of such FILO Lender's FILO Loans, (y) FILO Loans of any applicable Class, in each case, (after giving effect to any FILO Incremental Loans made or to be made with respect to any FILO Incremental Commitment of such FILO Lender) or (z) on or prior to the date of any funding under a FILO Incremental Commitment, such FILO Lender's FILO Incremental Commitment of any Class at such time, and (b) in respect of the Revolving Credit Facility, with respect to any Revolving Credit Lender at any time, its Revolving Commitment Percentage. If the Revolving Credit Termination Date shall have occurred, or if the Revolving Credit Commitments have expired, then the Ratable Portion and Pro Rata Share of each Revolving Credit Lender in respect of any Class of the Revolving Credit Facility shall be determined based on the Ratable Portion and Pro Rata Share of such Revolving Credit Lender in respect of the Revolving Credit Facility most recently in effect (including, with respect to any such Class), giving effect to any subsequent assignments. The initial Ratable Portion and Pro Rata Share of each Lender in respect of each Facility is set forth opposite the name of such Lender on *Schedule I* or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable. The Ratable Portion and Pro Rata Share of each Lender shall be determined by the Administrative Agent and shall be conclusive absent manifest error.

"Recipient" has the meaning specified in *Section 3.2*.

"Register" has the meaning specified in *Section 12.2(c)*.

"Reimbursement Date" has the meaning specified in *Section 2.4(f)(i)*.

"Reimbursement Obligations" means, as and when matured, the obligation of any Borrower to pay, on the date payment is made or scheduled to be made to the beneficiary under each such Letter of Credit, all amounts of each drafts and other requests for payments drawn under Letters of Credit, and all other matured reimbursement or repayment obligations of any Borrower to any Issuer with respect to amounts drawn under Letters of Credit.

"Related Indemnified Person" of an Indemnatee means (a) any controlling person or controlled affiliate of such Indemnatee, (b) the respective directors, officers, or employees of such Indemnatee or any of its controlling persons or controlled affiliates and (c) the respective agents of such Indemnatee or any of its controlling persons or controlled affiliates, in the case of this *clause (c)*, acting at the instructions of such Indemnatee, controlling person or such controlled affiliate; *provided that each reference to a controlled affiliate or controlling person in*

this definition shall pertain to a controlled affiliate or controlling person involved in the negotiation or syndication of the Facilities.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person's Affiliates.

~~**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement.~~

"Relevant Party" has the meaning specified in *Section 3.2*.

"Relevant Rate" means with respect to any Credit Extension denominated in (a) Dollars, Term SOFR, (b) Sterling, the SONIA Rate, (c) Euros, EURIBOR, and (d) Canadian Dollars, CDOR, as applicable. With respect to any Credit Extension denominated in Dollars, any Term SOFR Successor Rate in effect from time to time shall constitute a Relevant Rate for purposes of *clause (a)* above and with respect to any Credit Extension denominated in an Alternative Currency specified in *clauses (b) through (d)* above (or any Alternative Currency that may be added to this Agreement pursuant to *Section 1.11*), the applicable Alternative Currency Successor Rate in effect from time to time shall constitute a Relevant Rate for purposes of the applicable clause above (or for purposes of any Alternative Currency that may be added to this Agreement pursuant to *Section 1.11*).

"Rent and Charges Reserves" means the aggregate of (a) all rent and other amounts (including common area maintenance charges) owing by any Loan Party, that is not paid when due, to any landlord, warehouseman, processor, repairman, mechanic, shipper, freight forwarder or other Person who possesses or is in control of any Current Asset Collateral or could assert a Lien on any Current Asset Collateral which is *pari passu*

with or would have priority over the Liens of the Collateral Agent in such Current Asset Collateral, and (b) in the case of Inventory located at a leased premise located (i) in Landlord Lien Jurisdictions or (ii) that are distribution centers or warehouses, in each case, as long as no Event of Default is continuing, a reserve equal to two (2) months' rent and other charges payable to any such Person, unless such Person has executed a Collateral Access Agreement.

"Reportable Event" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

"Reports" has the meaning specified in Section 11.16(b).

"Requisite FILO Lenders" means, collectively, FILO Lenders having more than 50.0% of the FILO Outstandings; *provided* that the portion of the FILO Loans held by any Defaulting Lender shall be excluded for purposes of making a determination of Requisite FILO Lenders.

"Requisite Lenders" means, collectively, Lenders having more than 50.0% of the sum of (i) the Aggregate Revolving Credit Commitments (or, after the Revolving Credit Termination Date, the Revolving Credit Outstandings) *plus* (ii) the FILO Outstandings; *provided* that the unused Revolving Credit Commitment of, and the portion of the Loans and outstanding Letters of Credit held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Requisite Lenders.

"Requisite Revolving Lenders" means, collectively, Revolving Credit Lenders having more than 50.0% of the Aggregate Revolving Credit Commitments (or, after the Revolving Credit Termination Date, the Revolving Credit Outstandings); *provided* that the unused Revolving Credit Commitment of, and the portion of the Loans and outstanding Letters of Credit held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Requisite Revolving Lenders, *provided, further*, that the amount of any participation in any Swing Loan and Reimbursement Obligations that any Defaulting Lender has failed to fund that have not been reallocated to and funded by another non-Defaulting Lender shall be deemed to be held by the Lender that is the Swing Loan Lender or Issuer, as the case may be, in making such determination.

"Requisite Supermajority Revolving Lenders" means, collectively, Revolving Credit Lenders having more than 66.7% of the Aggregate Revolving Credit Commitments (or, after the Revolving Credit Termination Date, the Revolving Credit Outstandings); *provided* that the unused Revolving Credit Commitment of, and the portion of the Loans and outstanding Letters of Credit held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Requisite Supermajority Revolving Lenders, *provided, further*, that the amount of any participation in any Swing Loan and Reimbursement Obligations that any Defaulting Lender has failed to fund that have not been reallocated to and funded by another non-Defaulting Lender shall be deemed to be held by the Lender that is the Swing Loan Lender or Issuer, as the case may be, in making such determination.

"Rescindable Amount" has the meaning specified in Section 2.13(e).

"Reserves" means, without duplication, all Availability Reserves and all Inventory Reserves.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any U.K. Financial Institution, a U.K. Resolution Authority.

"Responsible Officer" means the chief executive officer or any Financial Officer of a Loan Party or any statutory director of an English Loan Party or the Specified Irish Subsidiary Guarantor and, solely for purposes of the execution and delivery of the Loan Documents on or after the Closing Date, any authorized officer of a Loan Party identified on incumbency certificates as such, and solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest (including the LGP Preference Shares) of Holdings or any of its Restricted Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to Holdings' or such Restricted Subsidiaries' stockholders, partners or members (or the equivalent Persons thereof) other than (i) the payment of compensation in the ordinary course of business to holders of any such Equity Interests who are employees or service providers of Holdings or any Restricted Subsidiary solely in their capacity as employees or service providers and (ii) other than payments of intercompany indebtedness permitted under this Agreement, unless such payments are made in the form of

dividends or other distributions that would otherwise be classified as Restricted Payments hereunder.

“Restricted Subsidiary” means any Subsidiary of Holdings other than an Unrestricted Subsidiary.

“Revaluation Date” means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Loan denominated in an Alternative Currency, (ii) with respect to a SONIA Rate Loan, each scheduled date for the payment of interest thereon pursuant to Section 2.10(b)., (iii) each date of a continuation of a EurocurrencyTerm Rate Loan denominated in an Alternative Currency pursuant to Section 2.11, and ~~(iii)~~ (iv) such additional dates as the Administrative Agent shall determine or the Requisite Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of Issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the applicable Issuer under any Letter of Credit denominated in an Alternative Currency, (iii) in the case of all Existing Letters of Credit denominated in Alternative Currencies, the Closing Date, and (iv) such additional dates as the Administrative Agent or the applicable Issuer shall determine or the Requisite Lenders shall require.

“Revolving Borrowing Base” means, as of the date of determination thereof, an amount equal to:

- (a) the face amount of Eligible Credit Card Receivables, *multiplied by the Credit Card Receivables Advance Rate; plus*
- (b) the Net Recovery Percentage of Eligible Inventory, *multiplied by the Inventory Advance Rate, multiplied by the Cost of Eligible Inventory, net of Inventory Reserves attributable to Eligible Inventory; minus*
- (c) the FILO Deficiency Reserve; *minus*
- (d) the then amount of all Availability Reserves.

The Revolving Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 7.4, as adjusted to give effect to Availability Reserves and to reflect the commencement or termination of a Seasonal Inventory Advance Period, in each case, following such delivery. Notwithstanding the foregoing to the contrary, in respect of any English Borrower that has been an English Borrower for fewer than twelve (12) months, in no event shall the aggregate amount of Eligible Credit Card Receivables and Eligible Inventory of such English Borrower included in the Revolving Borrowing Base exceed the aggregate principal amount of all Loans that have been borrowed by such English Borrower or are being borrowed by such English Borrower concurrently with such determination in reliance on the Revolving Borrowing Base. The Revolving Borrowing Base shall be reported in accordance with Section 1.10(c).

The establishment or increase of any Availability Reserve will be limited to the exercise by the Administrative Agent of its Permitted Discretion, upon (other than with respect to the establishment of the Dilution Reserve, the Specified Litigation and Arbitration Reserve, the LGP Preference Shares Reserve, the Untendered Existing 2024 Notes Reserve or any Availability Reserve established on the Closing Date; it being understood that, for the avoidance of doubt, the Borrower shall receive at least five (5) Business Days' prior written notice before any increase in the Dilution Reserve, the Specified Litigation and Arbitration Reserve, the LGP Preference Shares Reserve, the Untendered Existing 2024 Notes Reserve or any Availability Reserve established on the Closing Date, in each case, resulting from a change in the

methodology, previously utilized or otherwise set forth herein, for calculating any such Availability Reserve) at least five (5) Business Days' prior written notice (which may be made by electronic mail) to the Lead Administrative Borrower (which written notice will include a reasonably detailed description of the Reserve being established or increased); *provided* that, notwithstanding the foregoing to the contrary, no such prior written notice shall be required for changes to any Availability Reserves resulting solely by virtue of mathematical calculations of the amount of the Availability Reserves in accordance with the methodology of calculation previously utilized or if an Event of Default is continuing; *provided further* that, during such five (5) Business Day period, (i) the Borrowers agree not to borrow in excess of the Revolving Borrowing Base after giving effect to such new or modified Reserves, except to the extent of any Credit Extensions made in good faith to pay costs and expenses in the ordinary course of business on a non-accelerated basis, and (ii) the Administrative Agent shall, upon the Lead Administrative Borrower's request, discuss any such Availability Reserve or modification to an Availability Reserve with the Lead Administrative Borrower, and the Borrowers may take any action that may be required so that the event, condition or matter that is the basis for such Availability Reserve or modification no longer exists or exists in a manner that would result in the establishment of a lower Availability Reserve or result in a lesser increase in any existing Availability Reserve, in each case, in a manner and to the extent reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary herein, (a) the amount of any such Availability Reserve or change in an Availability Reserve shall have a reasonable relationship to the event, condition or other matter that is the basis for such Availability Reserve or change, and (b) no such Availability Reserve or change shall be duplicative of any other Reserve or change or items that are already accounted for through eligibility criteria or collection or advance rates.

Notwithstanding anything to the contrary in this Agreement, until the Assets Diligence Date, the assets acquired in any Permitted Acquisition or other Investment permitted by this Agreement and the assets that are held by any Subsidiary that is designated as an additional Borrower pursuant to Section 2.14(e) may be included in the Revolving Borrowing Base if a Field Examination and/or an Inventory Appraisal, as applicable, covering such assets is not complete, up to an aggregate amount (for all such acquired assets and assets of a newly designated Borrower) not greater than 10.0% of the Revolving Borrowing Base (as in effect prior to the applicable Assets Acquisition Date or date of designation, as

applicable, and prior to giving effect to the inclusion of other acquired assets or assets of a newly designated Borrower, as applicable, in reliance on this sentence prior to the relevant Assets Diligence Date). To the extent a Field Examination and/or an Inventory Appraisal, as applicable, covering such assets is not complete as of the date that is 91 days after the Assets Acquisition Date or date of designation, as applicable, the Revolving Borrowing Base shall not include any assets acquired in the relevant acquisition or similar investment or any assets of such newly designated Borrower, as applicable, until a Field Examination and/or an Inventory Appraisal, as applicable, covering such assets has been completed (at which time the Lead Administrative Borrower will be permitted to deliver an updated Borrowing Base Certificate reflecting the inclusion of such assets in the Revolving Borrowing Base). The Administrative Agent shall take such actions as are reasonably required to obtain any such Field Examination and/or an Inventory Appraisal, it being understood that any such Field Examination and/or an Inventory Appraisal shall not be subject to (and shall not be included in) the limitations set forth in Section 7.5 on the number of Field Examinations and Inventory Appraisals that the Administrative Agent is permitted to conduct or for which the Administrative Agent is entitled to be reimbursed in any period.

"Revolving Commitment Increase" has the meaning specified in Section 2.15(a).

"Revolving Commitment Increase Lender" has the meaning specified in Section 2.15(a).

"Revolving Commitment Percentage" means, with respect to any Revolving Credit Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment or, as the context may require, Revolving Credit Commitment of any applicable Class at such time, subject (in each case) to adjustment as provided in Section 2.16(a) (iv). If the Revolving Credit Termination Date shall have occurred, or if the Revolving Credit Commitments have expired, then the Revolving Commitment Percentage of each Revolving Credit Lender in respect of any Class of the Revolving Credit Facility shall be determined based on the Revolving Commitment Percentage of such Revolving Credit Lender in respect of the Revolving Credit Facility most recently in effect (including, with respect to any such Class), giving effect to any subsequent assignments.

"Revolving Credit Commitment" means, with respect to each Revolving Credit Lender, the commitment of such Revolving Credit Lender to make Revolving Loans and acquire interests in other Revolving Credit Outstandings expressed as an amount representing the maximum principal amount of the Revolving Loans to be made by such Revolving Credit Lender under this Agreement, as such commitment may be (a) reduced from time to time pursuant to this Agreement, (b) reduced or increased from time to time pursuant to (i) assignments by or to such Revolving Credit Lender pursuant to an Assignment and Assumption, or (ii) a Revolving Commitment Increase or (iii) extended from time to time pursuant to a Revolving Extension Amendment. The amount of each Revolving Credit Lender's Revolving Credit Commitment on the Second Amendment Effective Date is set forth on Schedule I under the caption *"Revolving Credit Commitment,"* as amended to reflect each Assignment and Assumption, Incremental Revolving Amendment or Revolving Extension Amendment, in each case executed by such Revolving Credit Lender. The aggregate amount of the Revolving Credit Commitments as of the Second Amendment Effective Date is \$1,500,000,000.

"Revolving Credit Exposure" means, as to each Lender, the sum of the Outstanding Amount of such Lender's Revolving Loans, its Pro Rata Share of Protective Overadvances, its Pro Rata Share of the Letter of Credit Obligations and its Pro Rata Share of the Swing Loan Obligations at such time.

"Revolving Credit Facility" means the Revolving Credit Commitments and the provisions herein related to the Revolving Loans, Swing Loans and Letters of Credit, and Loans under Extended Revolving Credit Commitments.

"Revolving Credit Lender" means each Lender that (a) has a Revolving Credit Commitment, (b) holds a Revolving Loan or (c) participates in any Letter of Credit or Swing Loan.

"Revolving Credit Note" means a promissory note made by the Borrowers, substantially in the form of Exhibit B-1, in favor of a Revolving Credit Lender, evidencing the Revolving Loans made by such Revolving Credit Lender to the Borrowers.

"Revolving Credit Outstandings" means, at any particular time, the sum of (a) the principal amount of the Revolving Loans outstanding at such time, (b) the Letter of Credit Obligations outstanding at such time and (c) the principal amount of the Swing Loans outstanding at such time.

"Revolving Credit Termination Date" means the earliest of (a) with respect to Revolving Credit Commitments of any Class, the Scheduled Termination Date for Revolving Commitments of such Class, (b) the earliest maturity date under the Senior Notes, (c) the date of termination of all of the Revolving Credit Commitments pursuant to Section 2.5 and (d) the date on which the Obligations become due and payable pursuant to Section 10.2.

"Revolving Extension" means any establishment of Extended Revolving Credit Commitments pursuant to Section 2.17 and the applicable Revolving Extension Amendment.

"Revolving Extension Amendment" has the meaning specified in Section 2.17(d).

"Revolving Extension Election" has the meaning specified in *Section 2.17(b)*.

"Revolving Extension Request" has the meaning specified in *Section 2.17(a)*.

"Revolving Extension Series" has the meaning specified in *Section 2.17(a)*.

"Revolving Loan" has the meaning specified in *Section 2.1(a)(i)* and shall include for the avoidance of any doubt all Revolving Loans made under an Incremental Revolving Amendment and any Revolving Extension Amendment.

"Revolving Loan Cap" means, at any time, the lesser of (a) the Revolving Borrowing Base at such time and (b) the Aggregate Revolving Credit Commitments at such time.

"S&P" means S&P Global Ratings and any successor thereto.

"Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the applicable Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

"Sanctions" means any sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT"), the Government of Canada or other relevant sanctions authority.

"Scheduled Termination Date" means (a) for any FILO Loans incurred after the Second Amendment Effective Date, the "Scheduled Termination Date" set forth in the amendment to this Agreement with respect thereto and, with respect to any FILO Loans under any FILO Extension Series, the "Scheduled Termination Date" set forth in the FILO Extension Amendment with respect thereto, and (b) (i) with respect to Revolving Credit Commitments (except Revolving Credit Commitments under a Revolving Extension Series), five (5) years after the Second Amendment Effective Date and (ii) with respect to any Class of Revolving Credit Commitments under a Revolving Extension Series, the "Scheduled Termination Date" set forth in the Revolving Extension Amendment with respect thereto; *provided* that, in each case, if such day is not a Business Day, the Scheduled Termination Date shall be the Business Day immediately preceding such day.

~~*"Scheduled Unavailability Date"* has the meaning specified in *Section 3.4(e)(ii)*.~~

"Seasonal Inventory Advance Period" means the period from September 1 of any Fiscal Year through and including November 30 of such Fiscal Year.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to, or exercising any, of its principal functions.

"Second Amendment Effective Date" means July 28, 2021.

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between any Loan Party and any Cash Management Bank.

"Secured Hedge Agreement" means any Swap Contract that is entered into by and between any Loan Party or any Restricted Subsidiary and (a) the Administrative Agent or any Affiliate or branch thereof, acting as the Hedge Bank or (b) any other Hedge Bank and designated in writing by the Hedge Bank and the Lead Administrative Borrower to the Administrative Agent as a *"Secured Hedge Agreement"* (it being understood that one notice with respect to a specified ISDA Master Agreement may designate all transactions thereunder as being *"Secured Hedge Agreements"*, without the need for separate notices for each individual transaction thereunder).

"Secured Leverage Ratio" means, with respect to any Test Period, the ratio of (a) Consolidated Net Debt that secured by a Lien on the assets of Holdings or any of its Restricted Subsidiaries as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

"Secured Obligations" means, in the case of the Borrowers, the Obligations and, in the case of any other Loan Party, the Obligations, including the obligations of such Loan Party under the Guaranty and the other Loan Documents to which it is a party.

"Secured Parties" means, collectively, the Lenders, the Issuers, the Administrative Agent, the Collateral Agent, each Hedge Bank, each Cash Management Bank, each co-agent or sub-agent (if any) appointed by the Administrative Agent from time to time pursuant to *Section 11.5*, and the successors and, subject to any limitations contained in this Agreement, assigns of each of the foregoing.

"Securities Account" means all securities accounts of any Loan Party, including "securities accounts" within the meaning given to such term in Article 8 of the UCC and in the PPSA.

"Securities Account Control Agreement" means an effective securities account control agreement with an Approved Securities Intermediary, in each case in form and substance reasonably satisfactory to the Administrative Agent.

"Security" means any Equity Interest, voting trust certificate, bond, debenture, note or other evidence of Indebtedness, whether secured, unsecured, convertible or subordinated, or any certificate of interest, share or participation in, any temporary or interim certificate for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing, but shall not include any evidence of the Obligations.

"Security Agreements" means, collectively, (a) the U.S. Security Agreement, (b) the Bermuda Fixed and Floating Charge, (c) the Canadian Security Agreement, (d) the English Debenture and the English Share Charge and (e) the Irish Debenture, as the context may require, and each other security agreement or Security Agreement Supplement executed and delivered pursuant to the Collateral and Guarantee Requirement to secure any of the Obligations.

"Security Agreement Supplement" means a U.S. Security Agreement Supplement or a Canadian Security Agreement Supplement, as the context may require.

"Senior Notes" means, collectively, any senior notes or senior secured notes issued by the Senior Notes Issuer, in favor of the holders thereof pursuant to the Senior Notes Indenture. For the avoidance of doubt, the Senior Notes do not include the Untendered Existing 2024 Notes.

"Senior Notes Documents" means, collectively, (a) the Senior Notes Indenture, (b) the Senior Notes, (c) any offering memorandum relating to the Senior Notes, (d) the purchase agreement relating to the Senior Notes, (e) each Senior Notes Security Document, (f) the Guarantees in respect of the Senior Notes Indebtedness and (g) the other documents, instruments or agreement entered into in connection with any of the foregoing, in each case, as the same may be amended, modified, supplemented or replaced in accordance therewith and with this Agreement.

"Senior Notes Indebtedness" means the Indebtedness of Holdings or any Restricted Subsidiary under the Senior Notes Documents, provided that (a) the aggregate principal amount of such Indebtedness (when taken together with the principal amount of the Untendered Existing 2024 Notes) shall not exceed \$500,000,000 and (b) such indebtedness (i) is not guaranteed by any Restricted Subsidiary, other than a Person that is also a Loan Party, (ii) has a maturity date that shall be no earlier than the then Latest Maturity Date in effect, determined at the date of incurrence, (iii) is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change-of-control provisions), in each case prior to the then Latest Maturity Date in effect, determined at the date of incurrence, (iv) has mandatory prepayment, repurchase or redemption, covenant, default and remedy provisions customary for senior notes or senior secured notes, as the case may be, and (v) to the extent secured by any Collateral, the Senior Notes Trustee shall have entered into the Senior Notes Intercreditor Agreement.

"Senior Notes Indenture" means any indenture by and among the Senior Notes Issuer, the other Loan Parties party thereto as guarantors and the Senior Notes Trustee, as the same may be amended, modified, supplemented or replaced in accordance therewith and with this Agreement, pursuant to which the Senior Notes shall be issued.

"Senior Notes Intercreditor Agreement" means any intercreditor agreement by and among the Administrative Agent, the Collateral Agent and the Senior Notes Trustee, and acknowledged by the Loan Parties, substantially in the form attached as *Exhibit I* (with (A) any immaterial changes (as determined in the Administrative Agent's sole discretion) thereto as the Lead Administrative Borrower and the Administrative Agent may agree in their respective reasonable discretion and/or (B) any material changes thereto as the Lead Administrative Borrower and the Administrative Agent may agree in their respective reasonable discretion, which material changes are posted for review by the Lenders and shall be deemed acceptable if the Requisite Lenders have not objected in writing thereto within three (3) Business Days following the date on which such changes are posted for review), as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance therewith and this Agreement.

"Senior Notes Issuer" means, collectively, one or more Loan Parties, in its capacity as the Issuer of Senior Notes.

"Senior Notes Security Documents" means, collectively, any security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, guarantees, notes and any other documents or instruments now existing or entered into after the date hereof that create Liens on any assets or properties of any Loan Party to secure any Senior Notes Indebtedness or under which rights or remedies with respect to such Liens are governed, as the same may be amended, modified, supplemented or replaced in accordance with the Senior Notes Intercreditor Agreement.

"Senior Notes Trustee" means the trustee, administrative agent, collateral agent, security agent or similar agent under the Senior Notes Indenture and the other Senior Notes Documents, together with any of their respective successors or assigns in such capacities.

"Shrink Reserve" means an amount reasonably estimated by the Administrative Agent to be equal to that amount which is required in order that the shrink reflected in current books and records of the Holdings and its Restricted Subsidiaries would be reasonably equivalent to the shrink calculated as part of the Holdings' and its Restricted Subsidiaries' most recent physical Inventory (it being understood and agreed that no Shrink Reserve established by the Administrative Agent shall be duplicative of any shrink as so reflected in the current books and records of Holdings and its Restricted Subsidiaries or estimated by Holdings for purposes of computing the Revolving Borrowing Base and the FILO Borrowing Base).

"Signet Group" means Signet Group Limited, a company incorporated in England and Wales with the company number 00477692.

"Signet Trading" means Signet Trading Limited, a company incorporated in England and Wales with the company number 03768979.

"Signet Treasury" means Signet Group Treasury Services Inc., a Delaware corporation.

"SOFR" ~~has the meaning set forth in the definition of "Daily Simple"~~ means the Secured Overnight Financing Rate as administered by the SOFR Administrator.

~~"SOFR Early Opt in" means the Administrative Agent and the Lead Administrative Borrower have elected to replace LIBOR pursuant to (a) an Early Opt in Election and (b) Section 3.4(c)(i) and clause (1) of the definition of Benchmark Replacement.~~

"SOFR Adjustment" means 0.10% (10 basis points) per annum.

"SOFR Administrator" means the Federal Reserve Bank of New York, as the administrator of SOFR, or any successor administrator of SOFR designated by the Federal Reserve Bank of New York or other Person acting as the SOFR Administrator at such time that is satisfactory to the Administrative Agent.

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the assets of such Person exceeds its debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such Person is greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such Person is able to pay its debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business and (d) such Person is not engaged in, and is not about to engage in, business for which it has unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

"SONIA" means, with respect to any applicable determination date, the Sterling Overnight Index Average reference rate published on the Business Day preceding such date on the applicable Bloomberg screen page (or such other commercially available source of any authorized distributor of that reference rate providing such quotations as may be designated by the Administrative Agent from time to time); provided, however, that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto.

"SONIA Adjustment" means, with respect to SONIA, 0.05% per annum.

"SONIA Rate" means, for any day, with respect to any Credit Extension denominated in Sterling, the rate per annum equal to ~~the sum of (a) SONIA determined pursuant to the definition thereof of "SONIA" plus (b) the SONIA Adjustment;~~ provided that, if the SONIA Rate as so determined shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. Any change in a SONIA Rate shall be effective from and including the date of such change without further notice.

~~"SONIA Rate Conforming Changes" means, with respect to the use, administration of or any conventions associated with SONIA, any conforming changes to the definition of "SONIA", timing and frequency of determining the SONIA Rate and making payments of interest with respect to SONIA Rate Loans and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of "Business Day", timing of borrowing requests or prepayment and length of lookback periods) with respect to SONIA Rate Loans that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of SONIA and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of SONIA exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement).~~

"SONIA Rate Loan" means a Loan that bears interest based on the SONIA Rate. All SONIA Rate Loans shall be denominated in Sterling. All Loans denominated in Sterling shall be SONIA Rate Loans.

"SPC" has the meaning specified in Section 12.2(g).

"Special Notice Currency" means, at any time, an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

"Specified Appealable Judgment or Order" means any appealable judgment or order of a court for the payment of money entered in a Specified Litigation and Arbitration Proceeding so long as (i) a Responsible Officer of Holdings or the Lead Administrative Borrower shall promptly (and in any event, within two (2) Business Days of the entry of such judgment or order) provide written notice to the Administrative Agent confirming that such Person intends to appeal such judgment or order, (ii) the Loan Parties and their Subsidiaries are diligently pursuing an appeal in good faith, including by timely filing all motions (including a notice of appeal with respect to such judgment or order (which notice of appeal shall in any event be filed within thirty (30) days of the entry of the applicable judgment or order) and (iii) at all times following the filing of the applicable notice of appeal, such judgment or order is stayed or bonded pending such appeal.

"Specified Asset Disposition/Investment Provision" means any of (i) clauses (c), (e) (solely as it relates to another provision identified in this definition), (f), (l), (m), or (u) of Section 9.2, (ii) Section 9.4, and (iii) clauses (c), (d), (e) (solely as it relates to another provision identified in this definition), (i), (j), (l), (p) or (s) of Section 9.5.

"Specified Event of Default" means any Event of Default of the type described in (a) Section 10.1(a), (b) Section 10.1(b)(i)(A), (c) Section 10.1(b)(ii), (d) Section 10.1(b)(v), (e) Section 10.1(d) (with respect to any Borrowing Base Certificate) or (f) Section 10.1(f).

"Specified Irish Subsidiary Guarantor" means SJI Ireland Unlimited Company, an unlimited private company incorporated in Ireland with the company number 608185, and its successors.

"Specified Litigation and Arbitration Reserve" means, at any time of determination, an Availability Reserve in an amount equal to the sum of the aggregate amount of any outstanding and unpaid (a) monetary settlements and arbitration awards (in each case, whether or not subject to the approval of a court or arbitrator) and (b) monetary judgments or orders of a court (other than, in the case of this clause (b), a Specified Appealable Judgment or Order), in each case, in any Specified Litigation or Arbitration Proceeding; *provided* that the amount of any such Availability Reserve shall be calculated net of independent third-party insurance as to which the insurer has been notified of such judgment, order, arbitration award, or settlement and has not denied or failed to acknowledge coverage thereof.

"Specified Litigation or Arbitration Proceeding" means any of the existing litigation and arbitration proceedings disclosed in Note 20 on the Form 10-Q of Holdings filed most recently prior to the Closing Date, and any appeals therefrom, or any litigation or arbitration proceedings arising from the same facts.

"Specified Loan Party" means any Loan Party that is not then an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 12.27).

"Specified Non-Recourse Private Label Provider" means (a) Carval, (b) Castlake, (c) Comenity or (d) Genesis and any successor or assign of those providers listed in the foregoing clauses (a) through (d), or other Person in the business of extending credit or underwriting and servicing credit card receivables that is approved by the Administrative Agent in writing in its Permitted Discretion.

"Specified Rent-to-Own Provider" means Progressive and any successor or assign thereof, or other Person in the business of extending credit in the form of lease-purchase or other rent-to-own arrangements that is approved by the Administrative Agent in writing in its Permitted Discretion.

"Specified Representations" means those representations and warranties made by the Loan Parties in Sections 5.1(a) (with respect to organizational existence only), 5.1(b)(ii), 5.2(a), 5.2(b)(i), 5.2(b)(iii), 5.4, 5.13, 5.16, 5.17 and 5.18.

"Specified Transaction" means any Investment that results in a Person becoming a Restricted Subsidiary, any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, any Permitted Acquisition, any Disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary of Holdings, any Investment constituting an acquisition of assets constituting a business unit, line of business or division of another Person or a Store or any Disposition of a business unit, line of business or division or a Store of Holdings or any Restricted Subsidiary, in each case whether by merger, consolidation, amalgamation or otherwise, incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), any issuance of Qualified Equity Interests, the implementation of any Business Optimization Initiative and any Restricted Payment or incremental Loan that by the terms of this Agreement requires such test to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

"Spot Rate" mean the exchange rate, as reasonably determined by the Administrative Agent or any Issuer, as applicable, that is applicable to conversion of one

currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source reasonably designated by the Administrative Agent or the applicable Issuer) as of the end of the preceding Business Day in the financial market for the first currency; or (b) if

such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding Business Day in the Administrative Agent's or such Issuer's principal foreign exchange trading office for the first currency; *provided* that any applicable Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

"*Standby Letter of Credit*" means any Letter of Credit that is not a Documentary Letter of Credit.

"*Stated Amount*" means at any time the maximum amount for which a Letter of Credit may be honored, determined in accordance with [Section 1.5](#).

"*Sterling*" and "*£*" mean the lawful currency of the U.K.

"*Sterling Jewelers*" means Sterling Jewelers Inc., a Delaware corporation.

"*Store*" means any retail store (which includes any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by a Loan Party or any Restricted Subsidiary.

"*Store Accounts*" means Deposit Accounts established for the purpose of receiving receipts from a Store location of a Loan Party.

"*Subsequent Transaction*" has the meaning set forth in [Section 1.9\(b\)](#).

"*Subsidiary*" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity (excluding, for the avoidance of doubt, charitable foundations) of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Holdings.

"*Subsidiary Guarantor*" has the meaning specified in the definition of "Collateral and Guarantee Requirement", and excludes, for the avoidance of doubt, Holdings and any Borrower. For avoidance of doubt, Holdings may cause any Restricted Subsidiary (organized under the Laws of any Covered Loan Party Jurisdiction) that is not a Subsidiary Guarantor to Guarantee the Obligations by causing such Restricted Subsidiary to execute a Joinder Agreement, and any such Restricted Subsidiary shall be a Subsidiary Guarantor hereunder for all purposes.

"*Successor Borrower*" has the meaning specified in [Section 9.4\(e\)](#).

"*Successor Rate*" has the meaning specified in [Section 3.4\(c\)](#).

"*Supplier*" has the meaning specified in [Section 3.2](#).

"*Supported QFC*" has the meaning specified in [Section 12.29](#).

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*Swap Obligations*" 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.

"*Swap Termination Value*" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in *clause (a)*, the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate or branch of a Lender).

"Swing Loan" has the meaning specified in [Section 2.3\(a\)](#).

"Swing Loan Lender" means Bank of America, through itself or through one of its designated Affiliates or branches, in its capacity as the Swing Loan Lender hereunder.

"Swing Loan Obligations" means, as at any date of determination, the aggregate Outstanding Amount of all Swing Loans. The Swing Loan Obligations of any Revolving Credit Lender at any time shall be its Revolving Commitment Percentage of the total Swing Loan Obligations at such time.

"Swing Loan Request" means a notice of Borrowing or Swing Loans pursuant to [Section 2.3](#), which shall be substantially in the form of [Exhibit D](#) or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of a Borrower.

"Swing Loan Sublimit" means the lesser of (a) \$75,000,000 and (b) the aggregate principal amount of the Revolving Credit Commitments. The Swing Loan Sublimit is part of, and not in addition to, the Revolving Credit Commitments.

"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 Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

"Taxes" means any present or future taxes, levy, impost, duty, assessment, charge, fee, deduction or withholding (including backup withholding) of any nature and whatever called, imposed by any Governmental Authority, including any interest, additions to tax and penalties applicable thereto.

"Tax Indemnitee" has the meaning specified in [Section 3.1\(e\)](#).

"Termination Date" means the first date no Lender shall have any Commitment hereunder nor any Loan or other Obligation hereunder (other than (i) contingent indemnification obligations as to which no claim has been asserted and (ii) Obligations under Secured Hedge Agreements and Cash Management Obligations) shall remain unpaid or unsatisfied, nor any Letter of Credit shall remain outstanding (unless the Outstanding Amount of the Letter of Credit Obligations related thereto has been Cash Collateralized or back-stopped by a letter of credit in form and substance reasonably satisfactory to the applicable Issuer).

"Term Rate" means, [for any Interest Period with respect to any Credit Extension,](#)

[\(a\) denominated in Dollars, the rate per annum equal to Term SOFR, determined pursuant to clause \(a\) of the definition of "Term SOFR", with a term equivalent to such Interest Period;](#)

[\(b\) denominated in Euros, the rate per annum equal to the Euro Interbank Offered Rate \("EURIBOR"\), as published on the applicable Bloomberg screen page \(or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time\) at approximately 11:00 a.m., London time, on the date that is two \(2\) Business Days prior to the commencement of such Interest Period, with a term equivalent to such Interest Period;](#)

[\(c\) denominated in Canadian dollars \(other than Canadian Prime Rate Loans\), the rate per annum equal to the Canadian Dealer Offered Rate \("CDOR"\), or a comparable or successor rate approved by the Administrative Agent, as published on the applicable Bloomberg screen page \(or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time\) at or about 10:00 a.m., Toronto, Ontario time, on the date of commencement of the applicable Interest Period, with a term equivalent to such Interest Period; or](#)

[\(d\) denominated in any other Alternative Currency \(other than Sterling\) \(to the extent such Loans denominated in such currency will bear interest at a term rate\), the term rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the relevant Lenders pursuant to \[Section 1.11\\(a\\)\]\(#\) plus the adjustment \(if any\) determined by the Administrative Agent and the relevant Lenders pursuant to \[Section 1.11\\(a\\)\]\(#\);](#)

[provided that, if the Term Rate determined in accordance with this definition shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.](#)

"Term Rate Loan" means a Loan that bears interest at a rate based on a Term Rate. Term Rate Loans may be denominated in Dollars or in an Alternative Currency (other than Sterling). All Loans denominated in an Alternative Currency (other than Canadian Dollars or

Sterling) must be Term Rate Loans, unless otherwise agreed by the Lenders in accordance with [Section 1.11](#).

"Term SOFR" means:

(a) for any Interest Period with respect to a Term Rate Loan denominated in Dollars, the rate per annum equal to the sum of (i) the Term SOFR Screen Rate two (2) U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; *provided that* if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto and (ii) the SOFR Adjustment; and

(b) for any interest calculation with respect to a Base Rate Loan or a Canadian Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing on that date.

"Term SOFR Scheduled Unavailability Date" has the meaning specified in [Section 3.4\(b\)](#).

"Term SOFR" means, for the applicable corresponding tenor (or if any Available Tenor of a Benchmark does not correspond to an Available Tenor for the applicable Benchmark Replacement, the closest corresponding Available Tenor and if such Available Tenor corresponds equally to two Available Tenors of the applicable Benchmark Replacement, the corresponding tenor of the shorter duration shall be applied), **Screen Rate" means** the forward-looking SOFR term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"Term SOFR Successor Rate" has the meaning specified in [Section 3.4\(b\)](#).

"Test Period" in effect at any time means the most recent period of four consecutive Fiscal Quarters of Holdings ended on or prior to such time (taken as one accounting period) in respect of which financial statements are available after the use of commercially reasonable efforts by Holdings to provide the same; *provided*, that solely for the purposes of testing compliance (other than pro forma compliance) with [Section 6.1](#), the financial statements in respect of the Test Period described in such [Section 6.1](#) shall be the financial statements (including, the applicable Compliance Certificate in connection therewith) for the most recent period of four consecutive Fiscal Quarters of Holdings ended on or prior to such time (taken as one accounting period) which have been (or were required to be) delivered pursuant to [Section 7.1\(a\)](#) or (b), as applicable. A Test Period may be designated by reference to the last day thereof (i.e., the "November 2, 2019 Test Period" refers to the period of four consecutive Fiscal Quarters of Holdings ended on November 2, 2019), and a Test Period shall be deemed to end on the last day thereof.

"Threshold Amount" means \$100,000,000.

"Total Assets" means the total assets of Holdings and its Restricted Subsidiaries on a Consolidated basis, as shown on the most recent balance sheet of Holdings delivered pursuant to [Sections 7.1\(a\)](#) or [7.1\(b\)](#).

"Total Outstandings" means, at any particular time, the sum of the Revolving Credit Outstandings and the FILO Outstandings at such time.

"Transaction Expenses" means the fees, premiums or expenses incurred or paid by Holdings or any of its Subsidiaries in connection with the Transactions and the transactions contemplated thereby.

"Transactions" means, collectively, (a) the Existing 2024 Notes Tender Offer, (b) the consummation of the Existing 2024 Notes Repurchase, (c) the execution and delivery by the Loan Parties of the Loan Documents to which they are a party and the making of the Loans and the issuance of Letters of Credit (if any), (d) the consummation of the Existing Credit Agreement Refinancing and (e) the payment of the Transaction Expenses.

"Type" means, with respect to a Loan, its character as a Base Rate Loan, a Canadian Base Rate Loan, a Canadian Prime Rate Loan, a Eurocurrency Term Rate Loan or a SONIA Rate Loan.

"UCC" means the Uniform Commercial Code as in effect from time to time in the state of New York; *provided, however*, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; *provided, further*, that, if by reason of mandatory provisions of law, priority perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the state of New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such priority, perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

“U.K.” means the United Kingdom of Great Britain and Northern Ireland.

“U.K. CTA” means the Corporation Tax Act 2009 (U.K.).

“U.K. Financial Institution” 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 subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“U.K. ITA” means the Income Tax Act 2007 (U.K.).

“U.K. Non-Bank Lender” means a Lender which gives a U.K. Tax Confirmation in the documentation which it executes on becoming a party to this Agreement as a Lender.

“U.K. Pension Transfer” means the transfer of all or substantially all of the assets and liabilities under Holdings’ and the other Loan Parties’ existing U.K. pension plan known as the Signet Group Pension Scheme to Rothesay Life plc, and other dispositions and payments required from Holdings and the other Loan Parties in connection therewith.

“U.K. Qualifying Lender” means:

(a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is:

(i) a Lender:

(A) that is a bank (as defined for the purpose of section 879 of the U.K. ITA) making an advance under a Loan Document and is within the charge to U.K. corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the U.K. CTA; or

(B) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the U.K. ITA) at the time that such advance was made, and, is within the charge to U.K. corporation tax with respect to any payments of interest made in respect of that advance; or

(ii) a Lender which is:

(A) a company resident in the U.K. for U.K. tax purposes;

(B) a partnership, each member of which is:

(1) a company so resident in the U.K.; or

(2) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the U.K. CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the U.K. CTA; or

(C) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the U.K. CTA) of that company; or

(iii) a U.K. Treaty Lender; or

(b) a building society (as defined for the purposes of section 880 of the U.K. ITA) making an advance under a Loan Document.

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

“U.K. Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is either:

(a) a company resident in the U.K. for U.K. tax purposes; or

(b) a partnership each member of which is:

(i) a company so resident in the U.K.; or

(ii) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the U.K.

CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the U.K. CTA; or

(c) a company not so resident in the U.K. which carries on a trade in the U.K. through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the U.K. CTA) of that company.

“U.K. Tax Credit” means a credit against, relief or remission for, or repayment of, any Taxes.

“U.K. Tax Deduction” means a deduction or withholding from a payment under any Loan Document for and on account of any Taxes other than a FATCA Deduction.

“U.K. Tax Payment” means either the increase in a payment made by an English Borrower to a Lender under Section 3.2(b) or a payment under Section 3.2(c).

“U.K. Treaty” has the meaning specified in the definition of “U.K. Treaty State”.

“U.K. Treaty Lender” means a Lender which:

(a) is treated as a resident of a U.K. Treaty State for the purposes of the relevant U.K. Treaty;

(b) does not carry on a business in the U.K. through a permanent establishment with which that Lender’s participation in any advance is effectively connected; and

(c) fulfils any other conditions which must be fulfilled under the relevant U.K. Treaty by residents of that U.K. Treaty State (subject to the completion of any necessary procedural or filing requirements) for such residents to obtain full exemption from U.K. taxation on interest payable to that Lender in respect of an advance under a Loan Document.

“U.K. Treaty State” means a jurisdiction having a double taxation agreement (a “U.K. Treaty”) with the U.K. which makes provision for full exemption from tax imposed by the U.K. on interest.

“Undisclosed Administration” means in relation to any Person, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official by a supervisory authority or regulator under or based on the law in the country where such Person is subject to home jurisdiction supervision if applicable law requires that such appointment is not to be publicly disclosed.

“Unintentional Overadvance” means an Overadvance which, to the Administrative Agent’s knowledge, did not constitute an Overadvance when made but which has become an Overadvance resulting from changed circumstances beyond the control of the Administrative Agent, the Issuers and the Lenders, including, without limitation, a reduction in the Net Recovery Percentage of property or assets included in the Revolving Borrowing Base or the FILO Borrowing Base or misrepresentation by the Loan Parties.

“Unrestricted Subsidiary” means (a) any Subsidiary of the Borrowers designated as an Unrestricted Subsidiary pursuant to Section 8.3 after the Closing Date, in each case, until such Person ceases to be an Unrestricted Subsidiary of Holdings in accordance with Section 8.3 or ceases to be a Subsidiary of Holdings and (b) any direct or indirect Subsidiary of any Person

referred to in clause (a); provided that no Unrestricted Subsidiary shall at any time own the Equity Interest of any Loan Party.

“Untendered Existing 2024 Notes” means, collectively, the Existing 2024 Notes that are not repurchased, redeemed, defeased and/or discharged by the Existing 2024 Notes Issuer pursuant to the Existing 2024 Notes Repurchase.

“Untendered Existing 2024 Notes Indebtedness” means the Untendered Existing 2024 Notes and any other Indebtedness or other obligations of Holdings or any Restricted Subsidiary pursuant to the Existing 2024 Notes Documents.

“Untendered Existing 2024 Notes Reserve” means, at any time of determination during an Untendered Existing 2024 Notes Reserve Period, an Availability Reserve in an amount equal to the outstanding amount of the Untendered Existing 2024 Notes Indebtedness constituting principal and interest (and any Permitted Refinancing in respect thereof with a stated maturity date that occurs prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of incurrence) (any such Permitted Refinancing, a “Specified 2024 Notes Refinancing”) at such

time. For the avoidance of doubt, the amount of the Untendered Existing 2024 Notes Reserve shall be reduced from time to time during any Untendered Existing 2024 Notes Reserve Period to give effect to any payments of such Untendered Existing 2024 Notes Indebtedness (or Indebtedness under a Specified 2024 Notes Refinancing) made during such Untendered Existing 2024 Notes Reserve Period (including any payments made with the proceeds of Loans hereunder) to the extent such payments are permitted hereunder.

"Untendered Existing 2024 Notes Reserve Period" means the period commencing on the 91st day prior to the stated maturity date of the Untendered Existing 2024 Notes Indebtedness and ending upon the earliest to occur of (a) the date of the repayment in full of the Untendered Existing 2024 Notes Indebtedness (and of any Indebtedness under a Specified 2024 Notes Refinancing), (b) the date that the stated maturity date of the Untendered Existing 2024 Notes Indebtedness (or of any Indebtedness under a Specified 2024 Notes Refinancing) is extended pursuant to a Permitted Refinancing to a date that is at least 91 days after the then Latest Maturity Date and (c) the date that the Untendered Existing 2024 Notes Indebtedness (or any Indebtedness under a Specified 2024 Notes Refinancing) is otherwise refinanced pursuant to a Permitted Refinancing that has a stated maturity date that is at least 91 days after the then Latest Maturity Date.

"Unused Commitment Fee" has the meaning specified in *Section 2.12(a)*.

"Unused Commitment Fee Rate" means, for any day, a percentage per annum equal to 0.20% per annum.

"USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended or modified from time to time.

"U.S." or "United States" mean the United States of America.

"U.S. Borrower" means any Borrower that is organized under the Laws of the United States, any state thereof or the District of Columbia.

"U.S. Collateral Documents" means, collectively, (a) the U.S. Security Agreement, (b) the U.S. Security Agreement Supplements, (c) the U.S. Intellectual Property Security Agreements, (d) the U.S. Pledge Agreement and (e) and each of the other agreements,

instruments or documents that creates or purports to create a Lien to secure the Obligations or a Guarantee of the Obligations, in each case, in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties, and that are governed by the Laws of the United States any state thereof or the District of Columbia.

"U.S. Government Securities Business Day" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

"U.S. Intellectual Property Security Agreements" has the meaning specified in the U.S. Security Agreement.

"U.S. Loan Party" means any Loan Party that is organized under the Laws of the United States, any state thereof or the District of Columbia.

"U.S. Lender" means any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Pledge Agreement" means the U.S. Pledge Agreement, dated as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"U.S. Security Agreement" means the U.S. Security Agreement, dated as of the Closing Date, among the Loan Parties party thereto and the Collateral Agent, as may be amended, amended and restated, restated, supplemented or otherwise modified from time to time.

"U.S. Security Agreement Supplement" has the meaning specified in the U.S. Security Agreement.

"U.S. Special Resolution Regimes" has the meaning specified in *Section 12.29*.

"U.S. Tax Compliance Certificate" has the meaning given to such term in *Section 3.1(c)*.

"VAT" means (a) any value added tax imposed by the Value Added Tax Act 1994; (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (c) any other tax of a similar nature, whether imposed in the U.K. or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a) or (b) above, or imposed elsewhere.

"Weekly Borrowing Base Reporting Period" means (a) each period beginning on the date that Excess Availability shall have been less than the greater of (x) 10.0% of the Modified Revolving Loan Cap and (y) \$100,000,000, in either case, for five (5) consecutive Business Days, and

ending on the date Excess Availability shall have been equal to or greater than the greater of (x) 10.0% of the Modified Revolving Loan Cap and (y) \$100,000,000, in each case, for thirty (30) consecutive calendar days or (b) upon the occurrence of a Specified Event of Default, the period that such Specified Event of Default shall be continuing. The termination of a Weekly Borrowing Base Reporting Period as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Weekly Borrowing Base Reporting Period in the event that the conditions set forth in this definition again arise.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final scheduled maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness; *provided* that, for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended (the *"Applicable Indebtedness"*), the effects of any prepayments or amortization made on such Applicable Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

"Wholly-Owned Subsidiary" of a Person means a Subsidiary of such Person, all of the outstanding Equity Interests of which (other than (x) director's qualifying shares and (y) nominal shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withdrawal Liability" means the liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

"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 U.K. 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.

"Zale Canada" means Zale Canada Co., an unlimited company organized under the laws of the Province of Nova Scotia.

SECTION 1.2 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.
- (b) (i) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.
 - (i) References in this Agreement to an Exhibit, Schedule, Article, Section, clause or sub-clause refer (A) to the appropriate Exhibit or Schedule to, or Article, Section, clause or sub-clause in this Agreement or (B) to the extent such references are not present in this Agreement, to the Loan Document in which such reference appears.
 - (ii) The term "including" is by way of example and not limitation, except when used in the computation of time periods.
 - (iii) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.
 - (iv) Unless otherwise expressly indicated herein, the words "above" and "below", when following a reference to a clause or a sub-clause of any Loan Document, refer to a clause or sub-clause within, respectively, the same Section or clause.
- (c) The terms "Lender," "Swing Loan Lender", "Issuer", "Administrative Agent" and "Collateral Agent" include, without limitation, their respective successors.
- (d) In the computation of periods of time from a specified date to a later specified date, the word "*from*" means "from and including", the words "*to*" and "*until*" each mean "to but excluding" and the word "*through*" means "to and including."

(e) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(f) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean the repayment in full in cash or immediately available funds and in the required currency (or, in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Cash Collateralization) of all of the Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Swap Contracts) other than (i) unasserted contingent indemnification Obligations and (ii) any Obligations relating to Swap Contracts that, at such time, are allowed by the applicable Hedge Bank to remain outstanding without being required to be repaid.

(g) For all purposes under the Loan Documents, in connection with any Division: (i) if as a result of such Division any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (ii) if as a result of such Division any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

(h) For purposes of any Collateral located in the Province of Quebec or charged by any deed of hypothec (or any other Loan Document) and for all other purposes pursuant to which the interpretation or construction of a Loan Document may be subject to the Laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (i) "personal property" shall be deemed to include "movable property", (ii) "real property" shall be deemed to include "immovable property", (iii) "tangible property" shall be deemed to include "corporeal property", (iv) "intangible property" shall be deemed to include "incorporeal property", (v) "security interest" and "mortgage" shall be deemed to include a "hypothec", (vi) all references to filing, registering or recording under the UCC or the PPSA shall be deemed to include publication under the Civil Code of Quebec, (vii) all references to "perfection" of or "perfected" Liens shall be deemed to include a reference to the "opposability" of such Liens to third parties, (viii) any "right of offset", "right of setoff" or similar expression shall be deemed to include a "right of compensation", (ix) "goods" shall be deemed to include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (x) an "agent" shall be deemed to include a "mandatary" and (xi) "foreclosure" shall be deemed to include the "exercise of a hypothecary right".

SECTION 1.3 Accounting Terms.

All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, except as otherwise specifically prescribed herein.

SECTION 1.4 Rounding.

SECTION 1.4 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.5 Letter of Credit Amounts.

Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the Stated Amount of such Letter of Credit in effect at such time; *provided, however*, that with respect to any Letter of Credit that, by its terms of any Issuer Documents related thereto, provides for one or more automatic increases in the Stated Amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum Stated Amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum Stated Amount is in effect at such time.

SECTION 1.6 References to Agreements, Laws, Etc.

Unless otherwise expressly provided herein, (a) references to Constituent Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all appendices, exhibits and schedules thereto and all subsequent amendments, restatements, extensions, supplements and other modifications thereto (but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Loan Document); and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

SECTION 1.7 Times of Day; Timing of Payments and Performance.

(a) Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

(b) Except as otherwise expressly set forth herein, when the payment of any obligation (other than as specified in the definition of "Interest Period") or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day.

SECTION 1.8 Pro Forma Calculations.

(a) Notwithstanding anything to the contrary herein, Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio, the Secured Leverage Ratio (whether in connection with testing the satisfaction of the Payment Conditions or otherwise), shall be calculated in the manner prescribed by this Section 1.8; provided that, notwithstanding anything to the contrary in this Section 1.8, when calculating the Consolidated Fixed Charge Coverage Ratio for purposes of determining actual compliance (and not compliance on a Pro Forma Basis) with Section 6.1, the events described in this Section 1.8 that occurred subsequent to the end of the applicable Test Period shall not be given Pro Forma Effect.

(b) For purposes of calculating Consolidated EBITDA and any financial ratio or test, including the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio and the Secured Leverage Ratio, Specified Transactions (and the incurrence or repayment of any Indebtedness in connection therewith, subject to clause (c) of this Section 1.8) that have been made (i) during the applicable Test Period or (ii) subject to the proviso set forth in clause (a) of this Section 1.8, subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio or test is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period (or, in the case of Total Assets, on the last day of the applicable Test Period). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into a Loan Party or any Restricted Subsidiary since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.8, then the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio and the Secured Leverage Ratio shall be calculated to give pro forma effect thereto in accordance with this Section 1.8.

(c) In the event that any Loan Party or any Restricted Subsidiary incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness included in the calculations of the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio and the Secured Leverage Ratio, as the case may be (in each case, other than Indebtedness incurred or repaid under any revolving credit facility in the ordinary course of business for working capital purposes), (i) during the applicable Test Period or (ii) subsequent to the end of the applicable Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio and the Secured Leverage Ratio, as applicable, shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, to the extent required, as if the same had occurred on the last day of the applicable Test Period (with respect to any calculation of the Net Leverage Ratio or the Secured Leverage Ratio) or the first day of the applicable Test Period (with respect to any calculation of the Consolidated Fixed Charge Coverage Ratio or the Interest Coverage Ratio).

(d) Whenever Pro Forma Effect is to be given to a Specified Transaction, the pro forma calculations shall be made in good faith by a Financial Officer of the Lead Administrative Borrower (it being understood that pro forma adjustments need not be prepared in compliance with Regulation S-X) and may include, for the avoidance of doubt, the amount of Expected Cost Savings projected by the Lead Administrative Borrower in good faith to be realized as a result of action that is taken, committed to be taken or reasonably expected to be taken (calculated on a pro forma basis as though such Expected Cost Savings had been realized

on the first day of such Test Period and as if such Expected Cost Savings were realized during the entirety of such Test Period) in connection with any Business Optimization Initiative relating to such Specified Transaction, net of the amount of actual amounts realized during such Test Period from such actions; provided that (i) such Expected Cost Savings are reasonably identifiable and factually supportable (in the good faith determination of the Lead Administrative Borrower), (ii) the relevant action resulting in (or substantial steps towards the relevant action that would result in) such Expected Costs Savings must either be taken or reasonably expected to be taken within eighteen (18) months after the date of such Specified Transaction, (iii) no amounts shall be added pursuant to this clause (d) to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, with respect to such Test Period, and (iv) amounts added back pursuant to this clause (d), when taken together with any such similar adjustments made in accordance with clause (a)(ix) of the definition of "Consolidated EBITDA", shall not exceed 25% of Consolidated EBITDA for such Test Period (calculated prior to giving effect to such addbacks).

(e) If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio and the Secured Leverage Ratio is made had been the applicable rate for the entire period (taking into account any hedging obligations applicable to such Indebtedness). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest

rate reasonably determined by a Financial Officer of the Lead Administrative Borrower to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency an interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Lead Administrative Borrower may designate.

SECTION 1.9 Limited Condition Transactions.

(a) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, in connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(i) any determination of compliance with the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio, the Secured Leverage Ratio or any other financial ratio or test, including the financial covenant set forth in *Section 6.1* (but not for purposes of determining compliance with any applicable test set forth in *clause (b)* of the definition of "Payment Conditions");

(ii) any determination of compliance with any provision of this Agreement or any Loan Document which requires that no Default, Event of Default or Specified Event of Default has occurred, is continuing or would result from any such Limited Condition Transaction, as applicable;

(iii) any determination of the accuracy of representations or warranties (other than Specified Representations in the case of a Limited Condition Transaction under *clause (a)* of such definition);

(iv) any determination of compliance with availability under any basket (including any basket measured as a percentage of Consolidated EBITDA or Total Assets); or

(v) any other determination as to whether any such Limited Condition Transaction or any other transaction undertaken or proposed to be undertaken in connection with such Limited Condition Transaction (including the incurrence of Indebtedness, the creation of Liens, the making of Dispositions, the making of an Investment or Restricted Payment, the designation of a "Subsidiary" as a Restricted Subsidiary or an Unrestricted Subsidiary or the repayment or prepayment of Indebtedness) complies with the covenants or agreements contained in this Agreement or any other Loan Document,

in each case, at the option of the Lead Administrative Borrower (the Lead Administrative Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "*LCT Election*"), the date for determination set forth in *clause (i)* through (v) above shall be the LCT Test Date for such Limited Condition Transaction. If on a Pro Forma Basis after giving effect to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) any such ratios, tests or other provisions are calculated as if such Limited Condition Transaction or other transactions had occurred at the beginning of the most recent Test Period ending prior to the LCT Test Date, Holdings or any of its Restricted Subsidiaries could have consummated such Limited Condition Transaction on the relevant LCT Test Date in compliance with the applicable ratios, tests or other provisions, such ratios, tests or other provisions shall be deemed to have been complied with.

(b) For the avoidance of doubt, (i) if any of such ratios, tests, baskets or other provisions are exceeded or breached as a result of fluctuations in any such ratio, test or basket (including due to fluctuations in Consolidated EBITDA or Total Assets, a change in facts and circumstances or other provisions at or prior to the consummation of the relevant Limited Condition Transaction), such ratios, tests, baskets and other provisions will not be deemed to have been exceeded, breached, or otherwise failed as a result of such fluctuations or changed circumstances solely for purposes of determining whether the Limited Condition Transaction and any related transactions is permitted under this Agreement and the other Loan Documents and (ii) such ratios, tests, baskets and compliance with such other provisions shall not be tested at the time of consummation of such Limited Condition Transaction or related Specified Transactions. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Lead Administrative Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any event or transaction occurring after the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for disposition, redemption, repurchase, defeasance, satisfaction and discharge or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes, as applicable, without consummation of such Limited Condition Transaction (a "*Subsequent Transaction*") requiring calculation of a ratio, test or basket availability on a Pro Forma Basis or giving Pro Forma Effect to such Subsequent Transaction, for purposes of determining whether such ratio, test or basket availability has been complied with under this Agreement, any such ratio, test or basket availability shall be required to be satisfied on a Pro Forma Basis (i) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) solely with respect to Restricted Payments and Restricted Debt Payments only, also assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated.

(c) Notwithstanding the foregoing, the Limited Condition Transaction provisions set forth above shall not apply in respect of the incurrence of any Revolving Credit Loans (or other Credit Extensions under the Revolving Credit Facility) the proceeds of which will be used to finance such Limited Condition Transaction.

SECTION 1.10 Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or any Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of the Revolving Borrowing Base, the FILO Borrowing Base, Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder and except as set forth in *clause (d)* and *(e)* below, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or any Issuer, as applicable.

(b) Except as expressly set forth herein with respect to any Borrowing, conversion, continuation or prepayment of a Loan or any issuance, amendment or extension of a Letter of Credit in Canadian Dollars, Euro or Sterling, wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the applicable Issuer, as the case may be.

(c) For purposes of determining the Revolving Borrowing Base and the FILO Borrowing Base (and each component thereof), the Borrowers shall report (i) asset values with respect to any asset included in the Revolving Borrowing Base and FILO Borrowing Base in the currency shown in the Borrowers' financial records or invoiced by the Borrowers, as applicable, for such asset (and otherwise as reasonably requested by the Administrative Agent, the relevant currency in its Local Covered Jurisdiction), (ii) any Inventory Reserves with respect to any item of Inventory in the currency in which the asset value for such item of Inventory is reported pursuant to *clause (i)* above (and otherwise as reasonably requested by the Administrative Agent, the relevant currency in its Local Covered Jurisdiction) and (iii) any Availability Reserve in the currency of the underlying claims, liabilities or obligations giving rise to such Availability Reserve (and otherwise as reasonably requested by the Administrative Agent, the relevant currency in its Local Covered Jurisdiction).

(d) For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the Spot Rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt (or, in the case of an LCT Election, on the date of the applicable LCT Test Date); *provided* that, if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable Dollar-denominated restriction to be exceeded if calculated at the Spot Rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Indebtedness so refinanced does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased. Notwithstanding the foregoing, the principal amount of any Indebtedness incurred to extend, replace, refund, refinance, renew or defease other Indebtedness, if incurred in a different currency from the Indebtedness being extended, replaced, refunded, refinanced, renewed or

defeased, shall be calculated based on the Spot Rate that is in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance.

(e) For purposes of determining the Consolidated Fixed Charge Coverage Ratio, the Interest Coverage Ratio, the Net Leverage Ratio, the Secured Leverage Ratio, including Consolidated EBITDA when calculating such ratios, all amounts denominated in a currency other than Dollars will be converted to Dollars for any purpose (including testing the any financial covenant) at the effective rate of exchange in respect thereof reflected in the consolidated financial statements of Holdings for the applicable Test Period for which such measurement is being made, and will reflect the currency translation effects, determined in accordance with GAAP, of Swap Contracts permitted hereunder for currency exchange risks with respect to the applicable currency in effect on the date of determination of the Dollar equivalent of such Indebtedness.

SECTION 1.11 Additional Alternative Currencies.

(a) The Borrowers may from time to time request that Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; *provided* that such requested currency is an Eligible Currency. In the case of any such request with respect to the making of Loans, such request shall be subject to the approval of the Administrative Agent and each Lender with a commitment under which such currency is requested to be made available; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the applicable Issuer.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, the Issuers, in its or their sole discretion). In the case of any such request pertaining to a Loan, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the Issuers thereof. Each Lender (in the case of any such request pertaining to a Loan) or the Issuers (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or any Issuer, as the case may be, to respond to such request within the time period specified in the preceding clause (b) shall be deemed to be a refusal by such Lender or such Issuer, as the case may be, to permit Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Loans in such requested currency and the Administrative Agent and such Lenders reasonably determine that an appropriate interest rate is available to be used for such requested currency, the Administrative Agent shall so notify the Lead Administrative Borrower and (i) the Lead Administrative Borrower, the Administrative Agent and such Lenders may amend the definition of EurocurrencyTerm Rate (or establish other appropriate interest rate definitions) to the extent necessary to add the applicable rate for such currency and any applicable adjustment for such rate and (ii) to the extent the definition of EurocurrencyTerm Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency (or other appropriate interest rate definitions have been established with respect to such currency), such currency shall thereupon be deemed for all purposes to be an Alternative Currency for purposes of any Borrowings of Loans in such currency. If the Administrative Agent and the Issuers consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Lead Administrative

Borrower and (i) the Lead Administrative Borrower, the Administrative Agent and the Issuers may amend the definition of EurocurrencyTerm Rate (or establish other appropriate interest rate definitions) to the extent necessary to add the applicable rate for such currency and any applicable adjustment for such rate and (ii) to the extent the definition of EurocurrencyTerm Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency (or other appropriate interest rate definitions have been established with respect to such currency), such currency shall thereupon be deemed for all purposes to be an Alternative Currency, for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.11, the Administrative Agent shall promptly so notify the Lead Administrative Borrower.

SECTION 1.12 Change of Currency.

(a) Each obligation of the Borrowers to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that, if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) To facilitate the administration of this Agreement, each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent (in consultation with the Lead Administrative Borrower) may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) To facilitate the administration of this Agreement, each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent (in consultation with the Lead Administrative Borrower) may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

SECTION 1.13 Interest Rates.

The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to ~~the rates~~any reference rate referred to herein (including, without limitation, SONIA or any rate referred to in the definition of "SOFR", "SONIA" or "EurocurrencyTerm Rate") or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any ~~Benchmark Replacement~~Successor Rate)(or any component of any of the foregoing) or the effect of any of the foregoing, or of any ~~Benchmark Replacement~~-Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate)(or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrowers. The Administrative Agent may select information sources or services in its

reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender, any Issuer 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 other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

SECTION 1.14 Classification Among Negative Covenant Exceptions.

For purposes of determining compliance at any time with *Sections 9.1, 9.2, 9.3, 9.6 and/or 9.11* in the event that any Lien, Investment, Indebtedness, Restricted Payment, and/or prepayments of Material Junior Financing or the FILO Loans, as applicable, meets the criteria of more than one of the categories of transactions or items permitted pursuant to any clause of *Sections 9.1, 9.2, 9.3, 9.6 and/or 9.11*, the Lead Administrative Borrower, in its sole discretion, may, from time to time, classify or reclassify such transaction or item (or portion thereof) under one or more clauses of each such Section. It is understood and agreed that any Lien, Investment, Indebtedness, Restricted Payment and/or prepayments of Material Junior Financing or the FILO Loans need not be permitted solely by reference to one category of permitted Lien, Investment, Indebtedness, Restricted Payment and/or prepayments of Material Junior Financing or the FILO Loans under *Sections 9.1, 9.2, 9.3, 9.6 and/or 9.11*, respectively, and may instead be permitted in part under any combination thereof, but the Lead Administrative Borrower will only be required to include the amount and type of such transaction (or portion thereof) in one such category (or combination thereof). Notwithstanding the foregoing to the contrary, (a) all Indebtedness under the Loan Documents, the Untendered Existing 2024 Notes Indebtedness and the Senior Notes Indebtedness shall be deemed to have been incurred in reliance on the provisions of *Section 9.3(a), Section 9.3(q) and Section 9.3(w)*, respectively, and may not be reclassified or divided as set forth above and (b) all Liens securing the obligations under the Loan Documents and the Senior Notes Indebtedness shall be deemed to have been incurred in reliance on the provisions of *Section 9.1(a) and Section 9.1(ee)*, respectively, and may not be reclassified or divided as set forth above.

ARTICLE II.

THE FACILITIES

SECTION 2.1 The Commitments.

(a) The Revolving Credit Commitments.

(i) On the terms and subject to the conditions contained in this Agreement, each Revolving Credit Lender severally agrees to make loans in Dollars or in one or more Alternative Currencies (each, a "Revolving Loan") to the Borrowers from time to time on any Business Day during the period from the Closing Date until the Revolving Credit Termination Date in an aggregate principal amount at any time outstanding not to exceed such Revolving Credit Lender's Revolving Credit Commitment; *provided* that each of the applicable Credit Extension Conditions shall be satisfied after giving effect to any such Revolving Loans. Within the foregoing limits and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans.

(ii) Subject to the limitations set forth below (and notwithstanding anything to the contrary in *Section 4.2*), the Administrative Agent is authorized by the Borrowers and the Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation), to make Revolving Loans (which may be a Swing Loan) or other Credit Extensions to the Borrowers, on behalf of all Lenders at any time that any condition precedent set forth in *Section 4.2* has not been satisfied or waived, which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable for the purposes specified in the definition of "Protective Advances". Any Protective Advance may be made in a principal amount that would cause the aggregate Revolving Credit Exposure to exceed the Revolving Borrowing Base; *provided* that the (x) aggregate amount of outstanding Protective Advances plus the aggregate of all other Revolving Credit Exposure shall not exceed the Aggregate Revolving Credit Commitments and (y) the Revolving Credit Exposure of any Revolving Credit Lenders shall not exceed its Revolving Credit Commitments; *provided further* that the foregoing shall not result in any claim or liability against the Administrative Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances, and such Unintentional Overadvances shall not reduce the amount of Protective Advances allowed hereunder. Protective Advances may be made even if the conditions precedent set forth in *Section 4.2* have not been satisfied or waived. Each Protective Advance shall be secured by the Liens in favor of the Collateral Agent in and to the Collateral and shall constitute Obligations hereunder. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Requisite Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. The making of a Protective Advance on any one occasion shall not obligate the Administrative Agent to make any Protective Advance on any other occasion. At any time that the conditions precedent set forth in *Section 4.2* have been satisfied or waived, the Administrative Agent may

request that the Revolving Credit Lenders make a Revolving Loans to repay a Protective Advance. At any other time, the Administrative Agent may require the Revolving Credit Lenders to fund their risk participations described in *Section 2.1(a)(iii)*.

(iii) Upon the making of a Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each Revolving Credit Lender shall be deemed, without further action by any party hereto, unconditionally and irrevocably to have purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such Protective Advance in proportion to its Revolving Commitment Percentage. From and after the date, if any, on which any Revolving Credit Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such Revolving Credit Lender, such Revolving Credit Lender's Revolving Commitment Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

(iv) Notwithstanding anything to the contrary set forth herein, no Canadian Borrower shall be permitted to borrow Loans denominated in Sterling prior to August 21, 2021.

SECTION 2.2 Borrowing Procedures; Funding by Lenders.

(a) *Borrowing Procedures.* Each Borrowing (other than a Borrowing of Swing Loans) shall be made upon the applicable Lead Borrower's irrevocable notice to the

Administrative Agent, which may be given by (A) telephone or (B) a Notice of Borrowing (including by e-mail or facsimile); *provided* that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Notice of Borrowing not later than (i) 1:00 p.m. on the same Business Day, in the case of a Borrowing of Base Rate Loans, (ii) 11:00 a.m. one (1) Business Day prior to the date of the proposed Borrowing, in the case of a Borrowing of Canadian Base Rate Loans or Canadian Prime Rate Loans, and (iii) 11:00 a.m. three (3) Business Days (or four (4) Business Days in the case of a Special Notice Currency) prior to the date of the proposed Borrowing, in the case of a Borrowing of (A) SONIA Rate Loans or (B) EurocurrencyTerm Rate Loans denominated in Dollars or an Alternative Currency; *provided, however*, that if the applicable Borrower wishes to request EurocurrencyTerm Rate Loans having an Interest Period other than a period provided in the definition of "Interest Period," the applicable Notice of Borrowing must be received by the Administrative Agent not later than 11:00 a.m. four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the date of the proposed Borrowing of EurocurrencyTerm Rate Loans denominated in Dollars or an Alternative Currency, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three (3) Business Days (or four (4) Business Days in the case of a Special Notice Currency) prior to the requested date of such Borrowing of EurocurrencyTerm Rate Loans denominated in Dollars or an Alternative Currency, the Administrative Agent shall notify the applicable Lead Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Appropriate Lenders. Each Notice of Borrowing by a Lead Borrower shall specify (A) the Borrower on account of when such Borrowing is being requested, (B) whether such Borrowing is a Borrowing of Revolving Loans or a Borrowing of FILO Loans, (C) the date of such proposed Borrowing, which shall be a Business Day, (D) the aggregate amount of such proposed Borrowing, (E) the Type of the proposed Borrowing, (F) the initial Interest Period or Interest Periods for any such EurocurrencyTerm Rate Loans, (G) with respect to any Borrowing of Revolving Loans, the currency of the proposed Borrowing and (H) with respect to any Borrowing the proceeds of which will be used to fund a Restricted Payment subject to the satisfaction of the Payment Conditions, an additional solvency representation and warranty of the Holdings and its Restricted Subsidiaries (taken as a whole) after giving effect to such Borrowing and the use of proceeds thereof. If the applicable Borrower fails to specify a currency in a Notice of Borrowing, then the Loans so requested shall be made in Dollars. The Loans shall be made as Canadian Base Rate Loans (if denominated in Dollars to a Canadian Borrower) or Canadian Prime Rate Loans (if denominated in Canadian Dollars to a Canadian Borrower), as applicable, unless, subject to *Section 3.4*, the Notice of Borrowing specifies that all or a portion of such Loans shall be EurocurrencyTerm Rate Loans. If the applicable Borrower requests a Borrowing of EurocurrencyTerm Rate Loans but fails to specify an Interest Period, such Borrower shall be deemed to have specified an Interest Period of one month's duration. Each Borrowing of Loans shall be subject to the following applicable minimums and multiples:

(i) each Borrowing of Base Rate Loans, Canadian Base Rate Loans or EurocurrencyTerm Rate Loans denominated in Dollars shall, in each case, be in an aggregate amount of not less than \$500,000 or an integral multiple of \$100,000 in excess thereof;

(ii) each Borrowing of Canadian Prime Rate Loans or EurocurrencyTerm Rate Loans denominated in Canadian Dollars shall, in each case, be in an aggregate amount of not less than CAD \$500,000 or an integral multiple of CAD \$100,000 in excess thereof;

(iii) each Borrowing of EurocurrencyTerm Rate Loans denominated in Euro shall, in each case, be in an aggregate amount of not less than €1,000,000 or an integral multiple of €500,000 in excess thereof;

(iv) each Borrowing of SONIA Rate Loans shall, in each case, be in an aggregate amount of not less than £1,000,000 or an integral multiple of £500,000 in excess thereof; and

(v) each Borrowing of EurocurrencyTerm Rate Loans denominated in any Alternative Currency (other than Canadian Dollars or Euro) shall, in each case, be in an aggregate amount of not less than the U.S. Dollar Equivalent of \$1,000,000 or an integral multiple of \$500,000 in excess thereof.

(b) *Funding by Lenders.* The Administrative Agent shall give to each Appropriate Lender prompt notice of (i) the Administrative Agent's receipt of a Notice of Borrowing, (ii) amount (and currency) of its Ratable Portion of the applicable Loans and (iii) if EurocurrencyTerm Rate Loans are properly requested in such Notice of Borrowing, the applicable interest rate determined pursuant to Section 2.10(a) (subject to Section 3.4). Each Appropriate Lender shall, before (A) 3:00 p.m. on the date of the proposed Borrowing, in the case of a Borrowing of Base Rate Loans to be provided on same-day notice (other than any such Borrowing to be made on the Closing Date), (B) 1:00 p.m. on the date of the proposed Borrowing, in the case of a Borrowing of Canadian Base Rate Loans and Canadian Prime Rate Loans (other than any such Borrowing to be made on the Closing Date), (C) 1:00 p.m. on the date of the proposed Borrowing, in the case of a Borrowing of EurocurrencyTerm Rate Loans denominated in Dollars (other than any such Borrowing to be made on the Closing Date), (D) the Applicable Time specified by the Administrative Agent on the date of the proposed Borrowing, in the case of a Borrowing of Loans (other than Canadian Base Rate Loans or Canadian Prime Rate Loans) denominated in an Alternative Currency, and (E) 10:00 a.m. on the Closing Date with respect to any Borrowing to be made on the Closing Date, make available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency, such Lender's Ratable Portion of such proposed Borrowing (it being understood that, notwithstanding anything to the contrary in this Agreement, the Ratable Portion of each such Revolving Loan to be funded by each Revolving Credit Lender shall be determined without regard to any separate Class or Classes of Revolving Credit Commitments of such Revolving Credit Lender). Upon fulfillment (or due waiver in accordance with Section 12.1) (i) on the Closing Date, of the applicable conditions set forth in Section 4.1 and (ii) at any time after the Closing Date, of the applicable conditions set forth in Section 4.2, and, subject to clause (c) below, after the Administrative Agent's receipt of such funds, the Administrative Agent shall make such funds available to the applicable Borrower as promptly as reasonably practicable either by (A) crediting the account of such Borrower on the books of Bank of America with the amount of such funds or (B) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by such Borrower.

(c) *Presumption by Administrative Agent.* Unless the Administrative Agent shall have received notice from a Lender prior to the date of any proposed Borrowing that such Lender will not make available to the Administrative Agent such Lender's Ratable Portion of such Borrowing (or any portion thereof), the Administrative Agent may assume that such Lender has made such Ratable Portion available to the Administrative Agent on the date of such Borrowing in accordance with this Section 2.2 and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such Ratable Portion available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from the date such amount is made available to the applicable Borrower until the date such amount is repaid to the Administrative Agent, at (i) in the case of the Borrowers, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the applicable Overnight Rate, plus, in case

of this clause (ii), any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing. If any of Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the applicable Borrowers the amount of such interest paid by such Borrowers for such period. If such Lender shall repay to the Administrative Agent such corresponding amount, such corresponding amount so repaid shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement. If the Borrowers shall repay to the Administrative Agent such corresponding amount, such payment shall not relieve such Lender of any obligation it may have hereunder to the Borrowers.

(d) *Obligations of Lenders Several.* The obligations of the Lenders hereunder to make Loans, to fund participations in Protective Advances, Letters of Credit and Swing Loans or to make any other payments required by the Lenders hereunder are several and not joint. The failure of any Lender to make on the date specified any Loan or any payment required by it, including any payment in respect of its participation in Swing Loans and Letter of Credit Obligations, shall not relieve any other Lender of its obligations to make such Loan or payment on such date but, except to the extent otherwise provided herein, no such other Lender shall be responsible for the failure of any Lender to make a Loan or payment required under this Agreement.

(e) *Failure to Satisfy Conditions Precedent.* If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to any Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to such Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with Section 12.1, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(f) *Number of Interest Periods.* After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect unless otherwise agreed between the Lead Administrative Borrower and the Administrative Agent.

(g) *Cashless Settlement*. Notwithstanding anything to the contrary in this Agreement, any Lender may exchange, continue or rollover all of the portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Lead Administrative Borrower, the Administrative Agent, and such Lender.

SECTION 2.3 *Swing Loans*.

(a) Subject to the terms and conditions set forth herein, the Swing Loan Lender, in reliance upon the agreements of the Revolving Credit Lenders set forth in this *Section 2.3*, may in its sole discretion make loans in Dollars under the Revolving Credit Facility (each, a “*Swing Loan*”) to the Borrowers from time to time on any Business Day during the period from the Closing Date until the Revolving Credit Termination Date in an aggregate principal amount at any time outstanding (together with the aggregate outstanding principal amount of any other Swing Loan made by the Swing Loan Lender hereunder in its capacity as the Swing Loan Lender) not to exceed the Swing Loan Sublimit; *provided, however*, that at no time shall the Swing Loan Lender make any Swing Loan to the extent that, after giving effect to such Swing Loan, any of the applicable Credit Extension Conditions shall not be satisfied (for the Class of Revolving Credit Commitments with the Latest Maturity Date held by the Swing Loan Lender); *provided further* that in the event that the Swing Loan Lender and the Administrative Agent are not the same Person, then the Swing Loan Lender shall only make a Swing Loan after having

given prior notice thereof to the Administrative Agent; *provided further* that the Swing Loan Lender shall not be required to make any Swing Loan to the extent that such Swing Loan Lender reasonably believes that any Lender is a Defaulting Lender unless, after giving effect to the requested Swing Loan, there would exist no Fronting Exposure (in the good faith determination of the Swing Loan Lender and the Administrative Agent). Immediately upon the making of a Swing Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Loan Lender a risk participation in such Swing Loan in an amount equal to the product of such Revolving Credit Lender's Revolving Commitment Percentage (determined without regard to any separate Class or Classes of Revolving Credit Commitments of any Lender) *times* the amount of such Swing Loan. Each Swing Loan shall be a Base Rate Loan (or a Canadian Base Rate Loan if made to a Canadian Borrower) denominated in Dollars and must be repaid in full upon any Borrowing hereunder and shall in any event mature no later than the Revolving Credit Termination Date (for the Class of Revolving Credit Commitments with the Latest Maturity Date held by the Swing Loan Lender). Within the limits set forth in the first sentence of this *clause (a)*, amounts of Swing Loans repaid may be reborrowed under this *clause (a)*.

(b) Each Borrowing of Swing Loans shall be made upon a Lead Borrower's irrevocable notice to the Swing Loan Lender and the Administrative Agent, which may be given by (A) telephone or (B) by a Swing Loan Request (including by e-mail or facsimile); *provided* that any telephonic notice must be confirmed promptly by delivery to the Swing Loan Lender and the Administrative Agent of a Swing Loan Request not later than 1:00 p.m. on the requested borrowing date and shall specify (i) the amount to be borrowed, (ii) the Borrower, on account of whom, such Borrowing is being requested and (iii) the date of such proposed Borrowing, which shall be a Business Day. Promptly after receipt by the Swing Loan Lender of any Swing Loan Request, the Swing Loan Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Loan Request and, if not, the Swing Loan Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Loan Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 3:00 p.m. on the date of the proposed Borrowing of Swing Loans (A) directing the Swing Loan Lender not to make such Swing Loan as a result of the failure of the applicable Credit Extension Conditions to be satisfied, or (B) that one or more of the applicable conditions specified in *Section 4.2* is not then satisfied, in each case, other than as a result of a Protective Advance, then, subject to the terms and conditions this Agreement, the Swing Loan Lender may, on the date of such proposed Borrowing specified in such Swing Loan Request, make the amount of its Swing Loan available to the applicable Borrower as promptly as reasonably practicable either by (i) crediting the account of such Borrower on the books of the Swing Loan Lender with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Swing Loan Lender by a Lead Borrower.

(c) The Swing Loan Lender may demand at any time (and shall demand, not less frequently than weekly unless such Swing Loan is repaid in accordance with *Section 2.3(a)* hereof), that each Revolving Credit Lender pay to the Administrative Agent, for the account of the Swing Loan Lender, in the manner provided in *clause (d)* below, such Revolving Credit Lender's Ratable Portion (determined without regard to any separate Class or Classes of Revolving Credit Commitment of any Lender) of all or a portion of the outstanding Swing Loans, which demand shall be made through the Administrative Agent, shall be in writing and shall specify the outstanding principal amount of Swing Loans demanded to be paid.

(d) The Administrative Agent shall forward each demand referred to in *clause (c)* above to each Revolving Credit Lender on the day such notice or such demand is received by the Administrative Agent (except that any such notice or demand received by the

Administrative Agent after 2:00 p.m. on any Business Day or any such notice or demand received on a day that is not a Business Day shall not be required to be forwarded to the Revolving Credit Lenders by the Administrative Agent until the next succeeding Business Day), together with a statement prepared by the Administrative Agent specifying the amount of each Revolving Credit Lender's Revolving Commitment Percentage of the aggregate principal amount of the Swing Loans stated to be outstanding in such notice or demanded to be paid pursuant to such demand. Any such

request shall be deemed to be a request, on behalf of the Borrowers (each of whom hereby irrevocably authorize the Swing Loan Lender to so request on its behalf), that each Revolving Credit Lender make Revolving Loan that is a Base Rate Loan in an amount equal to such Revolving Credit Lender's Revolving Credit Percentage (determined without regard to any separate Class or Classes of Revolving Credit Commitments of any Lender) of the amount of Swing Loans then outstanding for the account of such Borrower. Such request shall be made in writing (which written request shall be deemed to be a Notice of Borrowing for purposes hereof) and in accordance with the requirements of *Section 2.1(a)*, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in *Section 4.2* (other than delivery of a Notice of Borrowing). Each Revolving Credit Lender shall, before 11:00 a.m. on the Business Day next succeeding the date of such Revolving Credit Lender's receipt of such notice or demand, make available to the Administrative Agent, in Dollars and in Same Day Funds, for the account of the Swing Loan Lender, the amount specified in such statement. Upon such payment by a Revolving Credit Lender, such Revolving Credit Lender shall, except as provided in *clause (e)* below, be deemed to have made a Revolving Loan to the Borrowers in the amount of such payment. The Administrative Agent shall use such funds to repay the Swing Loans to the Swing Loan Lender.

(e) If for any reason any Swing Loan cannot be refinanced by such a Borrowing in accordance with *Section 2.3(d)* above, the request for Base Rate Loans (or Canadian Base Rate Loans if made to a Canadian Borrower) submitted by the Swing Loan Lender as set forth herein shall be deemed to be a request by the Swing Loan Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Loan Lender pursuant to *Section 2.3(d)* shall be deemed payment in respect of such participation. If all or part of such amount is not in fact made available by such Revolving Credit Lender to the Swing Loan Lender on such date, the Swing Loan Lender shall be entitled to recover any such unpaid amount on demand from such Revolving Credit Lender together with interest accrued thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Loan Lender at a rate per annum equal to the applicable Overnight Rate from time to time, *plus* any administrative, processing or similar fees customarily charged by the Swing Loan Lender in connection with the foregoing. If such Revolving Credit Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or funded participation in the relevant Swing Loan, as the case may be. A certificate of the Swing Loan Lender submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this *clause (e)* shall be conclusive absent manifest error.

(f) Each Revolving Credit Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Loans pursuant to this *Section 2.3* shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Loan Lender, any Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default, (iii) the Class of any such Loans or (iv) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided, however*, that each Lender's obligation to make Revolving Loans pursuant to *Section 2.4(d)* is subject to the conditions set forth in *Section 4.2* (other than delivery of a Notice of Borrowing).

No such funding of risk participations shall relieve or otherwise impair the obligation of any Borrower to repay Swing Loans made for such Borrower's account, together with interest as provided herein.

(g) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Loan, if the Swing Loan Lender receives any payment on account of such Swing Loan, the Swing Loan Lender will distribute to such Revolving Credit Lender its Revolving Credit Percentage (determined without regard to any separate Class or Classes of Revolving Credit Commitments of any Lender) thereof in the same funds as those received by the Swing Loan Lender.

(h) If any payment received by the Swing Loan Lender in respect of principal or interest on any Swing Loan is required to be returned by the Swing Loan Lender under any of the circumstances described in *Section 12.14* (including pursuant to any settlement entered into by the Swing Loan Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Loan Lender its Revolving Credit Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The Administrative Agent will make such demand upon the request of the Swing Loan Lender. The obligations of the Revolving Credit Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(i) The Swing Loan Lender shall be responsible for invoicing the applicable Borrower for interest on the Swing Loans. Until each Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this *Section 2.3* to refinance such Revolving Credit Lender's Revolving Credit Percentage of any Swing Loan, interest in respect of such Revolving Credit Percentage of such Lender shall be solely for the account of the Swing Loan Lender.

(j) The applicable Borrower shall make all payments with respect to Swing Loans directly to the Administrative Agent for the benefit of the Swing Loan Lender.

SECTION 2.4 Letters of Credit.

(a) Subject to the terms and subject to the conditions contained in this Agreement, and in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 2.4, each Issuer agrees to Issue at the request of a Lead Borrower, for the account of a Borrower, Holdings or a Restricted Subsidiary (provided that any Letter of Credit issued for the benefit of Holdings or any Restricted Subsidiary that is not a Borrower shall be issued naming a Lead Borrower as the account party on any such Letter of Credit but such Letter of Credit may contain a statement that it is being issued for the benefit of Holdings or such Restricted Subsidiary), one or more Letters of Credit denominated in Dollars or in one or more Alternative Currencies from time to time on any Business Day during the period commencing on the Closing Date and ending on the Letter of Credit Expiration Date; provided that after giving effect to any Issuance with respect to any Letter of Credit, (x) each of the applicable Credit Extension Conditions shall be satisfied, and (y) the outstanding amount of all Letter of Credit Obligations shall not exceed the Letter of Credit Sublimit. Each request by a Lead Borrower for the Issuance of a Letter of Credit shall be deemed to be a representation by the Borrowers that the Issuance so requested complies with the conditions set forth in the proviso to the preceding sentence. Notwithstanding the foregoing or anything to the contrary contained herein, no Issuer shall be obligated to Issue any Letter of Credit if, immediately after giving effect thereto, the outstanding Letter of Credit Obligations in respect of all Letters of Credit Issued by such Issuer would exceed such Person's Issuer Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' Holdings, and their Restricted Subsidiaries' ability to obtain Letters of Credit (as provided herein) shall be fully revolving, and accordingly Holdings, the

Borrowers and their Restricted Subsidiaries may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed in accordance with the terms hereof. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(i) No Issuer shall be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator having binding powers shall purport by its terms to enjoin or restrain such Issuer from Issuing such Letter of Credit or any Law applicable to such Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuer shall prohibit, or request that such Issuer refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuer with respect to such Letter of Credit any restriction or reserve or capital requirement (for which such Issuer is not otherwise compensated) not in effect on the Closing Date or result in any unreimbursed loss, cost or expense that was not applicable, in effect or known to such Issuer as of the Closing Date and that such Issuer in good faith deems material to it (for which such Issuer is not otherwise compensated);

(B) the issuance of such Letter of Credit would violate one or more policies of the Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the applicable Issuer, the Letter of Credit is (x) a Documentary Letter of Credit or (y) in an initial Stated Amount of less than the U.S. Dollar Equivalent of \$5,000, in the case of a Documentary Letter of Credit, or the U.S. Dollar Equivalent of \$5,000, in the case of a Standby Letter of Credit;

(D) (1) such Letter of Credit is requested to be denominated in any currency other than Dollars or an Alternative Currency, except as may be approved by the Administrative Agent and such Issuer, each in its sole reasonable discretion, (2) such Issuer does not as of the requested Issuance date issue letters of credit in the requested currency, or (3) the beneficiary of such Letter of Credit is domiciled in Ireland;

(E) the Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder;

(F) any Revolving Credit Lender is at that time a Defaulting Lender, unless (i) after giving effect to the requested Issuance, there would exist no Fronting Exposure (in the good faith determination of the applicable Issuer) or (ii) the applicable Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the applicable Issuer (in its reasonable discretion) with the Borrowers or such Lender to eliminate such Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.16(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or any other Letter of Credit Obligations as to which such Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(ii) No Issuer shall issue any Letter of Credit if (A) the expiration date of (1) any Documentary Letter of Credit is more than 210 days after the date of issuance thereof, or (2) any Standby Letter of Credit is more than one (1) year after the date of issuance thereof, provided, however, that any Standby Letter of Credit with a term less than or equal to one (1) year may provide for the renewal thereof for additional periods less than or equal to one (1) year, as long as, on or before the expiration of each such term and each such period, the Borrowers and the Issuer of such Standby Letter of Credit shall have the option to prevent such renewal or (B) the expiration date of

any Letter of Credit is later than the Letter of Credit Expiration Date, unless the applicable Issuer and the Administrative Agent have approved such expiry date, *provided further* that, for any Letter of Credit having an expiration date after the Letter of Credit Expiration Date, the Borrowers agree to deliver to the Administrative Agent on or prior to such Letter of Credit Expiration Date a letter of credit or letters of credit in form and substance reasonably acceptable to the Issuer and the Administrative Agent issued by a bank acceptable to the Issuer and the Administrative Agent, in each case in their sole discretion, and/or cash collateral in an amount equal to 103% of the Stated Amount of any such Letter of Credit.

(iii) The Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to Issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(iv) The Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in *Article XI* with respect to any acts taken or omissions suffered by the Issuer in connection with Letters of Credit Issued by it or proposed to be Issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in *Article XI* included the Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Issuer.

(b) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of a Lead Borrower delivered to the applicable Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of such Lead Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by the applicable Issuer, by personal delivery or by any other means acceptable to the applicable Issuer. Such Letter of Credit Application must be received by such Issuer and the Administrative Agent not later than 12:00 noon at least two (2) Business Days (or such later date and time as the Administrative Agent and such Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial Issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the applicable Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as such Issuer may reasonably request. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application

shall specify in form and detail reasonably satisfactory to the applicable Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as such Issuer may reasonably request. Additionally, the Borrowers shall furnish to the applicable Issuer and the Administrative Agent such other documents and information pertaining to such requested Issuance of a Letter of Credit, including any Issuer Documents, as such Issuer or the Administrative Agent may reasonably require.

(c) Promptly after receipt of any Letter of Credit Application, the applicable Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the applicable Lead Borrower and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the applicable Issuer has received written notice from the Requisite Revolving Lenders, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more of the conditions precedent contained in *Section 4.2* or *clause (a)* above are not on such date satisfied, then, subject to the terms and conditions hereof, such Issuer shall, on the requested date, Issue a Letter of Credit for the account of the applicable Lead Borrower (or Holdings or the applicable Restricted Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with such Issuer's usual and customary business practices. No Issuer shall otherwise be required to determine that, or take notice whether, the conditions precedent set forth in *Section 4.2* have been satisfied in connection with the Issuance of any Letter of Credit.

(d) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the applicable Issuer will also deliver to the applicable Lead Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(e) Immediately upon the issuance by an Issuer of a Letter of Credit in accordance with the terms and conditions of this Agreement, such Issuer shall be deemed to have sold and transferred to each Revolving Credit Lender, and each Revolving Credit Lender shall be deemed irrevocably and unconditionally to have purchased and received from such Issuer, without recourse or warranty, an undivided interest and participation, to the extent of such Revolving Credit Lender's Revolving Credit Percentage (determined without regard to any separate Class or Classes of Revolving Credit Commitments of any Lender), in such Letter of Credit and the obligations of the Borrowers with respect thereto (including all Letter of Credit Obligations with respect thereto) and any security therefor and guaranty pertaining thereto.

(f) (ii) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the applicable Issuer shall notify the Borrowers and the Administrative Agent thereof; *provided* that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse such Issuer and the Lenders with respect to any drawing under any Letter of Credit. In the case of a Letter of Credit denominated in an Alternative Currency, the Borrowers shall reimburse the applicable Issuer in such Alternative Currency, unless (A) such Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the Borrowers shall have notified the applicable Issuer promptly following receipt of the notice of drawing that the Borrowers will reimburse the applicable Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the applicable Issuer shall notify the Borrowers of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. If the Borrowers shall have received such notice from the applicable Issuer on or prior to 12:00 p.m. on any Business Day, the immediately following Business Day, or, if the Borrowers shall have received such notice later than 12:00 p.m. on any Business Day, the second

Business Day following such request (each such Business Day, as the case may be, an “*Reimbursement Date*”), the Borrowers shall reimburse such Issuer through the Administrative Agent in an amount equal to the amount of such drawing and in the applicable currency. In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in Dollars pursuant to the second sentence in this *Section 2.4(f)(i)* and (B) the Dollar amount paid by the Borrowers, whether on or after the Reimbursement Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, the Borrowers agree, as a separate and independent obligation, to indemnify the applicable Issuer for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing. If the Borrowers fail to so reimburse such Issuer by such time, the Administrative Agent shall promptly notify each Revolving Credit Lender of the Reimbursement Date, the amount of the Reimbursement Obligations with respect to such Letter of Credit (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency), and the amount of such Revolving Credit Lender’s Revolving Credit Percentage thereof. In such event, the applicable Lead Borrower shall be deemed to have requested a Borrowing of Revolving Loans consisting of Base Rate Loans to be disbursed on the Reimbursement Date in an amount equal to the Reimbursement Obligation, without regard to the minimum and multiples specified in *Section 2.2* for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in *Section 4.2* (other than the delivery of a Notice of Borrowing). Any notice given by any Issuer or the Administrative Agent pursuant to this *Section 2.4(f)(i)* may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(i) Each Revolving Credit Lender shall upon any notice pursuant to *Section 2.4(f)(i)* make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the applicable Issuer, in Dollars, at the Administrative Agent’s Office for Dollar-denominated payments in an amount equal to its Revolving Commitment Percentage (determined without regard to any separate Class or Classes of Revolving Credit Commitments of any Lender) of the applicable Reimbursement Obligations not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of *Section 2.4(f)(iii)*, each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the applicable Lead Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable Issuer in Dollars.

(ii) With respect to any applicable Reimbursement Obligations that is not fully refinanced by a Borrowing of Revolving Loans because the conditions set forth in *Section 4.2* cannot be satisfied or for any other reason, the applicable Lead Borrower shall be deemed to have incurred from the applicable Issuer a Letter of Credit Borrowing in the amount of the applicable Reimbursement Obligations that is not so refinanced, which Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender’s payment to the Administrative Agent for the account of the applicable Issuer pursuant to *Section 2.4(f)(ii)* shall be deemed payment in respect of its participation in such Letter of Credit Borrowing and shall constitute a payment from such Lender in satisfaction of its participation obligation under this *Section 2.4*.

(iii) Until each Revolving Credit Lender funds its Revolving Loan or payment in respect of its participation interest pursuant to this *Section 2.4(f)* to reimburse the applicable Issuer for any amount drawn under any Letter of Credit,

interest in respect of such Lender’s Revolving Commitment Percentage of such amount shall be solely for the account of such Issuer.

(iv) Each Revolving Credit Lender’s obligation to make Revolving Loans or payment in respect of its participation interest to reimburse each Issuer for amounts drawn under Letters of Credit of such Issuer, as contemplated by this *Section 2.4(f)*, shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the applicable Issuer, any Loan Party or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, (C) any existing Class of Revolving Credit Commitments or (D) any other occurrence, event or

condition, whether or not similar to any of the foregoing; *provided, however*, that each Revolving Credit Lender's obligation to make Revolving Loans pursuant to this *Section 2.4(f)* is subject to the conditions set forth in *Section 4.2* (other than delivery by the applicable Lead Borrower of a Notice of Borrowing). No such payment in respect of its participation interest shall relieve or otherwise impair the obligation of the Borrowers to reimburse the applicable Issuer for the amount of any payment made by such Issuer under any Letter of Credit, together with interest as provided herein.

(v) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of any Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this *Section 2.4(f)* by the time specified in *Section 2.4(f)(ii)*, then, without limiting the other provisions of this Agreement, the applicable Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the applicable Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by such Issuer in connection with the foregoing. If such Revolving Credit Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or payment in respect of its participation interest in respect of the relevant Letter of Credit Borrowing, as the case may be. A certificate of any Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this *Section 2.4(f)(vi)* shall be conclusive absent manifest error.

(g) (i) At any time after any Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's participation interest in respect of such payment in accordance with *Section 2.4(f)*, if the Administrative Agent receives for the account of the applicable Issuer any payment in respect of the related Reimbursement Obligation or interest thereon (whether directly from any Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Revolving Commitment Percentage thereof in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the applicable Issuer pursuant to *Section 2.4(f)(i)* is required to be returned under any of the circumstances described in *Section 12.14* (including pursuant to any settlement entered into by such Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of

such Issuer its Revolving Commitment Percentage thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Revolving Credit Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(h) The Borrowers' obligations to pay each Reimbursement Obligation and the obligations of the Revolving Credit Lenders to make payments to the Administrative Agent for the account of the Issuers with respect to Letters of Credit shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement, under any and all circumstances whatsoever, including the occurrence of any Default or Event of Default, and irrespective of any of the following:

- (i) any lack of validity or enforceability of any Letter of Credit or any Loan Document, or any term or provision therein;
- (ii) any amendment or waiver of or any consent to departure from all or any of the provisions of any Letter of Credit or any Loan Document;
- (iii) the existence of any claim, set-off, defense or other right that the Borrowers, any other party guaranteeing, or otherwise obligated with, the Borrowers, Holdings, any Restricted Subsidiary or other Affiliate thereof or any other Person may at any time have against the beneficiary under any Letter of Credit or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any Issuer, the Administrative Agent or any Lender or any other Person, whether in connection with this Agreement, any other Loan Document or any other related or unrelated agreement or transaction;
- (iv) any draft, demand, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (v) payment by the Issuer under a Letter of Credit against presentation of a draft or other document that does not strictly comply, but that does substantially comply, with the terms of such Letter of Credit; or any payment made by an Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(vi) any other act or omission to act or delay of any kind of any Issuer, the Lenders, the Administrative Agent or any other Person or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.4, constitute a legal or equitable discharge of the Borrowers' obligations hereunder;

(vii) the fact that any Default or Event of Default shall have occurred and be continuing;

(viii) waiver by the applicable Issuer of any requirement that exists for such Issuer's protection and not the protection of the Borrowers or any waiver by the applicable Issuer which does not in fact materially prejudice the Borrowers;

(ix) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;

(x) any payment made by the applicable Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC, the ISP or the UCP, as applicable; or

(xi) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to the Borrowers Holdings or any Restricted Subsidiary or in the relevant currency markets generally.

The applicable Lead Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with any of the applicable Lead Borrower's instructions or other irregularity, the applicable Lead Borrower will promptly notify the applicable Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the applicable Issuer and its correspondents unless such notice is given as aforesaid.

(i) Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, no Issuer shall have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders, the Requisite Lenders or the Requisite Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; *provided, however*, that this assumption is not intended to, and shall not, preclude any Borrower pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of any Issuer shall be liable or responsible for any of the matters described in Section 2.4(h); *provided, however*, that anything in such clauses to the contrary notwithstanding, the applicable Borrower may have a claim against the applicable Issuer, and such Issuer may be liable to the applicable Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential, special, indirect, punitive or exemplary, damages suffered by such Borrower which such Borrower proves were caused by such Issuer's willful misconduct or gross negligence or such Issuer's willful failure to pay under any letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit, in each case, by obtaining a final and nonappealable judgment in such Borrowers' favor by a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, each Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the

rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. Any Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(j) Unless otherwise expressly agreed by the relevant Issuer and the Borrowers when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) the rules of the ISP shall apply to each Standby Letter of Credit, and (ii) the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce at the time of issuance, shall apply to each Documentary Letter of Credit. Notwithstanding the foregoing, no Issuer shall be responsible to the applicable Borrower for, and each Issuer's rights and remedies against the applicable Borrower shall not be impaired by, any action or inaction of such Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where such Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International

Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(k) In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(l) Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, Holdings or a Restricted Subsidiary, the Borrowers shall be obligated to reimburse each Issuer hereunder for any and all drawings under each Letter of Credit issued by such Issuer. The Borrowers hereby acknowledges that the issuance of Letters of Credit for the account of Holdings or a Restricted Subsidiary inures to the benefit of the Borrowers, and that the Borrowers' business derives substantial benefits from the businesses of Holdings and such Restricted Subsidiaries.

(m) At the end of each week (or at such other intervals as the Administrative Agent and the applicable Issuer shall agree), each Issuer shall provide to the Administrative Agent a schedule of the Letters of Credit issued by it, in form and substance reasonably satisfactory to the Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount and currency, the expiration date, and the reference number of any Letter of Credit outstanding at any time during such month, showing the aggregate amount (if any) payable by the Borrowers to such Issuer and such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuer.

(n) Any Issuer may resign as an Issuer upon sixty (60) days' prior written notice to the Administrative Agent, the Lenders and the Borrowers, *provided* that no such resignation shall become effective unless as of the date of such resignation, the remaining Issuers have aggregate Issuer Sublimits at least equal to the Letter of Credit Sublimit. Any Issuer may be replaced at any time by written agreement among the Borrowers, the Administrative Agent, the Issuer being replaced (provided that no consent will be required if the Issuer being replaced has no Letters of Credit or Reimbursement Obligations with respect thereto outstanding) and the successor Issuer. The Administrative Agent shall notify the Lenders of any such replacement of an Issuer. At the time any such replacement or resignation shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Issuer. From and after the effective date of any such replacement or resignation, (i) any successor Issuer shall have all the

rights and obligations of an Issuer under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuer" shall be deemed to refer to such successor or to any previous Issuer, or to such successor and all previous Issuers, as the context shall require. After the replacement or resignation of an Issuer hereunder, the replaced or resigning Issuer shall remain a party hereto to the extent that Letters of Credit issued by it remain outstanding and shall continue to have all the rights and obligations of an Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement or resignation, but shall not be required to issue additional Letters of Credit.

(o) One or more Revolving Credit Lenders (other than a Defaulting Lender) selected by the Lead Administrative Borrower (and reasonably acceptable to the Administrative Agent) may agree to act as an additional Issuer hereunder pursuant to a written agreement in form and substance reasonably satisfactory to the Administrative Agent, among the Borrower, the Administrative Agent and such Revolving Credit Lender and upon execution of such written agreement such Revolving Credit Lender shall be an "Issuer" for all purposes of the Loan Documents. The Administrative Agent shall notify the Revolving Credit Lenders of any such additional Issuer.

SECTION 2.5 Reduction and Termination of the Revolving Credit Commitments.

(a) The Lead Administrative Borrower may, upon at least three (3) Business Days' prior notice to the Administrative Agent, terminate in whole or reduce in part ratably (across each Class of Revolving Credit Commitments) the unused portions of the Revolving Credit Commitments of the Lenders without premium or penalty other than any amount required to be paid by the Borrowers pursuant to *Section 3.6*; *provided, however*, that each partial reduction shall be in an aggregate amount of not less than \$1,000,000 or an integral multiple of \$500,000 in excess thereof. Except as set forth in the following sentence, each such notice of reduction or termination shall be irrevocable when given. Notwithstanding the foregoing, the Lead Administrative Borrower may rescind or postpone any notice of termination of the Revolving Credit Commitments if such termination would have resulted from a refinancing of all of the Facilities, which refinancing shall not be consummated or otherwise shall be delayed.

(b) (iii) [Reserved].

(i) If after giving effect to any reduction or termination of Revolving Credit Commitments under this *Section 2.5*, the Letter of Credit Sublimit or the Swing Loan Sublimit exceeds the Revolving Credit Facility at such time, the Letter of Credit Sublimit or the Swing Loan Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Loan Sublimit, or the Revolving Credit Commitment under this *Section 2.5*. Upon any reduction of the Revolving Credit Commitments, the Revolving Credit Commitment of each Revolving Credit Lender shall be reduced on a *pro rata* basis across all Classes of Revolving Credit

Commitments by such Lender's Revolving Credit Percentage of such reduction amount. All fees in respect of the Revolving Credit Facility accrued until the effective date of any termination of the Revolving Credit Facility shall be paid on the effective date of such termination.

SECTION 2.6 Repayment of Loans.

(a) *Revolving Credit Facility.* The Borrowers promise to repay to the Administrative Agent for the ratable account of each Appropriate Lender under the Revolving Credit Facility the aggregate unpaid principal amount of all Revolving Loans and Letter of

Credit Borrowings on the Revolving Credit Termination Date applicable to the related Class of Revolving Credit Commitments, or earlier (it being understood and agreed that, subject to the other terms and conditions hereof, the Borrowers may make Borrowings of Revolving Loans under any remaining Revolving Credit Commitments of any other Class to effect such repayment), if otherwise required by the terms hereof.

(b) *Swing Loans.* The Borrowers shall repay all Swing Loans on the earlier to occur of (i) the date seven Business Days after such Loan is made and (ii) the Latest Maturity Date for any Class of Revolving Credit Commitments maintained by the Swing Loan Lender (in its capacity as a Revolving Credit Lender).

(c) *FILO Facility.* The Borrowers promise to repay to the Administrative Agent, for the ratable account of each Appropriate Lender under the FILO Facility, the aggregate unpaid principal amount of the FILO Loans of such Lenders on the FILO Maturity Date applicable to the related Class of FILO Loans, or earlier, if otherwise required by the terms hereof.

(d) *Reallocation of Ratable Portion and Pro Rata Share after Maturity.* Upon the occurrence of a Scheduled Termination Date for any applicable Class of FILO Loans or the Revolving Credit Termination Date for any applicable Class of Revolving Credit Loans, the relevant Ratable Portions and Pro Rata Shares with respect to each remaining Classes of FILO Loans and Revolving Credit Commitments shall be readjusted without any further action or consent of any other party (calculated without regard to the Class of FILO Loans and/or Revolving Credit Commitments as to which the Scheduled Termination Date or the Revolving Credit Termination Date, as applicable has occurred), to reflect the expiration of the Class of Loans and/or Revolving Credit Commitments as to which the Scheduled Termination Date or the Revolving Credit Termination Date, as applicable has occurred.

SECTION 2.7 Evidence of Indebtedness.

(a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and maintained by the Administrative Agent, in each case in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be *prima facie* evidence absent manifest error of the amount of the Loans made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(b) The entries made in the Register and in the accounts therein maintained pursuant to *clause (a)* above and *Section 12.2* shall, to the extent permitted by applicable Law, be *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans or perform any of its obligations hereunder or under any other Loan Documents in accordance with their terms. In addition, the Loan Parties, the Administrative Agent, the Lenders and the Issuers shall treat each Person whose name is recorded in the Register as a Lender or as an Issuer, as applicable, for all purposes of this Agreement. Information contained in the Register with respect to any Lender or Issuer shall be available for inspection by the Borrowers, the Administrative Agent, such Lender or such Issuer at any reasonable time and from time to time upon reasonable prior notice.

(c) Notwithstanding any other provision of the Agreement, in the event that any Lender requests that the Borrowers execute and deliver a promissory note or notes payable to such Lender in order to evidence the Indebtedness owing to such Lender by the Borrowers hereunder, the Borrowers shall promptly execute and deliver one or more Revolving Credit Notes or FILO Notes, as applicable, to such Lender evidencing the Loans of such Lender, substantially in the form of *Exhibit B-1* or *Exhibit B-2*, as applicable. Each Lender may attach schedules to its Revolving Credit Notes and FILO Notes and endorse thereon the date, Type (if applicable), amount, currency and maturity of its applicable Loans and payments with respect thereto; *provided* that the failure to do so shall in no way affect the obligations of the Borrowers or any other Loan Party under any Loan Document.

SECTION 2.8 Optional Prepayments.

(a) Subject to *Section 2.8(b)*, the Borrowers may, upon notice from any applicable Lead Borrower to the Administrative Agent, prepay the outstanding principal amount of the Loans and Swing Loans in whole or in part at any time (without a reduction in the Revolving Credit Commitments, in the case of any such prepayment of Revolving Loans); *provided, however*, that if any prepayment of any Eurocurrency Term Rate Loan is made by the Borrowers other than on the last day of an Interest Period for such Loan, the Borrowers shall also pay any amount owing pursuant to *Section 3.6*. Each such notice of prepayment must be received by (i) 1:00 p.m. on the date of such prepayment, in the case of a prepayment of Base Rate Loans (including Swing Loans), (ii) 11:00 a.m. one (1) Business Day prior to the date of such prepayment, in the case of a prepayment of Canadian Base Rate Loans or Canadian Prime Rate Loans, and (iii) 11:00 a.m. three (3) Business Days (or four (4) Business Days in the case of a Special Notice Currency) prior to the date of such prepayment, in the case of a prepayment of Eurocurrency Term Rate Loans denominated in Dollars or an Alternative Currency or in the case of a prepayment of SONIA Rate Loans. Each such optional prepayment of Loans shall be subject to the following applicable minimums and multiples (or, in each case, if less, the entire principal amount thereof outstanding):

(i) each optional prepayment of Base Rate Loans, Canadian Base Rate Loans or Eurocurrency Term Rate Loans denominated in Dollars shall, in each case, be in an aggregate amount of not less than \$500,000 or an integral multiple of \$100,000 in excess thereof;

(ii) each optional prepayment of Canadian Prime Rate Loans or Eurocurrency Term Rate Loans denominated in Canadian Dollars shall, in each case, be in an aggregate amount of not less than CAD \$500,000 or an integral multiple of CAD \$100,000 in excess thereof;

(iii) each optional prepayment of Eurocurrency Term Rate Loans denominated in Euro shall, in each case, be in an aggregate amount of not less than €1,000,000 or an integral multiple of €500,000 in excess thereof;

(iv) each optional prepayment of SONIA Rate Loans shall, in each case, be in an aggregate amount of not less than £1,000,000 or an integral multiple of £500,000 in excess thereof; and

(v) each optional prepayment of Eurocurrency Term Rate Loans denominated in any Alternative Currency (other than Canadian Dollars or Euro) shall, in each case, be in an aggregate amount of not less than the U.S. Dollar Equivalent of \$1,000,000 or an integral multiple of \$500,000 in excess thereof.

(b) Each prepayment of the Revolving Credit Facility or the FILO Facility shall be applied to outstanding amount of Loans under such Facility, ratably across each Class of Loans (or, with respect to Junior FILO Loans, (x) less than ratably if so required by the terms thereof or (y) greater than ratably if such optional prepayment is permitted by *clause (d)* below). Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurocurrency Term Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Ratable Portion of such prepayment. If such notice is given by a Borrower, the applicable Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) Except as provided in *Section 2.9*, no optional prepayment shall be made in respect of the principal of the FILO Loans unless (i) at such time or concurrently therewith (1) Revolving Credit Outstandings (other than in respect of Letter of Credit Undrawn Amounts) equal zero (\$0) and all Letters of Credit have been Cash Collateralized in the manner set forth in *Section 10.5* in an amount equal to 103% of the aggregate Stated Amount of such Letters of Credit and (2) all Revolving Credit Commitments shall have been terminated, or (ii) the Payment Conditions are satisfied.

(d) No optional prepayment shall be made in respect of the principal of any Junior FILO Loan on a greater than pro rata basis with respect to any Class of FILO Loans senior thereto, unless, as of the date of such prepayment, the Revolving Credit Outstandings (other than in respect of Letter of Credit Undrawn Amounts) equal zero (\$0).

SECTION 2.9 Mandatory Prepayments.

(a) In the event and on each date the Dollar Equivalent of the aggregate principal amount of Revolving Credit Outstandings exceeds the aggregate Revolving Loan Cap (other than as a result of a Protective Advance permitted pursuant to *Section 2.1(a)(ii)*), the Borrowers shall on each such date prepay an amount equal to such excess which shall be applied as follows: *first*, to prepay the Swing Loans until paid in full, *second*, to prepay the Revolving Loans until paid in full (without a reduction in the Revolving Credit Commitments), *third*, to the extent of any remaining excess, to Cash Collateralize the Letter of Credit Obligations in the manner set forth in *Section 10.5* in an amount equal to 103% of such excess and *fourth*, to the extent after giving effect to any such prepayments and provision of Cash Collateral, the FILO Outstandings exceed the FILO Borrowing Base, to prepay FILO Outstandings in an amount equal to such excess; *provided that*, in the event any such prepayment requirement arises as a result of fluctuations in currency exchange rates, such prepayment shall be made by the Borrowers within one (1) Business Day after the Administrative Agent notifies the Borrowers thereof.

(b) If (x) at any time during a Cash Dominion Period or (y) in respect of any Disposition that would result in the occurrence of a Cash Dominion Period, any Loan Party or any of its Restricted Subsidiaries receives any Net Cash Proceeds arising from any Disposition in respect of any Current Asset Collateral outside of the ordinary course of business, the Borrowers shall immediately prepay the Loans and Cash Collateralize Letters of Credit (in an amount equal to up to 103% of the aggregate Stated Amount of such Letters of Credit) in accordance with Section 2.9(d), (i) in the case of clause (x) above, in amount equal to 100% of such Net Cash Proceeds arising from any such Disposition, and (ii) in the case of clause (y) above, in an amount equal to the amount required to prevent a Cash Dominion Period from occurring.

(c) Subject to Section 3.6, all such payments in respect of the Loans pursuant to this Section 2.9 shall be without premium or penalty. All interest accrued on the principal

amount of the Loans paid pursuant to this Section 2.9 shall be paid, or may be charged by the Administrative Agent to any loan account(s) of the Borrowers, at the Administrative Agent's option, on the date of such payment. Interest shall accrue and be due, until the next Business Day, if the amount so paid by the Borrowers to the bank account designated by the Administrative Agent for such purpose is received in such bank account after 3:00 p.m.

(d) All amounts received pursuant to Section 2.9(b) and, at all times after the occurrence and during the continuance of a Cash Dominion Period and notification thereof by the Administrative Agent to the Borrowers (subject to the provisions of Section 10.3), on each Business Day, at or before 3:00 p.m., all Same Day Funds credited to any Concentration Account shall, in each case, be applied by the Administrative Agent in the following order: *first*, to prepay the Swing Loans until paid in full, *second*, to prepay the Revolving Loans until paid in full (without a reduction in the Revolving Credit Commitments), *third*, to Cash Collateralize the Letter of Credit Obligations in the manner set forth in Section 10.5 in an amount equal to 103% and *fourth*, to prepay FILO Outstandings.

SECTION 2.10 Interest.

(a) *Rate of Interest.* All Loans and the outstanding amount of all other Obligations owing under the Loan Documents shall bear interest, in the case of any Class of Loans, on the unpaid principal amount thereof from the date such Loans are made and, in the case of such other Obligations, from the date such other Obligations are due and payable until, in all cases, paid in full, except as otherwise provided in clause (c) below, as follows:

(i) [Reserved];

(ii) if a Base Rate Loan that is a Revolving Loan or such other Obligation in respect of the Revolving Credit Facility (other than a Eurocurrency Term Rate Loan, a Canadian Base Rate Loan, a Canadian Prime Rate Loan or a SONIA Rate Loan), at a rate per annum equal to the sum of (A) the Base Rate as in effect from time to time and (B) the Applicable Margin for Base Rate Loans that are Revolving Loans;

(iii) [Reserved];

(iv) if a Eurocurrency Term Rate Loan that is a Revolving Loan, at a rate per annum equal to the sum of (A) the Eurocurrency applicable Term Rate determined for the applicable Interest Period and (B) the Applicable Margin for Eurocurrency Term Rate Loans that are Revolving Loans in effect from time to time during such Interest Period;

(v) if a Canadian Base Rate Loan, at a rate per annum equal to the sum of (A) the Canadian Base Rate as in effect from time to time and (B) the Applicable Margin for Canadian Base Rate Loans;

(vi) if a Canadian Prime Rate Loan, at a rate per annum equal to the sum of (A) the Canadian Prime Rate as in effect from time to time and (B) the Applicable Margin for Canadian Prime Rate Loans; and

(vii) if a SONIA Rate Loan, at a rate per annum equal to the sum of (A) the SONIA Rate as in effect from time to time and (B) the Applicable Margin for SONIA Rate Loans.

(b) *Interest Payments.* (i) Interest accrued on each Base Rate Loan (including Swing Loans), each Canadian Base Rate Loan, each Canadian Prime Rate Loan and each SONIA Rate Loan shall be payable in arrears (A) on the first day of each calendar quarter, commencing on the first such day following the making of such Base Rate Loan, Canadian Base Rate Loan, Canadian Prime Rate Loan or SONIA Rate Loan and (B) if not previously paid in full, at maturity (whether by acceleration or otherwise) of such Base Rate Loan, Canadian Base Rate Loan, Canadian Prime Rate Loan or SONIA Rate Loan, (ii) interest accrued on each Eurocurrency Term Rate Loan shall be payable in arrears (A) on the last day of each Interest Period applicable to such Loan and, if such Interest Period has a duration of more than three (3) months, on each date during such Interest Period occurring every three (3) months from the first day of such Interest Period, (B) upon the payment or prepayment thereof in full or in part and

(C) if not previously paid in full, at maturity (whether by acceleration or otherwise) of such **EurocurrencyTerm** Rate Loan and (iii) interest accrued on the amount of all other Obligations shall be payable on demand from and after the time such Obligation becomes due and payable (whether by acceleration or otherwise).

(c) *Default Interest.* The Borrowers shall pay interest on past due amounts hereunder (whether arising by acceleration or otherwise) at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(d) ~~SONIA-Rate-Conforming Changes.~~ With respect to the SONIA Rate **or Term SOFR**, the Administrative Agent will have the right ~~to make SONIA-Rate-~~ **in consultation with the Lead Administrative Borrower, to make** Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such **SONIA-Rate-Conforming Changes** will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; *provided* that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such **SONIA-Rate-Conforming Changes** to the Lead Administrative Borrower and the Lenders reasonably promptly after such amendment becomes effective.

SECTION 2.11 Conversions and Continuations of Loans.

(a) The Lead Borrowers may elect (i) at any time on any Business Day, (A) to convert Base Rate Loans or Canadian Base Rate Loans (other than Swing Loans) or any portion thereof to **EurocurrencyTerm** Rate Loans denominated in Dollars, or (B) to convert Canadian Prime Rate Loans or any portion thereof to **EurocurrencyTerm** Rate Loans denominated in Canadian Dollars and (ii) at the end of any applicable Interest Period, (A) to convert **EurocurrencyTerm** Rate Loans denominated in Dollars or any portion thereof to Base Rate Loans or Canadian Base Rate Loans, or (B) to convert **EurocurrencyTerm** Rate Loans denominated in Canadian Dollars or any portion thereof to Canadian Prime Rate Loans, or (iii) ~~or to continue EurocurrencyTerm Rate Loans or any portion thereof for an additional Interest Period.~~ Each conversion to or continuation of **EurocurrencyTerm** Rate Loans shall be subject to the following applicable minimums and multiples: (1) each conversion to or continuation of **EurocurrencyTerm** Rate Loans denominated in Euro shall, in each case, be in an aggregate amount of not less than €1,000,000 or an integral multiple of €500,000 in excess thereof and (2) each conversion to or continuation of **EurocurrencyTerm** Rate Loans denominated in any Alternative Currency (other than Canadian Dollars or Euro) shall, in each case, be in an aggregate amount of not less than the U.S. Dollar Equivalent of \$1,000,000 or an integral multiple of \$500,000 in excess thereof. Each conversion of Loans from one Type to the other, and each continuation of **EurocurrencyTerm** Rate Loans shall be made upon the applicable Lead Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone or (B) an Interest Election Request;

provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of an Interest Election Request. Each such Interest Election Request must be received by the Administrative Agent not later than 11:00 a.m. three (3) Business Days (or four (4) Business Days in the case of a Special Notice Currency) prior to the date of the proposed conversion or continuation, in the case of (i) a conversion to or continuation of **EurocurrencyTerm** Rate Loans denominated in Dollars or an Alternative Currency, (ii) a conversion of **EurocurrencyTerm** Rate Loans denominated in Dollars to Base Rate Loans or Canadian Base Rate Loans, or (iii) a conversion of **EurocurrencyTerm** Rate Loans denominated in Canadian Dollars to Canadian Prime Rate Loans; *provided, however,* that if the applicable Borrower wishes to request a conversion to or continuation of **EurocurrencyTerm** Rate Loans having an Interest Period other than a period provided in the definition of "Interest Period," the applicable Interest Election Request must be received by the Administrative Agent not later than 11:00 a.m. four (4) Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the date of the proposed conversion to or continuation of **EurocurrencyTerm** Rate Loans denominated in Dollars or an Alternative Currency, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three (3) Business Days (or four (4) Business Days in the case of a Special Notice Currency) prior to the requested date of conversion to or continuation of **EurocurrencyTerm** Rate Loans denominated in Dollars or an Alternative Currency, the Administrative Agent shall notify the applicable Lead Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Appropriate Lenders. Each Interest Election Request shall specify (A) the applicable Borrower for whose account such continuation or conversion is being made, (B) whether the applicable Lead Borrower is requesting a conversion of Loans from one Type to the other, or a continuation of **EurocurrencyTerm** Rate Loans, (C) the date of such proposed continuation or conversion, which shall be a Business Day, (D) the aggregate amount of Loans to be continued or converted, (E) in the case of a conversion to or a continuation of **EurocurrencyTerm** Rate Loans, the duration of the requested Interest Period. The Administrative Agent shall promptly notify each Appropriate Lender of its receipt of an Interest Election Request and of the options selected therein. Each conversion or continuation shall be allocated ratably among (x) the Revolving Loans (without regard to any separate Class or Classes of Loans or Commitments of any Lender) of each applicable Lender or (y) the specified Class of FILO Loans of each applicable Lender. If, within the time period required under the terms of this Section 2.11, the Administrative Agent does not receive an Interest Election Request from the applicable Borrower containing a permitted election to continue any **EurocurrencyTerm** Rate Loans for an additional Interest Period or to convert any such Loans, then, upon the expiration of the applicable Interest Period, such Loans (i) if denominated in Dollars, shall be automatically converted to Base Rate Loans (or to Canadian Base Rate Loans in the case of Loans made to any Canadian Borrower), (ii) if denominated in Canadian Dollars to a Canadian Borrower, shall be automatically converted to Canadian

Prime Rate Loans, and (ii) if denominated in any ~~other~~ Alternative Currency (other than Canadian Dollars), shall be automatically continued as ~~EurocurrencyTerm~~ Rate Loans in their original currency with an Interest Period of one (1) month.

(b) Except as otherwise provided herein, a ~~EurocurrencyTerm~~ Rate Loan may be continued or converted only on the last day of an Interest Period for such ~~EurocurrencyTerm~~ Rate Loan. Notwithstanding the foregoing, (A) at any time at which an Event of Default shall have occurred and be continuing, the Administrative Agent or the Requisite Lenders may require, by notice to the Lead Administrative Borrower, that no conversion in whole or in part of Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans to ~~EurocurrencyTerm~~ Rate Loans shall be permitted, and for any ~~EurocurrencyTerm~~ Rate Loans denominated in an Alternative Currency (other than Canadian Dollars), that such Loans be continued as ~~EurocurrencyTerm~~ Rate Loans in their original currency with an Interest Period of one (1) month, or (B) subject in all cases to Sections 3.4(b) and (c), at any time at which the

conditions described in Section 3.4(a) exist, the Administrative Agent or the Requisite Revolving Lenders may require, by notice to the Lead Administrative Borrower, that any ~~EurocurrencyTerm~~ Rate Loans denominated in an Alternative Currency (other than Canadian Dollars) shall be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof on the last day of the then current Interest Period with respect thereto.

(c) Except as provided in Section 2.11(b) or 2.13(a), no Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be repaid in the original currency of such Loan and reborrowed in the other currency.

(d) For the avoidance of doubt, no SONIA Rate Loan may be converted into or continued as a Loan of any other Type.

SECTION 2.12 Fees.

(a) *Unused Commitment Fee.* The Borrowers agree to pay in Same Day Funds in Dollars to the Administrative Agent for the account of each Revolving Credit Lender a commitment fee (the “Unused Commitment Fee”) on the average daily amount by which the Revolving Credit Commitment of such Revolving Credit Lender exceeds such Revolving Credit Lender’s Revolving Commitment Percentage of the sum of (i) the aggregate outstanding principal amount of Revolving Loans, and (ii) the outstanding amount of the aggregate Letter of Credit Undrawn Amounts, from the Closing Date through the Revolving Credit Termination Date, at the Unused Commitment Fee Rate, payable in arrears (x) on the first day of each calendar quarter, commencing with the first full calendar quarter following the Closing Date and (y) on the Revolving Credit Termination Date applicable to a Class of Revolving Credit Commitments, subject to adjustment as provided in Section 2.16(iv). For the avoidance of doubt, for purposes of calculating the Unused Commitment Fee, any Swing Loans outstanding shall not be counted towards or considered usage of the Revolving Credit Commitments of any Lender.

(b) *Fronting Fees and Letter of Credit Fees.* The Borrowers agree to pay the following amounts with respect to Letters of Credit issued by any Issuer:

(i) to each Issuer, with respect to each Letter of Credit issued by such Issuer, an issuance fee accruing in Dollars equal to 0.125% per annum of the Dollar Equivalent of the average daily maximum undrawn face amount of such Letter of Credit for the immediately preceding calendar quarter (or portion thereof), payable in arrears (A) on the first day of each calendar quarter, commencing on the first such day following the issuance of such Letter of Credit and (B) on the Revolving Credit Termination Date;

(ii) to the Administrative Agent for the ratable benefit of the Revolving Credit Lenders, with respect to each Letter of Credit, a fee accruing in Dollars at a rate per annum equal to (x) in the case of each Standby Letter of Credit, the Applicable Margin for Standby Letters of Credit and (y) in the case of each Documentary Letter of Credit, the Applicable Margin for Documentary Letters of Credit (each such fee, a “Letter of Credit Fee”), in each case multiplied by the Dollar Equivalent of the daily Stated Amount of such Letter of Credit for the immediately preceding calendar quarter (or portion thereof), payable in arrears (A) on the first day of each calendar quarter, commencing on the first such day following the issuance of such Letter of Credit and (B) on the Revolving Credit Termination Date; *provided, however,* that any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the applicable Issuer pursuant to Section 2.4 shall be payable, to the

maximum extent permitted by applicable Law, to the other Lenders in accordance with the upward adjustments in their respective Revolving Commitment Percentages allocable to such Letter of Credit pursuant to Section 2.16(a)(iv), with the balance of such fee, if any, payable to the applicable Issuer for its own account; and

(iii) to the Issuer of any Letter of Credit, with respect to the issuance, amendment or transfer of each Letter of Credit and each drawing made thereunder, customary documentary and processing charges in accordance with such Issuer’s standard schedule for such

charges in effect at the time of issuance, amendment, transfer or drawing, as the case may be.

(c) *Fee Letters.* The Borrowers shall pay to the Arrangers and the Administrative Agent, for their own respective accounts, the fees set forth in the Fee Letters in the amounts and at the times specified in the Fee Letters.

SECTION 2.13 *Payments and Computations.*

(a) All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except with respect to principal of and interest on Loans denominated in an Alternative Currency, the Borrowers shall make each payment and prepayment hereunder (including fees and expenses) not later than 2:00 p.m. on the day when due, in Dollars to the Administrative Agent, for the account of the Appropriate Lenders to which such payment is owed, at the applicable Administrative Agent's Office for payment and in Same Day Funds. The Borrowers shall make each payment and prepayment with respect to principal of and interest on Loans denominated in an Alternative Currency not later than the Applicable Time specified by the Administrative Agent on the dates specified herein, in such Alternative Currency to the Administrative Agent, for the account of the Appropriate Lenders to which such payment is owed, at the applicable Administrative Agent's Office for payment and in Same Day Funds. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, the Borrowers are prohibited by any Law from making any required payment hereunder in an Alternative Currency, the Borrowers shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent, in the case of payments in an Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to ~~the Eurocurrency Term SOFR~~ and SONIA Rate) Loans shall be made on the basis of a year of 365 days or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year (other than Canadian Base Rate Loans, Canadian Prime Rate Loans, SONIA and Term Rate Loans and Eurocurrency Loans denominated in Canadian Dollars, which shall be computed on the basis of a 365-day year) and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year) or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the

same day on which it is made shall bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. For the purpose of complying with the Interest Act (Canada), it is expressly stated that where interest is calculated pursuant hereto at a rate based upon a 360-day period or any other period of time that is less than a calendar year (the "first rate"), the yearly rate or percentage of interest to which the first rate is equivalent is the first rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360, or such other number of days, as the case may be, and the parties hereto acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates and that the calculations herein are to be made using the nominal rate method and not on any basis that gives effect to the principle of deemed reinvestment of interest. The Borrowers (including the Canadian Borrowers and the other Canadian Loan Parties) confirm that they fully understand and are able to calculate the rate of interest applicable to loans, advances, liabilities and obligations under this Agreement based on the methodology for calculating per annum rates provided for in this Agreement. The Borrowers (including the Canadian Borrowers and the other Canadian Loan Parties) hereby irrevocably agree not to plead or assert, whether by way of defense or otherwise, in any proceeding relating to this Agreement or any Loan Documents, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to the Borrowers (including the Canadian Borrowers and the other Canadian Loan Parties) as required pursuant to Section 4 of the *Interest Act* (Canada).

(c) Except as expressly provided herein, each payment by the Borrowers of any Reimbursement Obligation (including interest and fees in respect thereof) and each reimbursement of costs, expenses and other Obligations owing under any Loan Document shall be made in Dollars.

(d) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; *provided, however*, that if such extension would cause payment of interest on or principal of any Eurocurrency Term Rate Loan to be made in the next calendar month, such payment shall be made on the immediately preceding Business Day. All repayments of any Loans of a particular Class shall be applied as follows: *first*, to repay any such Loans outstanding as Base Rate Loans, Canadian Base Rate Loans, Canadian Prime Rate Loans or SONIA Rate Loans and *then*, to repay any such Loans outstanding as Eurocurrency Term Rate

Loans, with those Eurocurrency Term Rate Loans having earlier expiring Interest Periods being repaid prior to those having later expiring Interest Periods.

(e) Unless the Administrative Agent shall have received notice from the Borrowers to the Lenders prior to the date on which any payment is due hereunder that the Borrowers will not make such payment in full, the Administrative Agent may assume that the Borrowers have made such payment in full to the Administrative Agent on such date and the Administrative Agent may (but shall not be so required to), in reliance upon such assumption, cause to be distributed to each Appropriate Lender on such due date an amount equal to the amount then due such Lender. If and to the extent that the Borrowers shall not have made such payment to the Administrative Agent in Same Day Funds, each applicable Lender shall repay to the Administrative Agent forthwith on demand the portion of such assumed amount that was made available to such Lender in Same Day Funds, together with interest thereon (at the Overnight Rate) for each day from and including the date such amount is was made available to such Lender until the date such amount is repaid to the Administrative Agent in Same Day Funds. With respect to any payment that the Administrative Agent makes for the account of the Lenders or any Issuer hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such

payment referred to as the "Rescindable Amount"): (i) any of the Borrowers or any other Loan Party has not in fact made such payment; (ii) the Administrative Agent has made a payment in excess of the amount so paid by any Borrower or any other Loan Party (whether or not then owed); or (iii) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders or the applicable Issuers, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or such Issuer, in Same Day Funds, together with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

(f) The following shall apply to deposits and payments under and pursuant to this Agreement:

(i) funds shall be deemed to have been deposited to the Concentration Account on the Business Day on which deposited; provided that such deposit is available to the Administrative Agent by 3:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 1:00 p.m., on that Business Day);

(ii) funds paid to the Administrative Agent, other than by deposit to the Concentration Account, shall be deemed to have been received on the Business Day when they are good and collected funds; provided that such payment is available to the Administrative Agent by 3:00 p.m. on that Business Day (except that if the Obligations are being paid in full, by 1:00 p.m., on that Business Day); and

(iii) if a deposit to the Concentration Account or payment is not available to the Administrative Agent until after 3:00 p.m. on a Business Day, such deposit or payment shall be deemed to have been made at 9:00 a.m. on the then next Business Day.

(g) Except for payments and other amounts received by the Administrative Agent and applied in accordance with the provisions of Section 10.2(b) (or required to be applied in accordance with Section 2.9) or as otherwise expressly provided for herein, all payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrowers shall be applied as follows: first, to pay principal of, and interest on, any portion of the Loans the Administrative Agent may have advanced pursuant to the express provisions of this Agreement on behalf of any Lender, for which the Administrative Agent has not then been reimbursed by such Lender or the Borrowers, second, to pay all other Obligations then due and payable and third, as the Borrowers so designates. Payments in respect of Swing Loans received by the Administrative Agent shall be distributed to the Swing Loan Lender; payments in respect of Loans received by the Administrative Agent shall be distributed to each Appropriate Lender in accordance with such Lender's Ratable Portion; and all payments of fees and all other payments in respect of any other Obligation shall be allocated among such of the Lenders and Issuers as are entitled thereto and, for such payments allocated to the Lenders, in proportion to their respective Ratable Portions (including in accordance with any Class of Loans and/or Commitments held by such Lender).

(h) At the option of the Administrative Agent, principal on the Swing Loans, Reimbursement Obligations, interest, fees, expenses and other sums due and payable in respect of the Loans and Protective Advances may be paid from the proceeds of Swing Loans (provided that Swing Loans may not be paid with proceeds of Swing Loans) or the Revolving Loans unless the Borrowers make such payments on the next succeeding Business Day after the Borrowers receive written notice from the Administrative Agent requesting such payments. The Borrowers hereby authorize the Swing Loan Lender to make such Swing Loans pursuant to Section 2.3(a)

and the Lenders to make such Loans pursuant to Section 2.2(a) from time to time in the amounts of any and all principal payable with respect to the Swing Loans (provided that Swing Loans may not be paid with proceeds of Swing Loans), Reimbursement Obligations, interest, fees, expenses and other sums payable in respect of the Loans and Protective Advances, and further authorizes the Administrative Agent to give the Lenders notice of any Borrowing with respect to such Swing Loans and the Revolving Loans and to distribute the proceeds of such Swing Loans and the Revolving Loans to pay such amounts. The Borrowers agree that all such Swing Loans and the Revolving Loans so made shall be deemed to have been

requested by it (irrespective of the satisfaction of the conditions in *Section 4.2*, which conditions the Lenders irrevocably waive) and directs that all proceeds thereof shall be used to pay such amounts.

SECTION 2.14 Joint and Several Liability; Additional Borrowers.

(a) Each Loan Party hereby irrevocably designates Signet Group, as the Lead Administrative Borrower, to be its attorney and agent on its behalf for the purposes of (i) issuing any Notice of Borrowing, Interest Election Request, Swing Loan Request or Letter of Credit Application or otherwise issuing any request for a Credit Extension, (ii) delivering certificates, including Borrowing Base Certificates and Compliance Certificates, (iii) giving instructions with respect to the disbursement of proceeds of any Credit Extension, (iv) selecting interest rate options, and (v) taking all other actions on behalf of any Loan Party under the Loan Documents. Signet Group hereby accepts such appointment. The Agents, the Issuers, and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any Notice of Borrowing, Interest Election Request, Swing Loan Request or Letter of Credit Application or other request for a Credit Extension) delivered by the Lead Administrative Borrower on behalf of any Loan Party. The Agents, Issuers, and the Lenders may give any notice to, or communication with, a Loan Party hereunder to the Lead Administrative Borrower on behalf of such Loan Party. Each of the Agents, the Issuers, and the Lenders shall have the right, in its discretion, to deal exclusively with the Lead Administrative Borrower for any or all purposes under the Loan Documents. Each Loan Party agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by the Lead Administrative Borrower shall be binding upon and enforceable against it.

(b) Each (i) U.S. Borrower hereby irrevocably designates Signet Treasury, Sterling Jewelers, as a Lead Borrower, (ii) each Canadian Borrower hereby designates Zale Canada, as a Lead Borrower, and (iii) each English Borrower hereby designates Signet Group and Signet Trading, as a Lead Borrower, in each case, to be its attorney and agent on its behalf for the purposes of (i) issuing any Notice of Borrowing, Interest Election Request, Swing Loan Request or Letter of Credit Application or otherwise issuing any request for a Credit Extension, (ii) giving instructions with respect to the disbursement of proceeds of any Credit Extension, and (iii) selecting interest rate options. Each Lead Borrower hereby accepts such appointment. The Agents, the Issuers, and the Lenders shall be entitled to rely upon, and shall be fully protected in relying upon, any notice or communication (including any Notice of Borrowing, Interest Election Request, Swing Loan Request or Letter of Credit Application or other request for a Credit Extension) delivered by a Lead Borrower on behalf of the applicable Borrower for which it is has been appointed as a Lead Borrower. The Agents, Issuers, and the Lenders may give any notice to, or communication with, any applicable Borrower hereunder to the applicable Lead Borrower on behalf of such Borrower. Each Borrower agrees that any notice, election, communication, representation, agreement or undertaking made on its behalf by its Lead Borrower shall be binding upon and enforceable against it.

(c) The Borrowers shall have joint and several liability in respect of all Obligations hereunder and under any other Loan Document to which any Borrower is a party, without regard to any defense (other than the defense of payment), setoff or counterclaim which may at any time be available to or be asserted by any other Loan Party against the Secured

Parties, or by any other circumstance whatsoever (with or without notice to or knowledge of the Borrowers) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrowers' liability hereunder, in bankruptcy or in any other instance, and such Obligations of the Borrowers shall not be conditioned or contingent upon the pursuit by the Lenders or any other Person at any time of any right or remedy against the Borrowers or against any other Person which may be or become liable in respect of all or any part of the Obligations or against any Collateral or Guaranty therefor or right of offset with respect thereto. The Borrowers hereby acknowledge that this Agreement is the independent and several obligation of each Borrower (regardless of which Borrower shall have delivered a Notice of Borrowing, Swing Loan Request, or Letter of Credit Application) and may be enforced against each Borrower separately, whether or not enforcement of any right or remedy hereunder has been sought against any other Borrower. Each Borrower hereby expressly waives, with respect to any of the Credit Extensions made to any other Borrower hereunder and any of the amounts owing hereunder by such other Loan Parties in respect of such Credit Extensions, diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent, the Collateral Agent, and Issuer or any Lender exhaust any right, power or remedy or proceed against such other Loan Parties under this Agreement or any other agreement or instrument referred to herein or against any other Person under any other guarantee of, or security for, any of such amounts owing hereunder.

(d) Each Borrower has requested that the Administrative Agent and the Lenders make this credit facility available to the Borrowers on a combined basis, in order to finance the Borrowers' business most efficiently and economically. The Borrowers' business is a mutual and collective enterprise, and the Borrowers believe that consolidation of their credit facility will enhance the borrowing power of each Borrower and ease the administration of their relationship with the Lenders, all to the mutual advantage of the Borrowers. The Borrowers acknowledge and agree that Administrative Agent's and the Lenders' willingness to extend credit to the Borrowers and to administer the Collateral on a combined basis, as set forth herein, is done solely as an accommodation to the Borrowers and at the Borrowers' request.

(e) After the Closing Date, the Lead Administrative Borrower may, at any time and from time to time, designate any Restricted Subsidiary of Holdings organized or incorporated in a Covered Loan Party Jurisdiction (other than Bermuda or the Republic of Ireland) as an additional Borrower hereunder by delivery to the Administrative Agent of a Joinder Agreement executed by the Administrative Agent, such Subsidiary and the

Lead Administrative Borrower and the satisfaction of the other conditions precedent set forth in this *Section 2.14(e)*, and upon such delivery and satisfaction of such conditions precedent, such Subsidiary shall for all purposes of this Agreement and the other Loan Documents be a Borrower under and, if applicable, a party to, this Agreement. As soon as practicable upon receipt of a Joinder Agreement, the Administrative Agent shall furnish a copy thereof to each Lender. The designation of a new Borrower pursuant to this *Section 2.14(e)* is subject to the conditions precedent that the Lead Administrative Borrower or such proposed Borrower shall have furnished or caused to be furnished to the Administrative Agent (or its counsel):

(i) such certificates of good standing from the applicable secretary of state or other applicable Governmental Authority of the jurisdiction of organization of such Subsidiary (if customary in the relevant Covered Loan Party Jurisdiction), copies of such Subsidiary's Constituent Documents, certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of such Subsidiary as the Administrative Agent may reasonably require evidencing the authority of each Loan Party to become a Borrower hereunder and the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this

Agreement and the other Loan Documents to which such Subsidiary is a party or is to be a party on the date it becomes a Borrower;

(ii) an executed legal opinion with respect to such Subsidiary, in customary form and, unless otherwise agreed by the Administrative Agent, consistent with the applicable legal opinion delivered pursuant to *Section 4.1* (conformed as appropriate) other than changes to such legal opinion resulting from a change in law, change in fact or changes to counsel's form of opinion reasonably satisfactory to the Administrative Agent;

(iii) if such Subsidiary is not already a Loan Party, the applicable documentation required by *Section 8.11*; and

(iv) if such Subsidiary is not already a Loan Party, all documentation and other information reasonably requested in writing by the Administrative Agent or any Lender to allow the Administrative Agent and the Lenders to comply with applicable "know your customer" and anti-money laundering rules and regulations, all as contemplated by *Section 12.19*.

SECTION 2.15 Commitment Increases.

(a) *Revolving Commitment Increases.* The Lead Administrative Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Revolving Credit Lenders), request one or more increases in the amount Revolving Credit Commitments (consisting of the Class of Revolving Credit Commitments with the Latest Maturity Date) (each such increase, a "*Revolving Commitment Increase*"); provided that, at the time of any such Revolving Commitment Increase (and after giving effect thereto), no Default or Event of Default shall exist. Each Revolving Commitment Increase shall be in an aggregate principal amount that is not less than \$25,000,000 (provided that such amount may be less than \$25,000,000 if such amount represents all remaining Incremental Revolving Availability at such time). Notwithstanding anything to the contrary herein, the amount of any requested Revolving Commitment Increase shall not exceed (i) the Incremental Availability at such time, minus (ii) the aggregate amount of FILO Incremental Commitments to be established, or FILO Incremental Loans to be made, at such time pursuant to *Section 2.15(b)* (the "*Incremental Revolving Availability*"). Each notice from the Lead Administrative Borrower pursuant to this *Section 2.15(a)* shall set forth the requested amount and proposed terms of the relevant Revolving Commitment Increase. Revolving Commitment Increases may be provided by any existing Revolving Credit Lender (it being understood that no existing Revolving Credit Lender will have an obligation to provide a portion of any Revolving Commitment Increase), in each case on terms permitted in this *Section 2.15(a)* and otherwise on terms reasonably acceptable to the Administrative Agent) or by any other Person constituting an Eligible Assignee (any such other Person being called an "*Additional Revolving Lender*"); provided that the Administrative Agent, the Issuers and the Swing Loan Lender shall have consented (such consent not to be unreasonably withheld or delayed) to such Revolving Credit Lender's or Additional Revolving Lender's providing such Revolving Commitment Increases if such consent would be required under *Section 12.2(b)* for an assignment of Revolving Loans or Revolving Credit Commitments to such Revolving Credit Lender or Additional Revolving Lender. Revolving Credit Commitments in respect of Revolving Commitment Increases shall become Revolving Credit Commitments (or in the case of a Revolving Commitment Increase to be provided by an existing Revolving Credit Lender, an increase in such Revolving Credit Lender's applicable Class of Revolving Credit Commitment) under this Agreement pursuant to an amendment (an "*Incremental Revolving Amendment*") to this Agreement and, as appropriate, the other Loan Documents, executed by each Holdings, each Borrower, each Revolving Credit Lender agreeing

to provide such Revolving Credit Commitment, if any, each Additional Revolving Lender, if any, and the Administrative Agent. The Borrowers shall use Revolving Commitment Increases only as permitted pursuant to *Section 8.9*. Upon each increase in the Revolving Credit Commitments pursuant to this *Section 2.15(a)*, (x) each Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Revolving Credit Lender providing a portion of the Revolving Commitment Increase (each a "*Revolving Commitment Increase Lender*") in respect of such increase, and each such Revolving Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit and Swing Loans such that, after giving effect to

each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding (i) participations hereunder in Letters of Credit, (ii) participations hereunder in Swing Loans held by each Revolving Credit Lender and (iii) participations in Protective Advances held by each Revolving Credit Lender (including each such Revolving Commitment Increase Lender) will equal the percentage of the aggregate Revolving Credit Commitments of all Lenders represented by such Lender's Revolving Credit Commitment (without regard to any separate Class or Classes of) Revolving Credit Commitments of any Revolving Credit Lenders) and (y) if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Revolving Commitment Increase be prepaid from the proceeds of additional Revolving Loans made hereunder (reflecting such increase in Revolving Credit Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Revolving Credit Lender in accordance with Section 3.6. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(b) *FILO Commitments.* The Lead Administrative Borrower may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the FILO Lenders), request one or more commitments to make (i) FILO Loans (each such commitment, a "*FILO Incremental Commitment*", and such additional FILO Loans made thereunder, "*FILO Incremental Loans*") or (ii) a tranche of first-in, last-out term loans advanced against a "borrowing base" and ranking junior to the FILO Facility (i.e., ranking after the FILO Facility in the waterfall provisions of the Credit Agreement) (each such commitment, a "*FILO Incremental Junior Commitment*", and such loans made thereunder, the "*Junior FILO Loans*", and together with any FILO Incremental Commitment, a "*FILO Incremental Facility*"), in each case, regardless whether any class of FILO Loans is then outstanding; *provided* that, subject to the Limited Condition Transaction provisions to the extent agreed to by the applicable FILO Lenders participating in such FILO Incremental Facility, at the time of any such FILO Incremental Facility is established (and after giving effect thereto), no Default or Event of Default shall exist. Each request for a FILO Incremental Facility shall be in an aggregate principal amount that is not less than \$10,000,000 (*provided* that such amount may be less than \$10,000,000 if such amount represents all remaining Incremental FILO Availability at such time). Notwithstanding anything to the contrary herein, the aggregate amount of any requested FILO Incremental Facility shall not exceed (i) the Incremental Availability at such time, *minus* (ii) the aggregate amount of any Revolving Commitment Increase to be established at such time pursuant to Section 2.15(a) (the "*Incremental FILO Availability*"). Each notice from the Lead Administrative Borrower pursuant to this Section 2.15(b) shall set forth the requested amount and proposed terms of the requested FILO Incremental Facility. A FILO Incremental Facility may be provided by any existing FILO Lender (it being understood that no existing FILO Lender will have an obligation to provide a portion of any FILO Incremental Facility), in each case on terms permitted in this Section 2.15(b) and otherwise on terms reasonably acceptable to the Administrative Agent) or by any other Person constituting an Eligible Assignee (any such other Person being called an "*Additional*

FILO Lender"); *provided* that the Administrative Agent shall have consented (such consent not to be unreasonably withheld or delayed) to such FILO Lender's or Additional FILO Lender's providing a portion of such FILO Incremental Facility if such consent would be required under Section 12.2(b) for an assignment of FILO Loans to such FILO Lender or Additional FILO Lender. Each FILO Incremental Facility shall be effectuated under this Agreement pursuant to an amendment (an "*Incremental FILO Amendment*") to this Agreement and, as appropriate, the other Loan Documents, executed by Holdings, the Borrowers, each FILO Lender agreeing to provide such FILO Incremental Facility, if any, each Additional FILO Lender, if any, and the Administrative Agent. The Borrowers shall use FILO Incremental Facility only as permitted pursuant to Section 8.9.

(c) *Conditions to Effectiveness of Commitment Increases.* The effectiveness of any Incremental Revolving Amendment or Incremental FILO Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.2 (it being understood that all references to "the date of such Loan or Issuance" or similar language in such Section 4.2 shall be deemed to refer to the effective date of such Incremental Revolving Amendment or Incremental FILO Amendment, as applicable) and such other conditions as the parties thereto shall agree.

(d) *Terms of Commitment Increases.*

(i) Any Revolving Commitment Increase shall be documented as an increase to the existing Revolving Credit Commitments and shall be on terms identical to those applicable to the existing Revolving Credit Commitments, except with respect to any commitment, arrangement, upfront or similar fees that may be agreed to among the Borrowers and the Revolving Credit Lenders or Additional Revolving Lenders agreeing to participate in such Revolving Commitment Increase.

(ii) Any FILO Incremental Facility shall be on such terms as shall be determined by the Lead Administrative Borrower and the FILO Lenders or Additional FILO Lenders agreeing to provide such FILO Incremental Facility; *provided* that:

(A) any interest rate margins, rate floors, and arrangement, upfront or similar fees shall be agreed to among the Borrowers and the FILO Lenders or Additional FILO Lenders agreeing to provide such FILO Incremental Facility;

(B) the FILO Loans and related Obligations in respect of such FILO Incremental Facility shall not be guaranteed by any Person other than the Loan Parties and shall not be secured by any assets other than Collateral;

(C) the representations and warranties, financial covenants, reporting and monitoring covenants, affirmative covenants, negative covenants and events of default applicable to any FILO Incremental Facility shall be identical to those applicable to the then-existing Loans and Commitments or otherwise reasonably acceptable to the Administrative Agent (it being agreed that any such representations, warranties, covenants and events of default (x) which are applicable only after the then-existing Latest Maturity Date and/or (y) that are, taken as a whole, more favorable to the lenders or the agent of such FILO Incremental Facility than those contained in the Loan Documents and are then conformed (or added) to the Loan Documents for the benefit of the Lenders and/

or the Agents, as applicable, shall, in each case be deemed to be satisfactory to the Administrative Agent);

(D) as between (x) the Revolving Credit Facility and (y) the FILO Facility, all proceeds from the liquidation or other realization of the Collateral or application of funds in accordance with Section 10.3 shall be applied first, to the Revolving Credit Facility, and second, to the FILO Facility;

(E) the final scheduled maturity of any Incremental FILO Facility shall not occur prior to the Latest Maturity Date in effect at the time such Incremental FILO Facility is established;

(F) the all-in advance rates for the Facilities (including any Junior FILO Loans) shall not exceed, in the case of Eligible Inventory, 100% of the Net Recovery Percentage thereof and, in the case of Eligible Credit Card Receivables, 100% of the face amount thereof; and

(G) any Junior FILO Loans may have different interest terms than any other Class of FILO Loans and, subject to *clause (F)* above, different advance rates for Eligible Inventory and Eligible Credit Card Receivables included in the “borrowing base” governing such Junior FILO Loans than any other Class of FILO Loans, in each case, as may be agreed to among the Borrowers and the FILO Lenders or Additional FILO Lenders agreeing to provide such Junior FILO Loans.

(e) Each Incremental Revolving Amendment and Incremental FILO Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Lead Administrative Borrower, to effect the provisions of this Section 2.15.

(f) This Section 2.15 shall supersede any provisions in Section 12.1 or Section 12.7 to the contrary.

SECTION 2.16 Defaulting Lenders.

(a) *Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) *Waivers and Amendments.* That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.1.

(ii) *Reallocation of Payments.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article X or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 12.6), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to any Issuer or the Swing Loan Lender hereunder; *third*, if so determined by the Administrative

Agent or requested by any Issuer or the Swing Loan Lender, to be held as cash collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Loan or Letter of Credit; *fourth*, as the Borrowers may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrowers, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *sixth*, to the payment of any amounts owing to the Lenders, any Issuer or the Swing Loan Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuer or the Swing Loan Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to that 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 Letter of Credit Borrowings in respect of which that Defaulting Lender has

not fully funded its appropriate share and (y) such Loans or Letter of Credit Borrowings were made 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 applicable Loans of, and Letter of Credit Borrowings owed to, all applicable non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or Letter of Credit Borrowings owed to, that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.* That Defaulting Lender (x) shall not be entitled to receive any commitment fee pursuant to Section 2.12(a) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender for such period) and (y) shall be limited in its right to receive Letter of Credit Fees as provided in Section 2.12(b).

(iv) *Reallocation of Revolving Commitment Percentages to Reduce Fronting Exposure.* During any period in which there is Revolving Credit Lender that is a Defaulting Lender, for purposes of computing the amount of the obligation of each non-Defaulting Lender to acquire, refinance or fund participations in Swing Loans or Letters of Credit pursuant to Sections 2.3 and 2.4, the "Revolving Commitment Percentage" of each Revolving Credit Lender that is a non-Defaulting Lender shall be computed without giving effect to the Revolving Credit Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Revolving Credit Lender becomes a Defaulting Lender, no Default or Event of Default exists; (ii) the aggregate obligation of each Revolving Credit Lender that is a non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swing Loans shall not exceed the positive difference, if any, of (1) the Revolving Credit Commitment of that non-Defaulting Lender minus (2) the aggregate Outstanding Amount of the Revolving Loans (including its Pro Rata

share of Protective Advances) of that Lender and (iii) no non-Defaulting Lender is allocated any Class of Revolving Credit Commitments which it does not maintain. Subject to Section 12.28, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Revolving Credit Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(b) *Defaulting Lender Cure.* If the Borrowers, the Administrative Agent, Swing Loan Lender and the Issuers agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held on a pro rata basis by the Lenders in accordance with their Ratable Portions (without giving effect to Section 2.16(a)(iv)), whereupon that Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers for the period that such Lender was a Defaulting Lender; and *provided further* that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *Cash Collateral.* At any time that there shall exist a Defaulting Lender, immediately upon the request of the Administrative Agent, the applicable Issuer or the Swing Loan Lender, the Borrowers shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by the Defaulting Lender).

SECTION 2.17 Extensions of Loans.

(a) *Extension of Revolving Credit Commitments.* The Borrowers may at any time and from time to time request that all or a portion of the Revolving Credit Commitments of a given Class (each, an "Existing Revolver Tranche") be amended to extend the Scheduled Termination Date with respect to all or a portion of any principal amount of such Revolving Credit Commitments (any such Revolving Credit Commitments which have been so amended, "Extended Revolving Credit Commitments") and to provide for other terms consistent with this Section 2.17; *provided* that there shall be no more than two (2) Classes of Revolving Loans and Revolving Credit Commitments outstanding at any time. In order to establish any Extended Revolving Credit Commitments, the Borrowers shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Revolver Tranche) (each, a "Revolving Extension Request") setting forth the proposed terms (which shall be determined in consultation with the Administrative Agent) of the Extended Revolving Credit Commitments to be established, which shall (x) be identical as offered to each Lender under such Existing Revolver Tranche (including as to the proposed interest rates and fees payable) and offered pro rata to each Lender under such Existing Revolver Tranche and (y) be identical to the Revolving Credit Commitments under the Existing Revolver Tranche from which such Extended Revolving Credit Commitments are to be amended, except that: (i) the Scheduled Termination Date of the Extended Revolving Credit Commitments shall be later than the Scheduled Termination Date of the Revolving Credit Commitments of such Existing

Revolver Tranche, (ii) the Revolving Extension Amendment may provide for other covenants and terms that (I) apply solely to any period after the Latest Maturity Date that is in effect on the

effective date of the Revolving Extension Amendment (immediately prior to the establishment of such Extended Revolving Credit Commitments) or (II) are reasonably satisfactory to the Administrative Agent and the Borrowers to incorporate such more restrictive provisions for the benefit of the Lenders (which amendment shall, notwithstanding any provision herein to the contrary, not require the consent of any Lender); and (iii) all borrowings under the Revolving Credit Commitments and repayments thereunder shall be made on a pro rata basis (except for (I) payments of interest and fees at different rates on Extended Revolving Credit Commitments (and related outstandings) and (II) repayments required upon the Revolving Credit Termination Date of the non-extending Revolving Credit Commitments); *provided, further*, that (A) the conditions precedent set forth in *Section 4.2* shall be satisfied as of the date of such Revolving Extension Amendment and at the time when any Revolving Loans are made in respect of any Extended Revolving Credit Commitment, (B) in no event shall the final maturity date of any Extended Revolving Credit Commitments of a given Revolving Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Revolving Credit Commitments hereunder, (C) any such Extended Revolving Credit Commitments (and the Liens securing the same) shall be permitted by the terms of each Acceptable Intercreditor Agreement then in effect and (D) all documentation in respect of the such Revolving Extension Amendment shall be consistent with the foregoing. Any Extended Revolving Credit Commitments effected pursuant to any Revolving Extension Request shall be designated a series (each, a “*Revolving Extension Series*”) of Extended Revolving Credit Commitments for all purposes of this Agreement; *provided* that any Extended Revolving Credit Commitments amended from an Existing Revolver Tranche may, to the extent provided in the applicable Revolving Extension Amendment, be designated as an increase in any previously established Revolving Extension Series with respect to such Existing Revolver Tranche. Each Revolving Extension Series of Extended Revolving Credit Commitments incurred under this *Section 2.17* shall be in an aggregate principal amount equal to not less than 50% of the aggregate Revolving Credit Commitments outstanding at the time such Extended Revolving Credit Commitments become effective.

(b) *Revolving Extension Request.* The Borrowers shall provide the applicable Revolving Extension Request at least ten (10) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to the date on which Lenders under the Existing Revolver Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably, to accomplish the purposes of this *Section 2.17*. No Lender shall have any obligation to agree to provide any Extended Revolving Credit Commitment pursuant to any Revolving Extension Request. Any Revolving Credit Lender (each, an “*Extending Revolving Credit Lender*”) wishing to have all (but not less than all) of its Revolving Credit Commitments under the Existing Revolver Tranche subject to such Revolving Extension Request amended into Extended Revolving Credit Commitments shall notify the Administrative Agent (each, a “*Revolving Extension Election*”) on or prior to the date specified in such Revolving Extension Request of the Revolving Credit Commitments under the Existing Revolver Tranche which it has elected to request be amended into Extended Revolving Credit Commitments (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of Revolving Credit Commitments under the Existing Revolver Tranche in respect of which applicable Revolving Credit Lenders shall have accepted the relevant Revolving Extension Request exceeds the amount of Extended Revolving Credit Commitments requested to be extended pursuant to the Revolving Extension Request, Revolving Credit Commitments subject to Revolving Extension Elections shall be amended to reflect allocations of the Extended Revolving Credit Commitments, which Extended Revolving Credit Commitments shall be allocated as agreed by Administrative Agent and the Borrowers.

(c) *New Revolving Commitment Lenders.* Following any Revolving Extension Request made by the Borrowers in accordance with this *Section 2.17*, if the Lenders

shall have declined to agree during the period specified in *Section 2.17(b)* above to provide Extended Revolving Credit Commitments in an aggregate principal amount equal to the amount requested by the Borrowers in such Revolving Extension Request, the Borrowers may request that banks, financial institutions or other institutional lenders or investors other than the Lenders or Extending Revolving Credit Lenders (the “*New Revolving Commitment Lenders*”), which New Revolving Commitment Lenders may elect to provide an Extended Revolving Credit Commitment hereunder; *provided* that such Extended Revolving Credit Commitments of such New Revolving Commitment Lenders (i) shall be in an aggregate principal amount for all such New Revolving Commitment Lenders not to exceed the aggregate principal amount of Extended Revolving Credit Commitments so declined to be provided by the existing Lenders and (ii) shall be on identical terms to the terms applicable to the terms specified in the applicable Revolving Extension Request (and any Extended Revolving Credit Commitments provided by existing Lenders in respect thereof); *provided further* that, as a condition to the effectiveness of any Extended Revolving Credit Commitment of any New Revolving Commitment Lender, the Administrative Agent, each Issuer and the Swing Loan Lender shall have consented (such consent not to be unreasonably withheld or delayed) to each New Revolving Commitment Lender if such consent would be required under *Section 12.2(b)(iii)* for an assignment of Revolving Credit Commitments to such Person and such Person shall otherwise constitute an Eligible Assignee. Notwithstanding anything herein to the contrary, any Extended Revolving Credit Commitment provided by New Revolving Commitment Lenders shall be pro rata to each New Revolving Commitment Lender. Upon effectiveness of the Revolving Extension Amendment to which each such New Revolving Commitment Lender is a party, (a) the Revolving Credit Commitments of all existing Revolving Credit Lenders of each Class specified in the Revolving Extension Amendment in accordance with this *Section*

2.17 will be permanently reduced pro rata by an aggregate amount equal to the aggregate principal amount of the Extended Revolving Credit Commitments of such New Revolving Commitment Lenders and (b) the Revolving Credit Commitment of each such New Revolving Commitment Lender will become effective. The Extended Revolving Credit Commitments of New Revolving Commitment Lenders will be incorporated as Revolving Credit Commitments hereunder in the same manner in which Extended Revolving Credit Commitments of existing Lenders are incorporated hereunder pursuant to this Section 2.17, and for the avoidance of doubt, all Borrowings and repayments of Revolving Loans from and after the effectiveness of such Revolving Extension Amendment shall be made pro rata across all Classes of Revolving Credit Commitments including such New Revolving Commitment Lenders (based on the outstanding principal amounts of the respective Classes of Revolving Credit Commitments) except for (x) payments of interest and fees at different rates for each Class of Revolving Credit Commitments (and related Outstanding Amounts) and (y) repayments required on the Revolving Credit Termination Date for any particular Class of Revolving Credit Commitments. Upon the effectiveness of each Extended Revolving Credit Commitment pursuant to this Section 2.17(c), (a) each Revolving Credit Lender of all applicable existing Classes of Revolving Credit Commitments immediately prior to such effectiveness will automatically and without further act be deemed to have assigned to each New Revolving Commitment Lender, and each such New Revolving Commitment Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Credit Lender's participations hereunder in outstanding Letters of Credit and Swing Loans such that, after giving effect to each such deemed assignment and assumption of participations, subject to Section 2.16, the percentage of the outstanding (i) participations hereunder in Letters of Credit and (ii) participations hereunder in Swing Loans held by each Revolving Credit Lender of each Class of Revolving Credit Commitments (including each such New Revolving Commitment Lender) will equal the percentage of the aggregate Revolving Credit Commitments of all Classes of Revolving Credit Lenders represented by such Revolving Credit Lender's Revolving Credit Commitment and (b) if, on the date of such effectiveness, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Extended Revolving Credit Commitment be prepaid from the proceeds of Revolving Loans made hereunder under the Extended Revolving Credit

Commitments, which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Lender in accordance with Section 3.6. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) *Revolving Extension Amendment.* Extended Revolving Credit Commitments shall be established pursuant to an amendment (each, a "Revolving Extension Amendment") to this Agreement among the Borrowers, the Administrative Agent and each Extending Revolving Credit Lender and each New Revolving Commitment Lender, if any, providing an Extended Revolving Credit Commitment thereunder, which shall be consistent with the provisions set forth in Sections 2.17(a), (b) and (c) above (but which shall not require the consent of any other Lender). The effectiveness of any Revolving Extension Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Sections 4.2(a) and (b) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board resolutions and officers' certificates consistent with those delivered on the Closing Date other than changes to such legal opinion resulting from a Change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Collateral Agent in order to ensure that the Extended Revolving Credit Commitments are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Revolving Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to a Revolving Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Revolving Credit Commitments incurred pursuant thereto, (ii) make such other changes to this Agreement and the other Loan Documents (without the consent of the Requisite Lenders) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section, and the Requisite Lenders hereby expressly authorize the Administrative Agent to enter into any such Revolving Extension Amendment.

(e) No conversion of Revolving Loans pursuant to any Revolving Extension in accordance with this Section 2.17 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement.

(f) *Extension of FILO Loans.* The Borrowers may at any time and from time to time request that all or a portion of the FILO Loans of a given Class (each, an "Existing FILO Tranche") be amended to extend the Scheduled Termination Date with respect to all or a portion of any principal amount of such FILO Loans (any such FILO Loans which have been so amended, "Extended FILO Loans") and to provide for other terms consistent with this Section 2.17; provided that there shall be no more than two (2) Classes of FILO Loans (that are not Junior FILO Loans) and no more than two (2) Classes of Junior FILO Loans outstanding at any time. In order to establish any Extended FILO Loans, the Borrowers shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing FILO Tranche) (each, a "FILO Extension Request") setting forth the proposed terms (which shall be determined in consultation with the Administrative Agent) of the Extended FILO Loans, which shall (x) be identical as offered to each Lender under such Existing FILO Tranche (including as to the proposed interest rates and fees payable) and offered pro rata to each Lender under such Existing FILO Tranche and (y) be identical to the FILO Loans under the Existing FILO

Tranche from which such Extended FILO Loans are to be amended, except that: (i) the Scheduled Termination Date of the Extended FILO Loans shall be later than the Scheduled Termination Date of the FILO Loans of such Existing FILO Tranche,

(ii) the FILO Extension Amendment may provide for other covenants and terms that (I) apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the FILO Extension Amendment (immediately prior to the establishment of such Extended FILO Loans) or (II) are reasonably satisfactory to the Administrative Agent and the Borrowers to incorporate such more restrictive provisions for the benefit of the Lenders (which amendment shall, notwithstanding any provision herein to the contrary, not require the consent of any Lender); and (iii) all repayments of FILO Loans shall be made on a pro rata basis (except for (I) payments of interest and fees at different rates on Extended FILO Loans and (II) repayments required upon the FILO Maturity Date of the non-extending FILO Loans); *provided, further*, that (A) the conditions precedent set forth in Section 4.2 shall be satisfied as of the date of such FILO Extension Amendment, (B) in no event shall the final maturity date of any Extended FILO Loans of a given FILO Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other FILO Loans hereunder, (C) any such Extended FILO Loans (and the Liens securing the same) shall be permitted by the terms of each Acceptable Intercreditor Agreement then in effect and (D) all documentation in respect of the such FILO Extension Amendment shall be consistent with the foregoing. Any Extended FILO Loans amended pursuant to any FILO Extension Request shall be designated a series (each, a “*FILO Extension Series*”) of Extended FILO Loans for all purposes of this Agreement. Each FILO Extension Series of Extended FILO Loans incurred under this Section 2.17 shall be in an aggregate principal amount equal to not less than 50% of the aggregate FILO Loans outstanding at the time such Extended FILO Loans become effective.

(g) *FILO Extension Request.* The Borrowers shall provide the applicable FILO Extension Request at least ten (10) Business Days (or such shorter period as may be agreed by the Administrative Agent) prior to the date on which Lenders under the Existing FILO Tranche are requested to respond, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably, to accomplish the purposes of this Section 2.17. No Lender shall have any obligation to agree to extend any FILO Loan pursuant to any FILO Extension Request. Any FILO Lender (each, an “*Extending FILO Lender*”) wishing to have all (but not less than all) of its FILO Loans under the Existing FILO Tranche subject to such FILO Extension Request amended into Extended FILO Loans shall notify the Administrative Agent (each, a “*FILO Extension Election*”) on or prior to the date specified in such FILO Extension Request of the FILO Loans under the Existing FILO Tranche which it has elected to request be amended into Extended FILO Loans (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of FILO Loans under the Existing FILO Tranche in respect of which applicable FILO Lenders shall have accepted the relevant FILO Extension Request exceeds the amount of Extended FILO Loans requested to be extended pursuant to the FILO Extension Request, FILO Loans subject to FILO Extension Elections shall be amended to reflect allocations of the Extended FILO Loans, which Extended FILO Loans shall be allocated as agreed by Administrative Agent and the Borrowers.

(h) *FILO Extension Amendment.* Extended FILO Loans shall be established pursuant to an amendment (each, a “*FILO Extension Amendment*”) to this Agreement among the Borrowers, the Administrative Agent and each Extending FILO Lender, which shall be consistent with the provisions set forth in Sections 2.17(f) and (g) above (but which shall not require the consent of any other Lender). The effectiveness of any FILO Extension Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Sections 4.2(a) and (b) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board resolutions and officers' certificates consistent with those delivered on the Closing Date other than changes to such legal opinion resulting from a Change in Law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Collateral

Agent in order to ensure that the Extended FILO Loans are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each FILO Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to a FILO Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended FILO Loans effected pursuant thereto, (ii) make such other changes to this Agreement and the other Loan Documents (without the consent of the Requisite Lenders) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrowers, to effect the provisions of this Section, and the Requisite Lenders hereby expressly authorize the Administrative Agent to enter into any such FILO Extension Amendment.

SECTION 2.18 Designated Lenders. Each of the Administrative Agent, each Issuer, the Swing Loan Lender and each Lender at its option may make any Credit Extension or otherwise perform its obligations hereunder through any Lending Office (each, a “*Designated Lender*”); *provided* that any exercise of such option shall not affect the obligation of such Borrowers to repay any Credit Extension in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; *provided* that designation of a Designated Lender is for administrative convenience only and does not expand the scope of liabilities or obligations of any Lender or Designated Lender beyond those of the Lender designating such Person as a Designated Lender as provided in this Agreement.

ARTICLE III.

TAXES, YIELD PROTECTION AND ILLEGALITY

SECTION 3.1 Taxes. Except for the definition of "Tax Indemnitee" in *Section 3.1(e)*, and the provisions of *Section 3.1(h)* below, the provisions of this *Section 3.1* shall not apply in respect of any English Borrower, to which the provisions of *Section 3.2* shall apply.

(a) All sums payable by any Loan Party hereunder or under any other Loan Document to any Agent, Issuer or any Lender shall (except to the extent required by Law) be paid free and clear of, and without any deduction or withholding on account of, any Taxes.

(b) If any Loan Party or any Agent, Issuer or Lender is required by Law to make any deduction or withholding on account of any Non-Excluded Tax from any sum paid or payable by any Loan Party to any Lender, Issuer or Agent under any of the Loan Documents: (i) the applicable Loan Party (if it is required to make the deduction or withholding) shall notify the applicable Agent of any such requirement or any change in any such requirement as soon as such Loan Party becomes aware of it; (ii) the applicable Loan Party or Agent, as required by applicable Law, shall make such deduction or withholding and pay to the relevant Governmental Authority, in accordance with applicable Law, any such Non-Excluded Tax before the date on which penalties attach thereto; (iii) the sum payable by the applicable Loan Party shall be increased to the extent necessary to ensure that, after the making of any required deduction or withholding (including any deductions or withholdings attributable to any payments required to be made under this *Section 3.1*), the Lender, Issuer or the Agent (as applicable), receives a net sum equal to what it would have received had no such deduction or withholding been required or made; and (iv) as soon as practicable after paying any sum from which it is required by Law to make any deduction or withholding, and as soon as practicable after the due date of payment of any Tax which it is required by clause (ii) above to pay, the Loan Party making such payments (if it is required to make the deduction or withholding) shall deliver to the Administrative Agent evidence reasonably satisfactory to the other affected parties of such deduction or withholding and of the remittance thereof to the relevant Governmental Authority.

(c) Each Lender shall, at such times as are reasonably requested by the Borrowers or the Administrative Agent, provide the Borrowers and the Administrative Agent with any documentation prescribed by Law or reasonably requested by the Borrowers or the Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under any Loan Document. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any specific documentation required below in this *Section 3.1(c)*) obsolete, expired or inaccurate in any material respect, deliver promptly to the Borrowers and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrowers or the Administrative Agent) or promptly notify the Borrowers and the Administrative Agent of its inability to do so. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in *Section 3.1(c)(1)*, (2) and (3)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

Without limiting the foregoing:

(1) Each U.S. Lender shall deliver to the Borrowers and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding.

(2) Each Foreign Lender shall deliver to the Borrowers and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent) whichever of the following is applicable:

(B) two properly completed and duly signed copies of IRS Form W-8BEN or W-8BEN-E, as applicable (or any successor forms) claiming eligibility for the benefits of an income tax treaty to which the United States is a party, and such other documentation as required under the Code,

(C) two properly completed and duly signed copies of IRS Form W-8ECI (or any successor forms),

(D) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or Section 881(c) of the Code, (A) two properly completed and duly signed certificates substantially in the form of Exhibit K (any such certificate, a "U.S. Tax Compliance Certificate") and (B) two properly completed and duly signed copies of IRS Form W-8BEN or W-8BEN-E, as applicable (or any successor forms),

(E) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or a participating Lender), two properly completed duly signed copies of IRS Form W-8IMY (or any successor forms) of the Foreign Lender,

accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate, Form W-9, Form W-8IMY or any other required information (or any successor forms) from each beneficial owner that would be required under this Section 3.1(c) if such beneficial owner were a Lender, as applicable (provided that, if one or more beneficial owners are claiming the portfolio interest exemption, the U.S. Tax

Compliance Certificate may be provided by such Foreign Lender on behalf of such beneficial owner), or

(F) two properly completed and duly signed copies of any other form prescribed by applicable U.S. federal income tax Laws (including the Treasury Regulations) as a basis for claiming a complete exemption from, or a reduction in, United States federal withholding tax on any payments to such Lender under the Loan Documents.

(3) If a payment made to a Lender under any Loan Document may be subject to U.S. federal withholding tax imposed by Sections 1471 through 1474 of the Code (including any successor provisions), such Lender shall deliver to Borrowers and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrowers or the Administrative 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 Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under Sections 1471 through 1474 of the Code and to determine whether such Lender has or has not complied with such Lender's obligations under such Sections and, if necessary, to determine the amount to deduct and withhold from such payment.

Notwithstanding any other provision of this Section 3.1(c), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

(d) In addition to the payments by a Loan Party required by Section 3.1(b), the Borrowers shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent, timely reimburse it for the payment of any Other Taxes.

(e) The Borrowers shall indemnify each Lender, each Issuer and each Agent (each a "Tax Indemnitee"), within twenty (20) days after written demand therefor, for the full amount of any Non-Excluded Taxes paid or payable by such Tax Indemnitee that is imposed on or in respect of any payment under or with respect to any Loan Document and any Other Taxes paid or payable by such Tax Indemnitee (including Non-Excluded Taxes or Other Taxes imposed on or attributable to amounts payable under this Section 3.1), whether or not such Taxes were correctly or legally imposed or asserted by the Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by the Tax Indemnitee (with a copy to the Administrative Agent, as applicable) or by the Administrative Agent on its own behalf or on behalf of another Tax Indemnitee, shall be conclusive absent manifest error.

(f) If and to the extent that a Tax Indemnitee, in its sole discretion (exercised in good faith), determines that it has received a refund of any Non-Excluded Taxes in respect of which it has received additional payments under this Section 3.1 or indemnity payments pursuant to Section 3.1(e), then such Tax Indemnitee shall pay to the relevant Loan Party the amount of such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.1 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Tax Indemnitee (including any Taxes imposed with respect to such refund), and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Tax Indemnitee, agrees to repay the amount paid over by the Tax Indemnitee (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Tax Indemnitee if the Tax Indemnitee is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require a Tax Indemnitee to make available its Tax returns

(or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(g) In the event that a Loan Party makes an indemnification payment to a Tax Indemnitee with respect to Non-Excluded Taxes pursuant to Section 3.1(e) or a Loan Party is required to repay to a Tax Indemnitee an amount in respect of a refund of any Non-Excluded Taxes previously paid over to such Loan Party pursuant to Section 3.1(f), such Tax Indemnitee shall reasonably cooperate with all reasonable requests of such Loan Party, at the sole expense of such Loan Party, if (i) in the reasonable judgment of the Tax Indemnitee such cooperation shall not subject such Tax Indemnitee, as the case may be, to any unreimbursed third party cost or expense or otherwise be materially disadvantageous to such Tax Indemnitee and (ii) there is a reasonable basis for such Loan Party to contest with the applicable Governmental Authority the imposition of such Non-Excluded Taxes or Other Taxes or the repayment of such refund. Any resulting refund shall be governed by Section 3.1(f). This subsection shall not be construed to require a Tax Indemnitee to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

(h) Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Non-Excluded Tax or Other Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Non-Excluded Tax or Other Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of *Section 12.2(e)* relating to the maintenance of a Participant Register, (iii) any Excluded Taxes attributable to such Lender and (iv) any Taxes giving rise to a U.K. Tax Payment by any English Borrower under *Section 3.2(c)* that are attributable to such Lender (but only to the extent that such English Borrower has not already indemnified the Administrative Agent for such Taxes and without limiting the obligation of an English Borrower to do so), in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative 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 Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this *Section 3.1(h)*.

(i) Each party's obligations under this *Section 3.1* shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or an Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

SECTION 3.2 United Kingdom Tax Matters.

(a) *Application.* The provisions of this *Section 3.2* shall only apply in respect of an English Borrower, and in respect of an English Borrower the provisions of *Section 3.1* shall not apply to the extent set out therein.

(b) *Tax Gross-Up.*

(i) Each English Borrower shall make all payments to be made by it under any Loan Document without any U.K. Tax Deduction unless a U.K. Tax Deduction is required by law.

(ii) Each English Borrower shall, promptly upon becoming aware that it must make a U.K. Tax Deduction (or that there is any change in the rate or the basis of a U.K. Tax Deduction) notify the Administrative Agent accordingly. Similarly, a Lender shall notify the Administrative Agent on becoming so aware in respect of a payment payable to that Lender. If the Administrative Agent receives such notification from a Lender it shall notify the relevant English Borrower.

(iii) If a U.K. Tax Deduction is required by law to be made by an English Borrower, the amount of the payment due from that English Borrower shall be increased to an amount which (after making any U.K. Tax Deduction) leaves an amount equal to the payment which would have been due if no U.K. Tax Deduction had been required.

(iv) A payment by an English Borrower shall not be increased under clause (iii) above by reason of a U.K. Tax Deduction on account of Taxes imposed on interest by the U.K. if, on the date on which the payment falls due:

(A) the payment could have been made to the relevant Lender without a U.K. Tax Deduction if the Lender had been a U.K. Qualifying Lender, but on that date that Lender is not or has ceased to be a U.K. Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law, regulation or U.K. Treaty or any published practice or published concession of any relevant taxing authority; or

(B) the relevant Lender is a U.K. Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of U.K. Qualifying Lender, and:

(1) an officer of HMRC has given (and not revoked) a direction (a "*Direction*") under section 931 of the U.K. ITA which relates to the payment and that Lender has received from the English Borrower making the payment a certified copy of that Direction; and

(2) the payment could have been made to the Lender without any U.K. Tax Deduction if that Direction had not been made; or

(C) the relevant Lender is a U.K. Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of U.K. Qualifying Lender and:

(1) the relevant Lender has not given a U.K. Tax Confirmation to the English Borrower; and

(2) the payment could have been made to the Lender without any U.K. Tax Deduction if the Lender had given a U.K. Tax Confirmation to the English Borrower, on the basis that the U.K. Tax Confirmation would have enabled the English Borrower to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the U.K. ITA; or

(D) the relevant Lender is a U.K. Treaty Lender and the English Borrower making the payment is able to demonstrate that the payment could have been made to the Lender without the U.K. Tax Deduction had that Lender complied with its obligations under *Section 3.2(b)(vii)* or *Section 3.2(b)(viii)* (as applicable).

(v) If an English Borrower is required to make a U.K. Tax Deduction, that English Borrower shall make that U.K. Tax Deduction and any payment required in connection with that U.K. Tax Deduction within the time allowed and in the minimum amount required by law.

(vi) Within thirty (30) days of making either a U.K. Tax Deduction or any payment required in connection with that U.K. Tax Deduction, the English Borrower making that U.K. Tax Deduction shall deliver to the Administrative Agent for the Lender entitled to the payment a statement under section 975 of the U.K. ITA or other evidence reasonably satisfactory to that Lender that the U.K. Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(vii) (A) Subject to *Section 3.2(b)(vii)(B)*, a U.K. Treaty Lender and an English Borrower which makes a payment to which that U.K. Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that English Borrower to obtain authorization to make that payment without a U.K. Tax Deduction.

(A) (1) A U.K. Treaty Lender which becomes a party to this Agreement on the Closing Date that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Administrative Agent and without liability to any English Borrower) by confirming its scheme reference number and its jurisdiction of tax residence opposite its name at *Schedule I*; and

(1) a U.K. Treaty Lender which becomes a party to this Agreement after the Closing Date that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall include an indication to that effect (for the benefit of the Administrative Agent and without liability to any English Borrower) by confirming its scheme reference number and jurisdiction of tax residence in the documentation which it executes on becoming a party to this Agreement as a Lender,

and having done so, that Lender shall be under no obligation pursuant to *Section 3.2(b)(vii)(A)*.

(viii) If a Lender has confirmed its scheme reference number and jurisdiction of tax residence in accordance with *Section 3.2(b)(vii)(B)* and:

(A) an English Borrower making a payment to that Lender has not made an English Borrower DTTP Filing in respect of that Lender, or

(B) an English Borrower making a payment to that Lender has made an English Borrower DTTP Filing in respect of that Lender but:

(1) that English Borrower DTTP Filing has been rejected by HMRC; or

(2) HMRC has not given that English Borrower authority to make payments to that Lender without a U.K. Tax Deduction within 60 days of the date of the English Borrower DTTP Filing,

and in each case, the English Borrower has notified that Lender in writing, that Lender and the English Borrower shall co-operate in completing any additional procedural formalities necessary for the English

Borrower to obtain authorization to make that payment without a U.K. Tax Deduction.

(ix) If a Lender has not included an indication to the effect that it wishes the HMRC DT Treaty Passport scheme to apply to this Agreement in accordance with *Section 3.2(b)(vii)(B)*, an English Borrower shall not make an English Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's advance or its participation in any advance unless the Lender otherwise agrees.

(x) An English Borrower shall, promptly on making an English Borrower DTTP Filing, deliver a copy of that English Borrower DTTP Filing to the Administrative Agent for delivery to the relevant Lender.

(xi) A U.K. Non-Bank Lender shall promptly notify the relevant English Borrower and the Administrative Agent if there is any change in the position from that set out in the U.K. Tax Confirmation.

(c) *Tax Indemnity.*

(i) Holdings shall (within three (3) Business Days of demand by the Administrative Agent) pay to a Tax Indemnitee an amount equal to the loss, liability or cost which that Tax Indemnitee determines (acting in good faith) will be or has been (directly or indirectly) suffered for or on account of Taxes by that Tax Indemnitee in respect of a Loan Document.

(ii) *Section 3.2(c)(i)* shall not apply:

(A) with respect to any Taxes assessed on a Tax Indemnitee:

(1) under the law of the jurisdiction in which that Tax Indemnitee is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Tax Indemnitee is treated as resident for tax purposes; or

(2) under the law of the jurisdiction in which such Tax Indemnitee's Lending Office is located in respect of amounts received or receivable in such jurisdiction,

if such Taxes are imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by such Tax Indemnitee; or

(B) to the extent a loss, liability or cost:

(1) is compensated for by an increased payment under *Section 3.2(b)(iii)* or a payment under *Section 3.2(f)* or a payment under *Section 3.2(g)*; or

(2) would have been compensated for by an increased payment under *Section 3.2(b)* but was not so compensated solely because one of the exclusions in *Section 3.2(b)* applied;

(3) would have been compensated for by a payment under *Section 3.2(f)* but was not so compensated solely because one of the exclusions in *Section 3.2(f)* applied;

(4) relates to a FATCA Deduction required to be made by a party to this Agreement; or

(5) is suffered or incurred in respect of any Bank Levy (or any payment attributable to, or liability arising as a consequence of, a Bank Levy).

(iii) A Tax Indemnitee making, or intending to make a claim under *Section 3.2 (c)(i)* shall promptly notify the Administrative Agent of the event which will give, or has given, rise to the claim, following which the Administrative Agent shall notify the Lead Administrative Borrower.

(iv) A Tax Indemnitee shall, on receiving a payment from an English Borrower under this *Section 3.2(c)*, notify the Administrative Agent.

(d) *Tax Credit.* If an English Borrower makes a U.K. Tax Payment and the relevant Lender determines (acting in good faith) that:

(i) a U.K. Tax Credit is attributable either to an increased payment of which that U.K. Tax Payment forms part, or to that U.K. Tax Payment or to a U.K. Tax Deduction in consequence of which that U.K. Tax Payment was required; and

(ii) such Lender has obtained and utilized that U.K. Tax Credit,

such Lender shall pay an amount to that English Borrower which such Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the U.K. Tax Payment not been required to be made by that English Borrower.

(e) *Lender Status Confirmation.* Each Lender which becomes a party to this Agreement after the Closing Date ("New Lender") shall indicate, in the documentation which it executes on becoming a party to this Agreement, and for the benefit of the Administrative Agent and without liability to any English Borrower, which of the following categories it falls within:

(i) not a U.K. Qualifying Lender;

(ii) a U.K. Qualifying Lender (other than a U.K. Treaty Lender); or

(iii) a U.K. Treaty Lender.

If a New Lender fails to indicate its status in accordance with this Section 3.2(e), then that New Lender shall be treated for the purposes of this Agreement (including by any English Borrower) as if it is not a U.K. Qualifying Lender until such time as it notifies the Administrative Agent which category of U.K. Qualifying Lender applies (and the Administrative Agent, upon receipt of such notification, shall inform the relevant English Borrower). For the avoidance of doubt, the Assignment and Assumption which a Lender executes on becoming a party to this Agreement shall not be invalidated by any failure of a New Lender to comply with this Section 3.2(e).

(f) *Stamp Taxes.* Holdings shall pay and, within three (3) Business Days of demand, indemnify each Lender against any cost, loss or liability that Lender incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Loan Document; provided that this Section 3.2(f) shall not apply (i) in respect of any stamp duty, registration and

other similar Taxes payable in respect of an assignment, novation, subparticipation or transfer by a Lender of any of its rights or obligations under a Loan Document, or (ii) pursuant to or to the extent that such stamp duty, registration or other similar Taxes become payable upon a voluntary registration made by any Lender if such registration is not required by any applicable law or necessary to evidence, prove, maintain, enforce, compel or otherwise assert the rights of such Lender or obligations of any party under a Loan Document save in circumstances where such assignment, novation, subparticipation or transfer, or voluntary registration (i) takes place at a time when an Event of Default is continuing or (ii) is made at the request or with the consent of any English Borrower.

(g) *VAT.*

(i) All amounts expressed to be payable under a Loan Document by any party to any Lender which (in whole or in part) constitute the consideration for a supply for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to Section 3.2(g)(ii), if VAT is or becomes chargeable on any supply made by any Lender to any party under a Loan Document, that party shall pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such VAT (and such Lender shall promptly provide an appropriate VAT invoice to such party).

(ii) If VAT is or becomes chargeable on any supply made by any Lender (the "Supplier") to any other Lender (the "Recipient") under a Loan Document, and any party other than the Recipient (the "Relevant Party") is required by the terms of any Loan Document to pay an amount equal to the consideration for such supply to the Supplier (rather than being required to reimburse the Recipient in respect of that consideration):

(A) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party shall also pay to the Supplier (at the same time as paying such amount) an additional amount equal to the amount of such VAT. The Recipient must (where this Section 3.2(g)(ii)(A) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(B) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party shall promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(iii) Where a Loan Document requires any party to reimburse or indemnify a Lender for any cost or expense, that party shall reimburse or indemnify (as the case may be) such Lender for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Lender reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(iv) Any reference in this Section 3.2(g) to any party shall, at any time when such party is treated as a member of a group or unity (or fiscal unity) for

VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the applicable grouping rules provided for in Article 11 of Council Directive 2006/112/EC (as implemented by the relevant member state of the European Union) or any similar provision in any jurisdiction which is not a member state of the European Union.

(v) In relation to any supply made by a Lender to any party under a Loan Document, if reasonably requested by such Lender, that party must promptly provide such Lender with details of that party's VAT registration and such other information as is reasonably

requested in connection with such Lender's VAT reporting requirements in relation to such supply.

(h) *FATCA Information.*

(i) Subject to *Section 3.2(h)(iii)*, any Lender and any English Borrower shall, within ten (10) Business Days of a reasonable request by such a party:

(A) confirm to the party making that request whether it is a FATCA Exempt Party or not a FATCA Exempt Party;

(B) supply to that party such forms, documentation and other information relating to its status under FATCA as that other party reasonably requests for the purposes of that other party's compliance with FATCA; and

(C) supply to that party such forms, documentation and other information relating to its status as that other party reasonably requests for the purposes of that other party's compliance with any other law, regulation, or exchange of information regime.

(ii) If a party confirms to another party pursuant to *Section 3.2(h)(i)(A)* that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that party shall notify that other party reasonably promptly.

(iii) *Section 3.2(h)(i)* shall not oblige any Lender to do anything, and *Section 3.2(h)(i)(C)* shall not oblige any other party to do anything, which would or might in its reasonable opinion constitute a breach of any:

(A) law or regulation;

(B) fiduciary duty; or

(C) duty of confidentiality.

(iv) If a party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with *Section 3.2(h)(i)(A)* or *(B)* (including, for the avoidance of doubt, where *Section 3.2(h)(iii)* applies), then such party shall be treated for the purposes of the Loan Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the party in question provides the requested confirmation, forms, documentation or other information.

(i) *FATCA Deduction.*

(i) Each Lender and English Borrower may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no such party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(ii) Each Lender and English Borrower shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the party to whom it is making the payment and, in addition, shall notify the Administrative Agent, and the Administrative Agent shall notify the other Lenders.

(j) *Determination.* Except as otherwise expressly provided in this *Section 3.2*, a reference to "determines" or "determined" contained in this *Section 3.2* means a determination made in the absolute discretion of the person making the determination.

(k) *Assignments and transfers by the Lenders.*

(i) If:

(A) a Lender assigns or transfers any of its rights or obligations under the Loan Documents or changes its Lending Office; and

(B) as a result of circumstances existing at the date the assignment, transfer or change occurs, an English Loan Party would be obliged to make a payment to the new Lender or Lender acting through its new Lending Office under this *Section 3.2*,

then the new Lender or Lender acting through its new Lending Office is only entitled to receive payment under this *Section 3.2* to the same extent as the existing Lender or Lender acting through its previous Lending Office would have been if the assignment, transfer or change had not occurred.

(ii) *Section 3.2(k)(i)* shall not apply:

(A) in respect of an assignment or transfer made in the ordinary course of primary syndication of any Loan; or

(B) in relation to Section 3.2(b), to a U.K. Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with Section 3.2(b)(vii)(B) if the English Borrower making the payment has not made an English Borrower DTTP Filing in respect of that U.K. Treaty Lender within the applicable timeframe specified in the definition of English Borrower DTTP Filing.

SECTION 3.3 Illegality. If any Lender reasonably determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to perform any of its obligations hereunder or make, maintain or fund or charge interest with respect to any Credit Extension or to determine or charge interest rates based upon ~~the Eurocurrency Rate or the SONIA~~ any Relevant Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to

purchase or sell, or to take deposits of, ~~Dollars or any applicable~~ Alternative Currency in the applicable interbank market (or as regards ~~Eurocurrency Term Rate~~ Loans denominated in Canadian Dollars, to transact in bankers' acceptances in the Canadian interbank market), then, on notice thereof by such Lender to the Lead Administrative Borrower (through the Administrative Agent), ~~(ia)~~ any obligation of such Lender to make or continue ~~Eurocurrency Term~~ Rate Loans in the affected currency or currencies or to make or continue SONIA Rate Loans or, in the case of ~~Eurocurrency Term~~ Rate Loans denominated in Dollars, to convert Base Rate Loans or Canadian Base Rate Loans to ~~Eurocurrency Term~~ Rate Loans, or, in the case of ~~Eurocurrency Term~~ Rate Loans denominated in Canadian Dollars, to convert Canadian Prime Rate Loans to ~~Eurocurrency Term~~ Rate Loans, shall be suspended, and ~~(ib)~~ if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans, in each such case the interest rate on which is determined by reference to the ~~Eurocurrency Rate Term SOFR~~ component of the Base Rate or the Canadian Base Rate or the CDOR component of the Canadian Prime Rate, as the case may be, the interest rate on which Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the ~~Eurocurrency Rate Term SOFR~~ component of the Base Rate or the Canadian Base Rate or the CDOR component of the Canadian Prime Rate, as the case may be, in each case until such Lender notifies the Administrative Agent and the ~~Lead Administrative~~ Borrowers that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, ~~(xi)~~ the applicable Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of ~~Eurocurrency Term~~ Rate Loans or for a Borrowing of SONIA Rate Loans, and shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay all such Loans in the affected currency or currencies (or, if applicable and such Loans are denominated in Dollars or Canadian Dollars, convert all ~~Eurocurrency Term~~ Rate Loans of such Lender to Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans, as applicable (the interest rate on which Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the ~~Eurocurrency Rate Term SOFR~~ component of the Base Rate or the Canadian Base Rate or the CDOR component of the Canadian Prime Rate, as the case may be)), either: ~~(x)~~ if such Loan is a ~~Eurocurrency Term~~ Rate Loan, on the last day of the Interest Period therefor, ~~if solely to the extent~~ such Lender may lawfully continue to maintain such ~~Eurocurrency Term~~ Rate Loans to such day, ~~or (y)~~ immediately, if such Lender may not lawfully continue to maintain such ~~Eurocurrency Term~~ Rate Loans or if such Loans are SONIA Rate Loans and ~~(yi)~~ if such notice asserts the illegality of such Lender determining or charging interest rates based upon the ~~Eurocurrency Rate Term SOFR~~ component of the Base Rate or Canadian Base Rate with respect to any Base Rate Loans or Canadian Base Rate Loans, respectively, or upon the Eurocurrency Rate CDOR component of the Canadian Prime Rate with respect to any Canadian Prime Rate Loans, the Administrative Agent shall during the period of such suspension compute the Base Rate, the Canadian Base Rate or the Canadian Prime Rate, as the case may be, applicable to such Lender without reference to the Eurocurrency Rate Term SOFR or CDOR component thereof, as the case may be, until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurocurrency Rate Term SOFR or CDOR, as the case may be. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

SECTION 3.4 Inability to Determine Rates.

(a) Generally. If in connection with (x) any request for a ~~Eurocurrency Term~~ Rate Loan or a SONIA Rate Loan, (y) a conversion of a Base Rate Loan, Canadian Base Rate Loan or Canadian Prime Rate Loan (as applicable) to a ~~Eurocurrency Term~~ Rate Loan or (z) a continuation of any such Loans, as applicable, (i) the Administrative Agent determines (A) that ~~deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in~~

~~the applicable offshore interbank market for such currency~~ no Successor Rate for the Relevant Rate for the applicable ~~amount and, in the case of Eurocurrency Rate Loans, the~~ Agreed Currency has been determined in accordance with (1) Section 3.4(b) and that either the circumstances under Section 3.4(b)(i) or the SOFR Scheduled Unavailability Date has occurred with respect to Term SOFR or (2) Section 3.4(c) and that either the circumstances under Section 3.4(c)(i) or the Alternative Currency Scheduled Unavailability Date has occurred with respect to such Relevant Rate (as applicable Interest Period of such Eurocurrency Rate Loan), or (B) ~~(x)~~ adequate and reasonable means do not otherwise exist for determining the Eurocurrency Relevant Rate for any the applicable Agreed Currency for any determination date(s) or requested Interest Period, as applicable, in connection with respect to any proposed Eurocurrency Term Rate Loan (whether denominated in Dollars or an Alternative Currency) or SONIA Rate Loan or in connection with an existing or proposed Base Rate Loan, Canadian Base Rate Loan or Canadian Prime Rate Loan (as applicable), or for

determining the SONIA Rate with respect to any SONIA Rate Loan and (y) the circumstances described in Section 3.4(c) do not apply (in each case with respect to this clause (i), "Impacted Loans"); (ii) the Administrative Agent or the Requisite Lenders determine that for any reason the Eurocurrency Rate Relevant Rate with respect to a proposed Loan denominated in an Agreed Currency for any requested Interest Period with respect to a proposed Eurocurrency or determination Rate Loan(s) does not adequately and fairly reflect the cost to such Lenders of funding such Eurocurrency Rate Loan or (iii) the Administrative Agent or the Requisite Lenders determine that for any reason the SONIA Rate for any determination date with respect to a proposed SONIA Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such SONIA Rate Loan, the Administrative Agent will promptly so notify the Lead Administrative Borrower and each Lender of such determination. Thereafter, (x) the obligation of the Lenders to make or maintain SONIA Term Rate Loans or Eurocurrency SONIA Rate Loans in the affected currency or currencies shall be suspended (to the extent of the affected Eurocurrency Term Rate Loans or Interest Periods or SONIA Rate Loans) until (1) the Administrative Agent (or, in the case of a determination by the Requisite Lenders described in clause (ii) of this Section 3.4(a), until the Administrative Agent upon the instruction of the Requisite Lenders) revokes such notice or (2) a Successor Rate is determined, and the Borrowers shall, upon demand from the Administrative Agent (or from the Requisite Lenders with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars or Canadian Dollars, convert all Eurocurrency Term Rate Loans of such Lender to Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans, as applicable, and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency Rate Term SOFR component of the Base Rate or the Canadian Base Rate or the CDOR component of the Canadian Prime Rate, as applicable, the utilization of the Eurocurrency Rate Term SOFR component in determining the Base Rate or the Canadian Base Rate or the CDOR component in determining the Canadian Prime Rate, as applicable, shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Requisite Lenders described in clause (ii) of this Section 3.4(a), until the Administrative Agent upon the instruction of the Requisite Lenders) revokes such notice. Upon receipt of such notice, the Lead Administrative Borrower may revoke any pending request for a Borrowing of SONIA Rate Loans or for a Borrowing of, conversion to or continuation of Eurocurrency Term Rate Loans in the affected currency or currencies (to the extent of the affected Eurocurrency Term Rate Loans or Interest Periods) or, failing that, in connection with a Borrowing of Loan denominated in Dollars or Canadian Dollars will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans, Canadian Base Rate Loans or Canadian Prime Rate Loans, as applicable (subject to the foregoing clause (y)) in the amount specified therein.

(b) Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (i) of Section 3.4(a), the Administrative Agent, in consultation with the Lead Administrative Borrower, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (i) the Administrative Agent revokes the notice delivered with respect to

the Impacted Loans under clause (i) of Section 3.4(a), (ii) the Administrative Agent or the Requisite Lenders notify the Administrative Agent and the Lead Administrative Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans or (iii) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Lead Administrative Borrower written notice thereof.

(b) Replacement of Term SOFR or Term SOFR Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines, or the Lead Administrative Borrower or the Requisite Lenders notify the Administrative Agent (with, in the case of the Requisite Lenders, a copy to the Lead Administrative Borrower) that the Lead Administrative Borrower or Requisite Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining all of the tenors of Term SOFR corresponding to Interest Periods available under this Agreement, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary;

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of the Term SOFR Screen Rate, in each case, acting in such capacity, has made a public statement identifying a specific date after which all of the tenors of Term SOFR corresponding to Interest Periods available under this Agreement (and the related Term SOFR Screen Rate) shall or will no longer be made available, or permitted to be used for determining the interest rate of Dollar denominated syndicated loans, or shall or will otherwise cease; provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such Interest Periods of Term SOFR after such specific date (the latest date on which all applicable tenors of Term SOFR (and the related Term SOFR Screen Rate) are no longer available permanently or indefinitely, the "Term SOFR Scheduled Unavailability Date"); or

(iii) if the events or circumstances equivalent to the type described in Section 3.4(b)(i) or (ii) have occurred with respect to the Term SOFR Successor Rate then in effect;

~~then, the Administrative Agent and the Lead Administrative Borrower may jointly amend this Agreement solely for the purpose of replacing Term SOFR or any then current Term SOFR Successor Rate in accordance with this Section 3.4(b) at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternative benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for~~

~~calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion (and in consultation with the Lead Administrative Borrower) and may be periodically updated (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, an "Term SOFR Successor Rate"), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent and the Lead Administrative Borrower shall have executed such amendment and shall have posted such proposed amendment to all Lenders unless, prior to such time, the Lenders comprising the Requisite Lenders have delivered to the Administrative Agent written notice that such Requisite Lenders object to such amendment.~~

(c) ~~Replacement of Other Rates or Other Successor Rates.~~ Notwithstanding anything to the contrary ~~herein or in~~ this Agreement or any other Loan Documents, ~~with respect to any Loans denominated in Dollars:~~ if the Administrative Agent determines, or the Lead Administrative Borrower or the Requisite Lenders notify the Administrative Agent (with, in the case of the Requisite Lenders, a copy to the Lead Administrative Borrower) that the Lead Administrative Borrower or Requisite Lenders (as applicable) have determined, that:

~~(i) On March 5, 2021 the Financial Conduct Authority ("FCA"), the regulatory supervisor of LIBOR's administrator ("IBA"), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1 week, 1 month, 2 month, 3 month, 6 month and 12 month LIBOR tenor settings. On the earliest of (A) the date that all Available Tenors of LIBOR have permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative, (B) June 30, 2023 and (C) the Early Opt in Effective Date in respect of a SOFR Early Opt in, if the then current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes under this Agreement and any other Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.~~

~~(ii) (x) Upon (A) the occurrence of a Benchmark Transition Event or (B) a determination by the Administrative Agent that neither of the alternatives under clause (1) of the definition of "Benchmark Replacement" are available (unless an Early Opt in Effective Date in respect of an Other Rate Early Opt in has occurred), the Benchmark Replacement will replace the then current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. 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 Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Requisite Lenders (and any such objection shall be conclusive and binding absent manifest error); provided that solely in the event that the then current Benchmark at the time of such Benchmark Transition Event is not a SOFR-based rate, the Benchmark Replacement therefor shall be determined in accordance with clause (1) of the definition of "Benchmark Replacement" unless the Administrative Agent determines that neither of such alternative rates is available.~~

~~(y) On the Early Opt in Effective Date in respect of an Other Rate Early Opt in, the Benchmark Replacement will replace LIBOR for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document.~~

~~(iii) At any time that the administrator of the then current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, any Borrower may revoke any request for a Borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Lead Administrative Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, such Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans or Canadian Base Rate Loans, as applicable. During the period referenced in the~~

~~foregoing sentence, the component of Base Rate or the Canadian Base Rate, as applicable, based upon the Benchmark will not be used in any determination of Base Rate or the Canadian Base Rate, as applicable~~

(i) ~~adequate and reasonable means do not exist for ascertaining the Relevant Rate for any Alternative Currency because none of the tenors of such Relevant Rate available under this Agreement (including any forward-looking term rate thereof) are available or published on a current basis and such circumstances are unlikely to be temporary;~~

(ii) ~~the Applicable Authority has made a public statement identifying a specific date after which all tenors of the Relevant Rate for any Alternative Currency (including any forward-looking term rate thereof) shall or will no longer be representative or made available, or used for determining the interest rate of loans denominated in such Alternative Currency, or shall or will otherwise cease; provided that, in each case, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide such representative tenor(s) of such Relevant Rate for such Alternative Currency (the latest date on which all such tenors of such Relevant Rate for such Alternative Currency (including any forward-looking term rate thereof) are no longer representative or available permanently or indefinitely, the "Alternative Currency Scheduled Unavailability Date"); or~~

(iii) ~~if the events or circumstances of the type described in Section 3.4(c)(i) or (ii) have occurred with respect to the applicable Alternative Currency Successor Rate then in effect;~~

~~then, the Administrative Agent and the Lead Administrative Borrower may jointly amend this Agreement solely for the purpose of replacing the Relevant Rate for an Alternative Currency or any then current Alternative Currency Successor Rate for an Alternative Currency in accordance with this Section 3.4(c) with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the United States and denominated in such Alternative Currency for such alternative benchmark;~~

~~and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities syndicated and agented in the United States and denominated in such Alternative Currency for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion (and in consultation with the Lead Administrative Borrower) and may be periodically updated (and any such proposed rate, including for the avoidance of doubt, any adjustment thereto, an "Alternative Currency Successor Rate" and collectively with the Term SOFR Successor Rate, each a "Successor Rate"), and any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent and the Lead Administrative Borrower shall have executed such amendment and shall have posted such proposed amendment to all Lenders unless, prior to such time, the Lenders comprising the Requisite Lenders have delivered to the Administrative Agent written notice that such Requisite Lenders object to such amendment.~~

(d) ~~Successor Rate. The Administrative Agent will promptly (in one or more notices) notify the Lead Administrative Borrower and each Lender of the implementation of any Successor Rate. Any Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent in consultation with the Lead Administrative Borrower. Notwithstanding anything to the contrary herein, if at any time any Successor Rate as so determined would otherwise be less than 0%, the Successor Rate will be deemed to be 0% for the purposes of this Agreement and the other Loan Documents.~~

(e) ~~(iv) Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement of a Successor Rate, the Administrative Agent will have the right to make Benchmark Replacement, in consultation with the Lead Administrative Borrower, to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall (i) promptly notify the Lead Administrative Borrower in writing of such Conforming Changes upon the effectiveness thereof and (ii) post each such amendment implementing such Conforming Changes to the Lenders reasonably promptly after such amendment becomes effective.~~

~~(v) The Administrative Agent will promptly notify the Lead Administrative Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 3.4(c), 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, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.4(c).~~

~~(vi) At any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then current Benchmark is a term rate (including Term SOFR or LIBOR), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (B) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.~~

SECTION 3.5 Increased Cost and Reduced Return; Capital Adequacy; ~~Reserves on Eurocurrency Rate Loans.~~

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or any Issuer;

(ii) subject any Lender or any Issuer to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any ~~Eurocurrency~~Term Rate Loan or SONIA Rate Loan made by it, or change the basis of taxation of payments to such Lender or the Issuer in respect thereof (except for (1) any Excluded Taxes or any Non-Excluded Taxes or Other Taxes indemnified or otherwise paid under Section 3.1, or (2) any amount that is compensated for under Section 3.2 or would have been compensated for under Section 3.2 but was not so compensated solely because any of the relevant exclusions applied, or (3) any Bank Levy); or

(iii) impose on any Lender or any Issuer or the ~~London~~applicable interbank market any other condition, cost or expense affecting this Agreement or ~~Eurocurrency~~any Term Rate Loansor SONIA Rate Loan made by such Lender or any Letter of Credit or participation therein, in each case that is not otherwise accounted for in this ~~clause~~Section 3.5(a);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan the interest on which is determined by reference to the ~~Eurocurrency~~Term Rate or the SONIA Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or Issuer hereunder (whether of principal, interest or any other amount) then, from time to time within fifteen (15) days after demand by such Lender or Issuer setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent), the Borrowers will pay to such Lender or Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If any Lender or any Issuer reasonably determines that any Change in Law affecting such Lender or such Issuer or any Lending Office of such Lender or such Lender's or such Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuer's capital or on the capital of such Lender's or such Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuer, to a level below that which such Lender or such Issuer or such Lender's or such Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuer's policies and the policies of such Lender's or such Issuer's holding company with respect to capital adequacy), then from time to time upon demand of such Lender

or such Issuer setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent), the Borrowers will pay to such Lender or such Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuer or such Lender's or such Issuer's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of a Lender or an Issuer setting forth the amount or amounts necessary to compensate such Lender or such Issuer or its holding company, as the case may be, as specified in ~~subs~~Section 3.5(a) or (b) of this Section 3.5 and delivered to the Lead Administrative Borrower shall be conclusive absent manifest error. The Borrowers shall pay such Lender or such Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of any Lender or any Issuer to demand compensation pursuant to the foregoing provisions of this Section 3.5 shall not constitute a waiver of such Lender's or such Issuer's right to demand such compensation, *provided* that the Borrowers shall not be required to compensate a Lender or an Issuer pursuant to the foregoing provisions of this Section 3.5 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or such Issuer, as the case may be, notifies the Lead Administrative Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 3.6 Funding Losses. Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any **EurocurrencyTerm** Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan (other than a Base Rate Loan, Canadian Base Rate Loan, Canadian Prime Rate Loan or SONIA Rate Loan) on the date or in the amount notified by the Borrowers;

(c) any assignment of a **EurocurrencyTerm** Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrowers pursuant to *Section 3.8*; including any loss or expense (excluding loss of anticipated profits or margin) actually incurred by reason of the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained; or

(d) any failure by the Borrowers to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency;

including any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract.

SECTION 3.7 Matters Applicable to all Requests for Compensation.

(a) *Designation of a Different Lending Office.* If any Lender requests compensation under *Section 3.5*, or the Borrowers are required to pay any additional amount to any Lender, any Issuer, or any Governmental Authority for the account of any Lender or any Issuer pursuant to *Sections 3.1 or 3.2*, or if any Lender gives a notice pursuant to *Section 3.3*, then such Lender or such Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or such Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to *Section 3.1, 3.2 or 3.5*, as the case may be, in the future, or eliminate the need for the notice pursuant to *Section 3.3*, as applicable, and (ii) in each case, would not subject such Lender or such Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous in any material respect to such Lender or such Issuer, as the case may be in any material economic, legal or regulatory respect.

(b) *Suspension of Lender Obligations.* If any Lender requests compensation by the Borrowers under *Section 3.5*, the Lead Administrative Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue **EurocurrencyTerm** Rate Loans, ~~Canadian Base Rate Loan~~ from one Interest Period to another Interest Period, or to convert Base Rate Loans, **Canadian Base Rate Loans** or Canadian Prime Rate Loans into **EurocurrencyTerm** Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of *Section 3.7(c)* shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(c) *Conversion of **EurocurrencyTerm** Rate Loans.* If any Lender gives notice to the Lead Administrative Borrower (with a copy to the Administrative Agent) that the circumstances specified in *Sections 3.3, 3.4 or 3.5* hereof that gave rise to the conversion of such Lender's **EurocurrencyTerm** Rate Loans no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when **EurocurrencyTerm** Rate Loans made by other Lenders are outstanding, such Lender's Base Rate Loans, **Canadian Base Rate Loans** and Canadian Prime Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding **EurocurrencyTerm** Rate Loans, to the extent necessary so that, after giving effect thereto, all Loans of a given Class held by the Lenders of such Class holding **EurocurrencyTerm** Rate Loans and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Pro Rata Shares.

SECTION 3.8 Replacement of Lenders under Certain Circumstances.

If (i) any Lender requests compensation under *Section 3.5* or ceases to make **EurocurrencyTerm** Rate Loans or SONIA Rate Loans as a result of any condition described in *Section 3.3* or *Section 3.5*, (ii) the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to *Sections 3.1 or 3.2*, (iii) any Lender is a Non-Consenting Lender or a Defaulting Lender or (iv) any other circumstance exists hereunder that gives the Borrowers the right to replace a Lender as a party hereto, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without

recourse (in accordance with and subject to the restrictions contained in, and consents required by, *Section 12.2*), all of its interests, rights and obligations under this Agreement and the related

Loan Documents to one or more Eligible Assignees that shall assume such obligations (any of which assignee may be another Lender, if a Lender accepts such assignment), *provided that*:

(a) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in *Section 12.2(b)(iv)*;

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under *Section 3.6*) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) such Lender being replaced pursuant to this *Section 3.8* shall (i) execute and deliver an Assignment and Assumption with respect to such Lender's Revolving Credit Commitment and outstanding Loans, and (ii) deliver any Revolving Credit Notes or FILO Notes evidencing such Loans to the Borrowers or Administrative Agent (or a lost or destroyed note indemnity in lieu thereof); *provided that* the failure of any such Lender to execute an Assignment and Assumption or deliver such Revolving Credit Notes or FILO Notes shall not render such sale and purchase (and the corresponding assignment) invalid and such assignment shall be recorded in the Register and such Revolving Credit Notes or FILO Notes shall be deemed to be canceled upon such failure;

(d) pursuant to such Assignment and Assumption, (i) the Eligible Assignee shall acquire all or a portion, as the case may be, of the assigning Lender's Revolving Credit Commitment and outstanding Loans, (ii) the Eligible Assignee shall purchase, at par, all Loans, accrued interest, accrued fees and other amounts owing to the assigning Lender as of the date of replacement and (iii) upon such payment (regardless of whether such replaced Lender has executed an Assignment and Assumption or delivered its Revolving Credit Notes or FILO Notes to the Borrowers or the Administrative Agent), the Eligible Assignee shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Revolving Credit Commitments and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender;

(e) in the case of any such assignment resulting from a claim for compensation under *Section 3.5* or payments required to be made pursuant to *Sections 3.1* or *3.2*, such assignment will result in a reduction in such compensation or payments thereafter;

(f) such assignment does not conflict with applicable Laws; and

(g) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, (i) the applicable assignee shall have consented to the applicable consent, waiver or amendment, and (ii) the applicable consent, waiver or amendment for which the Non-Consenting Lender has not provided its consent can be effected as a result of the assignment of such Non-Consenting Lender's interests, rights and obligations under this Agreement and the related Loan Documents (together with all other such assignments required by the Borrowers to be made pursuant to this Section).

In the event that (i) the Borrowers or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each Lender, all affected Lenders or all the Lenders or all affected Lenders with respect to a certain Class or Classes of the Loans (or under a Facility), (iii) the Requisite Lenders or the requisite Lenders of the applicable Class or Classes of the Loans (or under a Facility), have

agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "Non-Consenting Lender."

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

SECTION 3.9 Survival. All of the Borrowers' obligations under this *Article III* shall survive termination of the Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent, the Collateral Agent, the Swing Loan Lender or any Issuer.

ARTICLE IV.

CONDITIONS PRECEDENT

SECTION 4.1 Conditions Precedent to Effectiveness and Initial Credit Extensions.

The effectiveness of this Agreement, and the obligation of each Lender to make any Loan and of each Issuer on any date to Issue any Letter of Credit hereunder on the date hereof, shall be subject to the satisfaction or due waiver in accordance with *Section 12.1* of each of the following conditions precedent, except as otherwise agreed between the Lead Administrative Borrower and the Arrangers and except to the extent such conditions precedent are subject to *Section 8.17* (the date on which such conditions are satisfied or waived in accordance with *Section 12.1* shall be referred to herein as the "Closing Date"):

(a) *Loan Documents*. The Administrative Agent's receipt of the following, each of which shall be originals or facsimiles or other electronic image scan transmission (e.g., "pdf" or "tif" via e-mail) (in each case followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party each in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) executed counterparts of this Agreement;

(ii) a Revolving Credit Note and a FILO Note, as applicable, executed by the Borrowers in favor of each Lender that has requested a Revolving Credit Note and/or a FILO Note, as applicable at least two (2) Business Days in advance of the Closing Date;

(iii) each Collateral Document listed on *Schedule 4.1(a)*, together with:

(A) delivery to the Collateral Agent (or its counsel) of (x) certificates, if any, representing the Pledged Equity of the Loan Parties and (y) instruments, if any, representing the Pledged Debt of the Loan Parties and share transfer powers or other instruments of transfer, as applicable, duly endorsed by an effective endorsement, in each case, to the Collateral Agent or in blank;

(B) evidence of the completion of all other actions, recordings and filings of or with respect to any Collateral Document that the Administrative Agent may deem necessary to satisfy the Collateral and Guarantee Requirement; and

(iv) copies of Credit Card Notifications which have been executed on behalf of such Loan Party to be delivered to such Loan Party's Credit Card Processors listed on *Schedule 8.12*.

(b) *Liens Searches*. The Administrative Agent shall have received the results of customary lien searches made with respect to the Loan Parties in the Covered Jurisdiction in which such Loan Party is organized or incorporated and with respect to such other locations and names of such Loan Party listed on the Information Certificate, together with copies of the Liens filings disclosed by such searches, in each case, to the extent such searches were requested in writing by the Administrative Agent (or its counsel) at least twenty (20) days prior to the Closing Date and to the extent such searches are available in the relevant Covered Jurisdiction.

(c) *Solvency Certificate*. The Administrative Agent shall have received a solvency certificate, substantially in the form set forth as *Exhibit M*, executed by a Financial Officer of Holdings attesting to the Solvency of Holdings and its Restricted Subsidiaries, on Consolidated basis, after giving effect to the consummation of the Transactions occurring on the Closing Date.

(d) *Borrowing Base Certificate; Excess Availability*.

(i) The Administrative Agent shall have received a Borrowing Base Certificate, dated on or about the Closing Date, executed by a Financial Officer of the Lead Administrative Borrower, and calculating the Revolving Borrowing Base and the FILO Borrowing Base, in each case, as of the last day of the Fiscal Month most recently ended at least fifteen (15) Business Days prior to the Closing Date.

(ii) Excess Availability as of the Closing Date, after giving effect to the Transactions occurring on the Closing Date, including all Credit Extensions made on the Closing Date, shall be not less than the greater of (i) 25.0% of the Modified Revolving Loan Cap and (ii) \$400,000,000.

(e) *Officer's Closing Certificate*. The Administrative Agent shall have received a certificate of a Responsible Officer of the Lead Administrative Borrower (i) certifying that the conditions specified in *Sections 4.1(k)* and *(l)* have been satisfied, and (ii) attaching true, correct and complete copies of (A) to the extent any Untendered Existing 2024 Notes will exist as of the Closing Date, the Existing 2024 Notes Indenture and each other material Existing 2024 Notes Document, and (B) to the extent the Senior Notes are to be issued on the Closing Date, the Senior Notes Indenture and each other material Senior Notes Document, in each case of this *clause (ii)*, as shall be reasonably requested by the Administrative Agent.

(f) *Corporate Authority*. The Administrative Agent shall have received (i) a copy of the Constituent Document of each Loan Party filed with any Governmental Authority in connection with such Loan Party's organization, incorporation or formation, including all amendments thereto, certified, if applicable, as of a recent date by the Secretary of State (or similar Governmental Authority) in the jurisdiction of organization, formation or incorporation of such Loan Party or, in the case of an English Loan Party, certified by a director of such Loan Party, and a certificate as to the good standing (or local equivalent) of each Loan Party (to the extent available in the relevant jurisdiction) as of a recent date, from such Secretary of State

(or similar Governmental Authority) in the jurisdiction of organization, incorporation or formation of such Loan Party; (ii) a certificate of the Secretary or Assistant Secretary (or equivalent Responsible Officer) of each Loan Party or, in the case of an English Loan Party, certified by a director of such Loan Party, dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of all Constituent Documents of such Loan Party as in effect on the

Closing Date and at all times since a date prior to the date of the resolutions described in *clause (B)* below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the Board of Directors of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party, the Transactions and, in the case of any Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (C) as to the incumbency and specimen signature of each Responsible Officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; and (iii) for each Loan Party (other an English Loan Party), a certificate of another Responsible Officer as to the incumbency and specimen signature of the Secretary or Assistant Secretary (or equivalent Responsible Officer) executing the certificate pursuant to *clause (ii)* above.

(g) *Opinions of Counsel.* The Administrative Agent shall have received a customary written opinion (addressed to the Administrative Agent, the Collateral Agent and the Lenders and dated as of the Closing Date) of (i) Weil, Gotshal & Manges LLP, counsel for the Loan Parties, (ii) each other local counsel to the Loan Parties set forth on *Schedule 4.1(g)*, (iii) Norton Rose Fulbright LLP, English counsel to the Administrative Agent, (iv) McCann Fitzgerald, Irish counsel to the Administrative Agent, (v) Shepherd and Wedderburn LLP, Scottish counsel to the Administrative Agent, covering such matters relating to the Loan Parties, the Loan Documents or the transactions contemplated thereby as the Administrative Agent shall reasonably request. The Loan Parties hereby requests such counsel to deliver such opinions.

(h) *Financial Information.* The Arrangers shall have received (i) the Pro Forma Financial Statements, and (ii) the Financial Performance Projections.

(i) *Refinancing.* The Existing Credit Agreement Refinancing shall have been consummated, or shall be consummated substantially concurrently with the funding of the initial Credit Extensions on the Closing Date and the Administrative Agent shall have received evidence thereof.

(j) *Insurance.* The Administrative Agent shall have received evidence that all insurance required to be maintained pursuant to the Loan Documents as of the Closing Date, has been obtained and is in effect and that the Collateral Agent has been named as lender's loss payee and/or additional insured (or the equivalent, if any, in any applicable Covered Jurisdiction), as applicable, under each insurance policy with respect to such insurance as to which the Collateral Agent shall have requested to be so named.

(k) *Representations and Warranties; No Defaults.* The following statements shall be true on the Closing Date, both immediately before and immediately after giving effect to any Credit Extensions made on the Closing Date, and the application of the proceeds thereof:

(i) The representations and warranties of each Loan Party contained in *Article V* or any other Loan Document are true and correct in all material respects on and as of the Closing Date; *provided that*, to the extent that any such representation or warranty specifically refers to an earlier date, such representation or warranty shall be true and correct in all material respects as of such earlier date; *provided, further* that any representation or warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates; and

(ii) No Default or Event of Default shall exist.

(l) *No Material Adverse Effect.* Since February 2, 2019, there shall not have occurred any event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(m) *Fees, Costs and Expenses.* The Administrative Agent, the Arrangers and the Lenders shall have received payment of all fees, costs and expenses contemplated by this Agreement or any other Loan Document (including the Fee Letters) due and payable on the Closing Date in respect of the Transactions, provided that invoices for any costs and expenses to be reimbursed on the Closing Date must be received at least three (3) Business Days prior to the Closing Date (except as otherwise reasonably agreed by the Lead Administrative Borrower) or otherwise such costs and expenses shall be paid no later than ten (10) days after the Closing Date.

(n) *KYC; Other AML Diligence.* The Lenders shall have received, at least three (3) Business Days prior to the Closing Date, (i) all documentation and other information about the Loan Parties required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Proceeds of Crime Act, and (ii) to the extent that any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification with respect to such Borrower, in each case, that shall have been requested in writing at least ten (10) Business Days prior to the Closing Date.

(o) *People with Significant Control.* In respect of each company incorporated in the U.K. whose shares are the subject of a Lien in favor of the Collateral Agent (a “*Charged Company*”), either (i) a certificate of an authorized signatory of the Lead Administrative Borrower certifying that (A) each Loan Party has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from a Loan Party; and (B) no “warning notice” or “restrictions notice” (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, together with a copy of the “PSC register” (within the meaning of section 790C(10) of the Companies Act 2006) of any English Loan Party, which, is certified by an authorized signatory of that Loan Party to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or (ii) a certificate of an authorized signatory of the Lead Administrative Borrower certifying that such Loan Party is not required to comply with Part 21A of the Companies Act 2006.

Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, it is understood and agreed that to the extent any Lien on any Collateral (other than with respect to the Collateral owned by Holdings) cannot be created (other than with respect to Current Asset Collateral) or perfected (other than to the extent that a Lien on such Collateral may be perfected (a) by the filing of (i)(A) a financing statement under the UCC or (B) a financing statement under the PPSA, or (b) Intellectual Property Security Agreements or other Collateral Documents securing Intellectual Property in the appropriate filing offices in the Covered Jurisdictions, or (y) by the delivery of certificates representing Pledged Equity of the Loan Parties) on the Closing Date after Loan Parties’ use of commercially reasonable efforts to do so, the creation (other than with respect to Current Asset Collateral) or perfection of a Lien on such Collateral shall not constitute a condition precedent to the availability of the Facilities on the Closing Date, but shall be required to be created (other than with respect to Current Asset Collateral) or perfected within ninety (90) days (or such longer period as may be acceptable to the Administrative Agent in its sole discretion) after the Closing Date; *provided that*, to the extent a Lien on such Collateral may be perfected by the filing of a form MR01 with Companies House, such form MR01 shall be filed within twenty-one (21) days of the date of creation of the relevant Lien.

Without limiting the generality of the provisions of the last paragraph of *Section 9.3*, for purposes of determining compliance with the conditions specified in this *Section 4.1*, each Lender shall be deemed to have consented to, approved, accepted or be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to the Lenders unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the Borrowing on the Closing Date, borrowing of Swing Loans or Issuance or deemed Issuance hereunder specifying its objection thereto and such Lender shall not have made available to the Administrative Agent such Lender’s Ratable Portion of such Borrowing or Swing Loans.

SECTION 4.2 Conditions Precedent to Credit Extension After the Closing Date.

The obligation of each Lender on any date to make any Loan and of each Issuer on any date to Issue any Letter of Credit is subject to the satisfaction of each of the following conditions precedent:

(a) *Request for Borrowing or Issuance of Letter of Credit.* With respect to any Loan, the Administrative Agent shall have received a duly executed Notice of Borrowing (or, in the case of Swing Loans, a duly executed Swing Loan Request), and, with respect to any Letter of Credit, the Administrative Agent and the applicable Issuer shall have received a duly executed Letter of Credit Application.

(b) *Representations and Warranties; No Defaults.* The following statements shall be true on the date of such Loan or Issuance, both immediately before and immediately after giving effect thereto and, in the case of any Loan, giving effect to the application of the proceeds thereof:

(i) The representations and warranties of each Loan Party contained in *Article V* or any other Loan Document (or, in the case of any FILO Incremental Commitment or FILO Incremental Junior Commitment incurred in connection with a Limited Condition Transaction to the extent the Lenders providing such FILO Incremental Commitment or FILO Incremental Junior Commitment so agree, the Specified Representations) shall be true and correct in all material respects on and as of the date of such Credit Extension; *provided that*, to the extent that such representation or warranty specifically refer to an earlier date, such representation or warranty shall be true and correct in all material respects as of such earlier date; *provided, further that* any representation or warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates; and

(ii) no Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(c) *Credit Extension Conditions.* After giving effect to the Loans or Letters of Credit requested to be made or Issued on any such date and the use of proceeds thereof, the Credit Extension Conditions shall be satisfied.

(d) *Eligible Currency.* In the case of a Credit Extension to be denominated in an Alternative Currency, such currency remains an Eligible Currency.

Each submission by any Borrower to the Administrative Agent of a Notice of Borrowing or a Swing Loan Request and the acceptance by any Borrower of the proceeds of each Loan

requested therein, and each submission by any Borrower to an Issuer of a Letter of Credit Application, and the Issuance of each Letter of Credit requested therein, shall be deemed to constitute a representation and warranty by the Borrowers that the conditions specified in *clause (b)* above have been satisfied on and as of the date of the making of such Loan or the Issuance of such Letter of Credit.

The conditions set forth in this *Section 4.2* are for the sole benefit of the Lenders and the Issuers but until the Requisite Revolving Lenders (in the case of any Credit Extension under the Revolving Credit Facility) or the Requisite FILO Lenders (in the case of any Credit Extension under the FILO Facility) otherwise direct the Administrative Agent to cease making Loans, the Revolving Credit Lenders will fund their Revolving Commitment Percentage of all Revolving Loans and Letter of Credit Borrowings and participate in all Swing Loans and Letters of Credit whenever made or issued and the FILO Lenders will fund their FILO Commitment Percentage of FILO Loans, in each case, which are requested by the Borrowers and which, notwithstanding the failure of the Loan Parties to comply with the provisions of this *Section 4.2*, are agreed to by the Administrative Agent, *provided, however*, the making of any such Loans or the issuance of any Letters of Credit shall not be deemed a modification or waiver by any Lender or any Issuer of the provisions of this *Section 4.2* on any future occasion or a waiver of any rights or the Lenders or the Issuers against the Loan Parties as a result of any such failure to comply.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

To induce the Lenders, the Issuers and the Administrative Agent to enter into this Agreement, Holdings and each Borrower represents and warrants each of the following to the Lenders, the Issuers and the Administrative Agent, on and as of the Closing Date and after giving effect to the making of the Loans and the other financial accommodations on the Closing Date and on and as of each date as required by *Section 4.2(b)(i)*:

SECTION 5.1 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each of its Restricted Subsidiaries that is a Material Subsidiary (a) (i) is a Person duly organized or formed, validly existing and (ii) in good standing under the Laws of the jurisdiction of its incorporation or organization (to the extent such concept exists in such jurisdiction), (b) has all corporate or other organizational power and authority to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and in good standing (to the extent such concept exists) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) is in compliance with all applicable Laws, orders, writs, injunctions and orders and (e) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in *clause (a)(ii), (c), (d) or (e)*, to the extent that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.2 Authorization; No Contravention. (a) The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party have been duly authorized by all necessary corporate or other organizational action, and (b) neither the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party nor the consummation of the Transactions will (i) contravene the terms of any of such Person's Constituent Documents, (ii) result in any breach or contravention of, or the creation of any Lien upon any of the property or assets of such Person or any of the Restricted Subsidiaries (other than as permitted under *Section 9.1*) under (A) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of

its Subsidiaries or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any applicable Law; except with respect to any breach, contravention or violation (but not creation of Liens) referred to in *clauses (ii) and (iii)*, to the extent that such breach, contravention or violation would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.3 Governmental Authorization. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) filings necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties, (b) the approvals, consents, exemptions, authorizations, actions, notices and filings that have been duly obtained, taken, given or made and are in full force and effect and (c) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.4 Binding Effect. This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is party thereto. This Agreement and each other Loan Document constitutes a legal, valid and binding obligation of such Loan Party,

enforceable against such Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity and principles of good faith and fair dealing.

SECTION 5.5 Financial Statements; No Material Adverse Effect.

(a) The Annual Financial Statements and the Quarterly Financial Statements delivered to the Arrangers prior to the Closing Date, and the financial statements hereafter delivered pursuant to *Section 7.1(a)* or *7.1(b)*, fairly present in all material respects the financial condition of Holdings and its Subsidiaries, on a Consolidated basis, as of the dates thereof and their results of operations for the periods covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, (i) except as otherwise expressly noted therein and (ii) subject, in the case of the Quarterly Financial Statements and the financial statements hereafter delivered pursuant to *Section 7.1(b)*, to changes resulting from, normal year-end adjustments and the absence of footnotes.

(b) Since January 30, 2021, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(c) The Financial Performance Projections of Holdings and its Subsidiaries, copies of which have been furnished to the Administrative Agent and the Arrangers prior to the Closing Date, and all Projections delivered pursuant to *Section 7.1(d)* have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time made, it being understood that such Financial Performance Projections and any such Projections delivered pursuant to *Section 7.1(d)* are subject to significant uncertainties and contingencies, that no assurance can be given that any particular financial projections will be realized, and that actual results may differ and that such differences may be material.

SECTION 5.6 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties, overtly threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or

any of their Restricted Subsidiaries, that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.7 Labor Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no strikes or other labor disputes against any of the Loan Parties or their Subsidiaries pending or, to the knowledge of the Loan Parties, threatened and (b) since February 2, 2019, hours worked by and payment made based on hours worked to employees of each of the Loan Parties and their Subsidiaries have not been in material violation of applicable federal, state, provincial, territorial and local labor and employment Laws dealing with wage and hour matters (including the Fair Labor Standards Act).

SECTION 5.8 Ownership of Property; Liens. Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, or easements or other limited property interests in, all real property necessary or used in the ordinary conduct of its business, free and clear of all Liens except for Liens permitted by *Section 9.1* and except where the failure to have such title or other interest would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.9 Environmental Matters.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Loan Party and each of its Subsidiaries and their respective operations is in compliance with all applicable Environmental Laws (including having obtained all Environmental Permits) and (ii) none of the Loan Parties or any of their respective Subsidiaries has become subject to any pending, or to the knowledge of any Loan Party, threatened Environmental Claim or any other Environmental Liability.

(b) None of the Loan Parties or any of their respective Subsidiaries has released, treated, stored, transported, arranged for transport or disposed of Hazardous Materials at or from any currently or formerly owned or operated real estate or facility in a manner that would reasonably be expected to have a Material Adverse Effect.

SECTION 5.10 Taxes. Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each of the Loan Parties and their Restricted Subsidiaries (a) has timely filed all federal, state, provincial, territorial and other Tax returns and reports required to be filed, and (b) has timely paid all federal, state, provincial, territorial and other Taxes, assessments, fees and other governmental charges (including satisfying its withholding tax obligations) levied or imposed on their properties, income or assets or otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

SECTION 5.11 ERISA and Pension Compliance.

(a) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws.

(b) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has failed to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan; (iii) none of the Loan Parties or any of their respective ERISA Affiliates has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under

Section 4219 of ERISA, would result in such liability) under Sections 4201 et seq. or 4243 of ERISA with respect to a Multiemployer Plan; (iv) none of the Loan Parties or any of their respective ERISA Affiliates has engaged in a transaction that is subject to Sections 4069 or 4212(c) of ERISA; and (v) neither any Loan Party nor any ERISA Affiliate has been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is insolvent (within the meaning of Section 4245 of ERISA) or has been determined to be in "endangered" or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA) and no such Multiemployer Plan is expected to be insolvent or endangered or critical status, except, with respect to each of the foregoing clauses of this *Section 5.11(b)*, as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(c) The Loan Parties represent and warrant as of the Second Amendment Effective Date that the Loan Parties are not and will not be using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments.

(d) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Canadian Loan Party is in compliance with the requirements of the PBA and other federal or provincial Laws with respect to each Canadian Pension Plan. Except as set forth on *Schedule 5.11*, none of the Canadian Loan Parties nor any of their Subsidiaries maintains or contributes to any Canadian Defined Benefit Plan. Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (i) no Canadian Loan Party has any withdrawal liability in connection with a multi-employer Canadian Pension Plan, (ii) no Canadian Pension Event has occurred and (iii) no Lien has arisen, choate or inchoate, in respect of the Canadian Loan Parties or their property in connection with any Canadian Pension Plan (save for contribution amounts not yet due).

(e) Except for any existing defined benefit pension schemes of any English Loan Party or those of any employer with which any English Loan Party is or has been "connected" or "associated" as set forth on *Schedule 5.11* (a "Defined Benefit Scheme"), no English Loan Party is or has at any time been:

(i) an employer (for the purposes of Sections 38 to 51 of the Pensions Act 2004 (U.K.)) of an occupational pension scheme which is not a money purchase scheme (as those terms are defined in the Pensions Schemes Act 1993 (U.K.)); or

(ii) "connected" with or an "associate" of such an employer (as those terms are used in sections 38 and 43 of the Pensions Act 2004 (U.K.)) at any time during the past six years; *provided* that, where an English Loan Party is "connected" with or an "associate" of another Person that is not an Affiliate of such English Loan Party, such English Loan Party shall not be in breach of this provision solely by virtue of such connection or association.

(f) All pension schemes operated by or maintained by any English Loan Party for its benefit and/or any of its employees are (i) fully funded based on the statutory funding objective under sections 221 and 222 of the Pensions Act 2004 (U.K.) and (ii) no action or omission has been taken by any English Loan Party in relation to such a pension scheme, except, in each case of clauses (i) and (ii) for any deficit in funding, action or omission that, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect (including the termination or commencement of winding-up proceedings of any such pension scheme or a Loan Party ceasing to employ any member of such a pension scheme).

(g) No investigation has been commenced or, to its knowledge, is proposed by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to any English Loan Party that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

SECTION 5.12 Subsidiaries. As of the Second Amendment Effective Date, neither Holdings nor any other Loan Party has any Subsidiaries other than those specifically disclosed in *Schedule 5.12*, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued and are fully paid and (if applicable) nonassessable, and all Equity Interests owned by Holdings or any other Loan Party are owned free and clear of all security interests of any Person except (a) Liens created under the Collateral Documents and (b) to any non-consensual Liens permitted by *Section 9.1* that arise as a matter of Law. As of the Second Amendment Effective Date, *Schedule 5.12* (i) sets forth the name and jurisdiction of each Subsidiary, (ii) sets forth the ownership interest of Holdings, the Borrowers and any other Subsidiary in each Subsidiary, including the percentage of

such ownership and (iii) identifies each Subsidiary for which the Equity Interests are required to be (or to continue to be) pledged on the Second Amendment Effective Date pursuant to the Collateral and Guarantee Requirement.

SECTION 5.13 Margin Regulations; Investment Company Act.

(a) As of the Second Amendment Effective Date, none of the Collateral is comprised of any Margin Stock. No Loan Party is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Federal Reserve Board), or extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Loans or drawings under any Letter of Credit will be used for any purpose that violates Regulation U.

(b) No Loan Party is an "investment company" under the Investment Company Act of 1940.

SECTION 5.14 Disclosure. (a) As of Closing Date, none of the information and data delivered on or prior to the Closing Date in writing by or on behalf of any Loan Party to any Agent, any Arranger or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) and (b) as of the Second Amendment Effective Date, none of the information and data delivered on or prior to the Second Amendment Effective Date in writing by or on behalf of any Loan Party to any Agent or any Lender in connection with the transactions contemplated by the Second Amendment and the negotiation of the Second Amendment or delivered thereunder (as modified or supplemented by other information so furnished), in each case of clause (a) and (b), when taken as a whole contains any untrue statement of a material fact or omits to state a material fact necessary in order to make such information and data, taken as a whole, in light of the circumstances under which such information and data was delivered, not materially misleading; it being understood that, for purposes of this Section 5.14, such information and data shall not include the Financial Performance Projections and pro forma financial information or information of a general economic or general industry nature.

SECTION 5.15 Intellectual Property; Licenses, Etc. The Loan Parties and their Restricted Subsidiaries have good and marketable title to, or a valid license or right to use, all rights in Intellectual Property (collectively, "IP Rights") that are necessary for the operation of their respective businesses as currently conducted, except where the failure to have any such rights, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Loan Parties, the operation of the respective businesses of the Loan Parties or any of their Restricted Subsidiaries as currently conducted does

not infringe upon, misuse, misappropriate or violate any IP Rights held by any Person except for such infringements, misuses, misappropriations or violations individually or in the aggregate, that would not reasonably be expected to have a Material Adverse Effect. No written claim or litigation regarding any IP Rights is pending or, to the knowledge of the Loan Parties, threatened against any Loan Party or Subsidiary, that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 5.16 Solvency. As of the Second Amendment Effective Date, after giving effect to the Transactions, Holdings and its Restricted Subsidiaries, on a Consolidated basis, are Solvent.

SECTION 5.17 Anti-Corruption Laws and Sanctions.

(a) Neither the Loan Parties, nor any of their Subsidiaries, nor, to the knowledge of the Loan Parties and their Subsidiaries, any director, officer, employee, agent, Affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) To the extent applicable, each of Holdings and its Subsidiaries is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the USA PATRIOT Act and the Proceeds of Crime Act.

(c) The Loan Parties and their Subsidiaries have conducted their businesses in compliance in all material respects with all applicable Anti-Corruption Laws.

(d) Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall require any Loan Party or any Subsidiary of any Loan Party or any director, officer, employee, agent or Affiliate of any Loan Party that is registered or incorporated under the laws of Canada or of a province or territory to commit an act or omission that contravenes the Foreign Extraterritorial Measures (United States) Order, 1992.

SECTION 5.18 Collateral Documents. The provisions of the Collateral Documents, together with such filings and other actions required to be, and when, taken hereby or by the applicable Collateral Documents (including the delivery to Collateral Agent of any Pledged Debt and any Pledged Equity required to be delivered pursuant to the applicable Collateral Documents), are, and will be, effective to create in favor of the Collateral

Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien (subject in priority only (i) to Liens permitted by *Section 9.1(p), (w), (ee), and (jj)* and (ii) to any non-consensual Liens permitted by *Section 9.1*) on all right, title and interest of the respective Loan Parties in the Collateral described therein.

SECTION 5.19 Centre of Main Interests. Each Loan Party that is organized or incorporated in a jurisdiction in which the Insolvency Regulation applies has its “center of main interest” (as that term is used in Article 3(1) of the Insolvency Regulation) in its jurisdiction of organization or incorporation, and does not have any “establishment” (as that term is used in Article 2(10) of the Insolvency Regulation) in any other jurisdiction.

SECTION 5.20 Senior Ranking. The Obligations are designated as “Senior Debt,” “Senior Indebtedness,” “Designated Senior Indebtedness” or “Senior Secured

Financing” (or any comparable term) under, and as defined in, any Junior Financing constituting Material Indebtedness.

SECTION 5.21 Affected Financial Institutions; Covered Entities. No Loan Party is (a) an Affected Financial Institution or (b) a Covered Entity.

ARTICLE VI.

FINANCIAL COVENANT

Until the Termination Date, Holdings and each of the Borrowers agrees with the Lenders, the Issuers and the Administrative Agent to the following:

SECTION 6.1 Minimum Consolidated Fixed Charge Coverage Ratio.

At any time that a Covenant Trigger Event shall be in effect, the Consolidated Fixed Charge Coverage Ratio of Holdings and its Restricted Subsidiaries (a) of as the last day of the most recently ended Test Period prior to the occurrence of such Covenant Trigger Event, and (b) as of the last day of each Test Period ended thereafter during the continuance of such Covenant Trigger Event, shall be not less than 1.00 to 1.00, and the Lead Administrative Borrower shall immediately deliver to the Administrative Agent a certificate of a Financial Officer setting forth reasonably detailed calculations of the Consolidated Fixed Charge Coverage Ratio.

ARTICLE VII.

REPORTING AND MONITORING COVENANTS

Until the Termination Date, Holdings and each Borrower shall, and shall cause each of its Restricted Subsidiaries to:

SECTION 7.1 Financial Statements, Etc. Deliver to the Administrative Agent for prompt further distribution to each Lender each of the following and shall take the following actions:

(a) within one hundred and twenty (120) days (or such longer period as the Administrative Agent may agree) after the end of each Fiscal Year of Holdings, a Consolidated balance sheet of Holdings as at the end of such Fiscal Year, and the related Consolidated statements of income or operations, stockholders' equity and cash flows for such Fiscal Year, together with related notes thereto, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, with such Consolidated financial statements to be audited and accompanied by a report and opinion of KPMG LLP or any other independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to (i) any “going concern” qualification (but excluding a “going concern” explanatory paragraph or like statement), other than a “going concern” qualification or exception that is due to (x) the impending maturity of any Indebtedness within the twelve (12) month period following the date of the delivery of such report and opinion or (y) the breach or anticipated breach of any financial covenant, or (ii) any qualification or exception as to the scope of such audit;

(b) within forty-five (45) days (or such longer period as the Administrative Agent may agree) after the end of each of the first three (3) Fiscal Quarters of each Fiscal Year of Holdings, a Consolidated balance sheet of Holdings and its Subsidiaries as at the end of such

Fiscal Quarter, and the related (i) Consolidated statements of income or operations for such Fiscal Quarter and for the portion of the Fiscal Year then ended and (ii) Consolidated statements of cash flows for the portion of the Fiscal Year then ended, setting forth in each case in comparative form the figures for the corresponding Fiscal Quarter of the previous Fiscal Year and the corresponding portion of the previous Fiscal Year, all in reasonable

detail and certified by a Financial Officer of Holdings as fairly presenting in all material respects the financial condition, results of operations and cash flows of Holdings and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes;

(c) [reserved];

(d) within ninety (90) days (or such longer period as the Administrative Agent may agree) after the end of each Fiscal Year, a reasonably detailed Consolidated budget for the following Fiscal Year as customarily prepared by management of Holdings for its internal use (which shall in any event include a projected Consolidated balance sheet of Holdings as of the end of the following Fiscal Year, the related Consolidated statements of projected operations, projected cash flow, projected income and the projected Revolving Borrowing Base, FILO Borrowing Base and Excess Availability as of the end of each Fiscal Quarter, and in each case setting forth the material underlying assumptions applicable thereto) in each case on a Fiscal Month by Fiscal Month basis (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer of Holdings stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed to be reasonable at the time of preparation of such Projections, it being understood that actual results may vary from such Projections and that such variations may be material; and

(e) simultaneously with the delivery of each set of Consolidated financial statements referred to in Sections 7.1(a) and 7.1(b), the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such Consolidated financial statements.

As to any information contained in materials furnished pursuant to Section 7.2(b), Holdings shall not be separately required to furnish such information under Section 7.1(a) or (b) above, but the foregoing shall not limit the obligation of Holdings to furnish the information and materials described in Section 7.1(a) or (b) above at the times specified therein.

No financial statement required to be delivered pursuant to Section 7.1(b) shall be required to include acquisition accounting adjustments relating to any Permitted Acquisition or other Investment to the extent it is not practicable to include any such adjustments in such financial statement.

SECTION 7.2 Certificates; Other Information. Deliver to the Administrative Agent for prompt further distribution to each Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 7.1(a) and Section 7.1(b) (but in any event within the time periods referred to in Section 7.1(a) and Section 7.1(b) for delivery of such financial statements (as such time periods may be extended by the Administrative Agent)), a duly completed Compliance Certificate signed by a Financial Officer of Holdings; *provided* that, if such Compliance Certificate demonstrates an Event of Default of any financial covenant pursuant to Section 6.1, Holdings may deliver, prior to or together with such Compliance Certificate, a notice of its intent to cure (a "Notice of Intent to Cure") pursuant to Section 10.4 to the extent permitted thereunder, which Notice of Intent to Cure shall include a certification, made in good faith, that there exists (i) a bona fide

commitment in favor of Holdings to provide such Cure Amount (ii) or another bona transaction to provide such Cure Amount, in each case prior to the Cure Expiration Date;

(b) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports and proxy statements which Holdings files with the SEC or with any Governmental Authority that may be substituted therefor or with any national securities exchange, as the case may be, and in any case not otherwise required to be delivered to the Administrative Agent pursuant to any other clause of this Section 7.2;

(c) on the date on which the delivery of each Compliance Certificate is required pursuant to Section 7.2(a), (i) a description of each event, condition or circumstance during the last Fiscal Quarter covered by such Compliance Certificate requiring a mandatory prepayment under Section 2.9, (ii) a list of each Subsidiary of Holdings that identifies each Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary as of the date of delivery of such Compliance Certificate or a confirmation that there is no change in such information since the later of the Closing Date and the date of the last such list and (iii) a calculation, as of a date that is not more than five (5) Business Days prior to the date of such Compliance Certificate, of all accrued and unpaid settlements, judgments and arbitration awards, if any, in any of the Specified Litigation or Arbitration Proceedings;

(d) on the date on which the delivery of financial statements is required pursuant to Section 7.1(a), (i) to the extent requested in writing by the Administrative Agent at least thirty (30) days prior to such date, an updated Information Certificate (or confirmation that there has been no change in the information reported on the Information Certificate delivered on the Closing Date or otherwise most recently delivered to the Administrative Agent) and (ii) a description, in detail reasonably satisfactory to the Administrative Agent, of all material insurance coverage maintained by the Loan Parties, together with evidence thereof;

(e) prior to the consummation of any Payment Conditions Transaction (including any Permitted Acquisition, but solely to the extent the Payment Conditions are required to be satisfied in connection therewith pursuant to the definition of "Permitted Acquisition"), a certificate of a Responsible Officer of the Lead Administrative Borrower certifying that the applicable conditions specified in clauses (a) and (b) of the definition of

"Payment Conditions" have been satisfied (and providing a reasonably detailed calculation of the minimum Consolidated Fixed Charge Coverage Ratio and the minimum Excess Availability required pursuant to *clauses(b)(i)* or *(b)(ii)*, as applicable, of the definition of "Payment Conditions"), and in the case of a Permitted Acquisition, that the requirements of the definition of "Permitted Acquisition" have been satisfied;

(f) (i) prior written notice of any change (A) in any Loan Party's corporate name, (B) in any Loan Party's identity or corporate structure or jurisdiction of formation or incorporation or (C) in the location of any Loan Party's chief executive office, registered office or principal place of business, in each case, to the extent notice of any such change is necessary to perfect or maintain the perfection of any Lien securing the Obligations (whether at the time of such change or any time thereafter) and (ii) to the extent notice of any such change is necessary to perfect or maintain the perfection of any Lien securing the Obligations (whether at the time of such change or any time thereafter), prompt (and in any event within five (5) days) written notice of any change in the location of any office in which any Canadian Loan Party maintains book or records relating to Collateral owned by such Canadian Loan Party or any office or facility at which Collateral owned by such Canadian Loan Party is located (including the establishment of any new such office or facility), it being understood that Holdings and the Borrowers agree not to effect or permit any change referred to in this *clause (f)* unless all filings, publications and registrations, have been made (or will be made in a timely fashion) under the UCC, the PPSA or

other applicable Law that are required in order to satisfy the Collateral and Guarantee Requirement;

(g) concurrently with the delivery of the financial statements referred to in *Section 7.1(a)* and *Section 7.1(b)*, notice of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof since the date of the most recent financial statements delivered to the Administrative Agent (other than changes made in accordance with GAAP);

(h) concurrently with the delivery of each Borrowing Base Certificate pursuant to *Section 7.4(a)*, notice of any material change in accounting policies or financial reporting practices by any Loan Party or any Restricted Subsidiary thereof since the date of the most recent Borrowing Base Certificate delivered to the Administrative Agent but only to the extent that such changes materially affect the calculation of the Revolving Borrowing Base or the FILO Borrowing Base (other than changes made in accordance with GAAP);

(i) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender (through the Administrative Agent) for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation the PATRIOT Act, the Beneficial Ownership Regulation and the Proceeds of Crime Act; and

(j) promptly, such additional information regarding the business, legal, financial or corporate affairs of any Loan Party or any Restricted Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time on its own behalf or on behalf of any Lender reasonably request in writing; *provided*, none of the Loan Parties nor any of the Restricted Subsidiaries will be required to disclose information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure is prohibited by Law or any confidentiality obligation binding on such Loan Party, such Restricted Subsidiary or any of their respective Affiliates, or (c) is subject to attorney-client or similar privilege or constitutes attorney work product; *provided* that, in the event that any such Person not provide any document or information in reliance on *clause(b)* or *(c)*, such Person shall provide notice to the Administrative Agent that such documents or information is being withheld and such Person shall use commercially reasonable efforts to communicate the applicable documents or information in a way that would not violate the applicable obligation or risk waiver of such privilege.

Documents required to be delivered pursuant to *Section 7.1(a)* or *(b)* or *Section 7.2(b)* may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Holdings posts such documents, or provides a link thereto on the Holdings' website on the Internet at the website address listed on *Schedule 12.8*; or (ii) on which such documents are posted on Holdings' behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided, further* that: (i) upon written request by the Administrative Agent, Holdings shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) Holdings shall notify (which notice may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (*i.e.*, soft copies) of such documents. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Each Loan Party hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders and the Issuers materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "*Borrower Materials*") by posting the Borrower Materials on IntraLinks, Syndtrak, ClearPar or another similar electronic system (the "*Platform*") and (b) certain of the Lenders (each, a "*Public Lender*") may have personnel who do not wish to receive material non-public information with respect to Holdings and its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Each Loan Party hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and

conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," each Loan Party shall be deemed to have authorized the Administrative Agent, the Arrangers, the Issuers and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Loan Parties or their securities for purposes of United States Federal securities Laws (*provided, however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in *Section 12.17*); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

SECTION 7.3 Notices. Promptly after a Responsible Officer of Holdings obtains actual knowledge thereof, Lead Administrative Borrower shall notify the Administrative Agent who shall promptly thereafter notify each Lender:

(a) of the occurrence of any Default or Event of Default;

(b) of (i) any dispute, litigation, investigation or proceeding between any Loan Party and any arbitrator or Governmental Authority, (ii) the filing or commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary, including in any Specified Litigation or Arbitration Proceeding or pursuant to any applicable Environmental Laws or in respect of IP Rights, (iii) the occurrence of any noncompliance by any Loan Party or any of its Subsidiaries with, or liability under, any Environmental Law or Environmental Permit, (iv) the occurrence of any ERISA Event or Canadian Pension Event, (v) any material change in the rate of contributions to any Defined Benefit Scheme paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise); it being understood and agreed that no notice under this Section 7.3(b)(v) shall be required in connection with any payments made in connection with the U.K. Pension Transfer, (vi) any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice, (vii) if it received a Financial Support Direction or a Contribution Notice from the Pension Regulator, in each case referred to in this clause and the preceding clauses (i) through (vi), to the extent such event has resulted or would reasonably be expected to result in a Material Adverse Effect, or (viii) the occurrence of any other event that has resulted or would reasonably be expected to result in a Material Adverse Effect;

(c) of any settlement, judgment or arbitration award in any Specified Litigation or Arbitration Proceeding in an individual amount exceeding \$1,000,000, in each case, except to the extent such settlement, judgment or arbitration award is disclosed in any filing delivered pursuant to *Section 7.2(b)* (including in the manner contemplated by the penultimate paragraph of *Section 7.2*); and

(d) any termination, withdrawal or resignation of Holdings' or any Borrowers' Registered Public Accounting Firm.

Each notice pursuant to this *Section 7.3* shall be accompanied by a written statement of a Responsible Officer of the Lead Administrative Borrower (x) that such notice is being delivered pursuant to *Section 7.3(a), (b), (c) or (d)* (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action Holdings and the Borrowers have taken and propose to take with respect thereto.

SECTION 7.4 Borrowing Base Certificates.

(a) Provide the Administrative Agent with the following documents in form and substance reasonably satisfactory to the Administrative Agent for prompt further distribution to each Lender:

(i) within fifteen (15) Business Days after the end of such Fiscal Quarter, a Borrowing Base Certificate setting forth the calculation of the Revolving Borrowing Base and the FILO Borrowing Base and of Excess Availability as of the last day of the immediately preceding Fiscal Quarter; *provided* that (A) at any time after the occurrence and during the continuance of a Monthly Borrowing Base Reporting Period and (B) after the end of the Fiscal Months ending or about October 31, November 30 and December 31 of each Fiscal Year, a Borrowing Base Certificate setting forth the calculation of the Revolving Borrowing Base and the FILO Borrowing Base and of Excess Availability as of the last day of the immediately preceding Fiscal Month shall be delivered within fifteen (15) Business Days after the end of such Fiscal Month and, in the event that the Borrowers are required to deliver a Borrowing Base Certificate as a result of the occurrence of a Monthly Borrowing Base Reporting Period, the Borrowers shall be required to deliver a Borrowing Base Certificate on a monthly basis for at least two (2) consecutive Fiscal Months, whether or not the relevant Monthly Borrowing Base Reporting Period has terminated; *provided, further* that, at any time after the occurrence and during the continuance of a Weekly Borrowing Base Reporting Period, a Borrowing Base Certificate setting forth the calculation of the Revolving Borrowing Base and the FILO Borrowing Base and of Excess Availability as of the close of business on Saturday of the immediately preceding calendar week shall be delivered on Wednesday of each week (or, if Wednesday is not a Business Day, on the next succeeding Business Day); and

(ii) at any time when Borrowing Base Certificates are required to be delivered pursuant to *Section 7.4(a)(i)* above on a quarterly or monthly basis, the Lead Administrative Borrower may elect, at its option, to deliver more frequent Borrowing Base Certificates, in which case such Borrowing Base Certificates may, at the election of the Lead Administrative Borrower, be computed in accordance with

the requirements for Borrowing Base Certificates required to be delivered during the continuance of a Monthly Borrowing Base Reporting Period (when delivery is otherwise required to be made pursuant to *Section 7.4(a)(i)* on a quarterly basis) or a Weekly Borrowing Base Reporting Period (when delivery is otherwise required to be made pursuant to the first proviso in *Section 7.4(a)(i)* on a monthly basis), *provided that*, in each such case, the Lead Administrative Borrower shall continue to deliver Borrowing Base Certificates on a monthly or weekly basis, as applicable, in accordance with such election until January 15th of the next succeeding calendar year, and a Monthly Borrowing Base Reporting

Period or Weekly Borrowing Base Reporting Period shall be deemed to exist, as applicable, for all purposes of this *Section 7.4(a)*.

(b) In the event that any Loan Party or any Restricted Subsidiary shall (A) engage in a transaction or a series of related transactions pursuant to any Specified Asset Disposition/Investment Provision (or combination thereof) or (B) any Loan Party is deemed to be an Excluded Subsidiary, as applicable, and in any case, which result in (i) the Disposition (including pursuant to the sale of Equity Interests in a Restricted Subsidiary, or a merger, liquidation, amalgamation, division, contribution of assets, Equity Interests or Indebtedness or otherwise) or other transfer of assets included in the determination of the Revolving Borrowing Base or the FILO Borrowing Base, or (ii) the exclusion and/or removal of assets which were included in the determination of the Revolving Borrowing Base or the FILO Borrowing Base (including, as a result of the application of the eligibility criteria set forth in the definition of "Eligible Credit Card Receivables" and "Eligible Inventory", in each case, as determined by reference to the Borrowing Base Certificate most recently delivered to the Administrative Agent pursuant to *Section 7.4(a)* and in an aggregate amount for any single or series of related transactions (or other applicable events) in excess of \$15,000,000, then prior to or concurrently with the consummation of any such transaction or series of related transactions (or other applicable events), the Lead Administrative Borrower shall deliver to the Administrative Agent for prompt further distribution to each Lender, an updated Borrowing Base Certificate reflecting such transactions or series of related transactions (or other applicable events) on a Pro Forma Basis as of the date of the most recently delivered Borrowing Base Certificate, and demonstrating that no Overadvance shall result from such transaction or series of related transactions (or other applicable events).

Notwithstanding anything to the contrary in this *Section 7.4*, so long as no FILO Commitments or FILO Loans are outstanding on the required date of delivery of any Borrowing Base Certificate, Holdings and the Borrowers shall not be required to calculate or otherwise report the FILO Borrowing Base or the FILO Deficiency Reserve.

SECTION 7.5 Inventory Appraisals and Field Examinations.

(a) Holdings shall cooperate with (and cause its Subsidiaries to cooperate with) the Administrative Agent in connection with appraisals of Inventory that shall be in form and detail and from third-party appraisers reasonably acceptable to the Administrative Agent (each, an "*Inventory Appraisal*") for the purpose of determining the amount of the Revolving Borrowing Base and FILO Borrowing Base attributable to Inventory and the Administrative Agent may carry out, at the Borrowers' expense, (i) one (1) Inventory Appraisal during any twelve (12) month period (it being understood and agreed that the Administrative Agent may (and absent any direction from the Requisite Lenders or regulatory requirements to the contrary (as determined by the Administrative Agent in good faith), shall utilize all good faith efforts to) defer any such Inventory Appraisal if no Collateral Monitoring Trigger Event has occurred during such twelve (12) month period until such time as a Collateral Monitoring Triggering Event shall occur); *provided, however*, that (i)(A) at any time on or after the date on which Excess Availability has been less than the greater of (x) \$150,000,000 and (y) 15.0% of the Modified Revolving Loan Cap, in each case, for five (5) consecutive Business Days, the Administrative Agent may carry out, at the Borrowers' expense, two (2) Inventory Appraisals during the twelve (12) month period following such event, and (B) at any time during the continuation of a Specified Event of Default, the Administrative Agent may carry out, at the Borrowers' expense, Inventory Appraisals as frequently as determined by the Administrative Agent in its Permitted Discretion and (ii) in addition to the foregoing *clause (i)*, the Administrative Agent may carry out, at the Lenders' expense, one (1) additional Inventory Appraisal in any twelve (12) month period. In connection with any such Inventory Appraisal, the Borrowers shall furnish to the Administrative Agent any information that the Administrative

Agent may reasonably request regarding the determination and calculation of the Revolving Borrowing Base or the FILO Borrowing Base, including correct and complete copies of any invoices, underlying agreements, instruments or other documents and the identity of all Account Debtors in respect of Accounts referred to therein.

(b) Holdings shall cooperate with (and cause its Subsidiaries to cooperate with) the Administrative Agent in connection with field audits (including field audits conducted by the Administrative Agent) (each, a "*Field Examination*") and the Administrative Agent may carry out, (i) at the Borrowers' expense, one (1) Field Examination during any twelve (12) month period (it being understood and agreed that the Administrative Agent may (and absent any direction from the Requisite Lenders or regulatory requirements to the contrary (as determined by the Administrative Agent in good faith), shall utilize all good faith efforts to) defer any such Field Examination if no Collateral Monitoring Trigger Event has occurred during such twelve (12) month period until such time as a Collateral Monitoring Triggering Event shall occur); *provided, however*, that (i)(A) at any time on or after the date on which Excess Availability has been less than the greater of (x) \$150,000,000 and (y) 15.0% of the Modified Revolving Loan Cap, in each case, for five (5) consecutive Business Days, the Administrative Agent may carry out, at the Borrowers' expense, two (2) Field Examinations during

the twelve (12) month period following such event, and (B) at any time during the continuation of a Specified Event of Default, the Administrative Agent may carry out, at the Borrowers' expense, Field Examinations as frequently as determined by the Administrative Agent in its Permitted Discretion and (ii) in addition to the foregoing *clause (i)*, the Administrative Agent may carry out, at the Lenders' expense, one (1) additional Field Examination in any twelve (12) month period. In connection with any such Field Examination, the Borrowers shall furnish to the Administrative Agent any information that the Administrative Agent may reasonably request regarding the determination and calculation of the Revolving Borrowing Base or the FILO Borrowing Base, including correct and complete copies of any invoices, underlying agreements, instruments or other documents and the identity of all Account Debtors in respect of Accounts referred to therein.

ARTICLE VIII.

AFFIRMATIVE COVENANTS

Until the Termination Date, Holdings and each of the Borrowers shall, and Holdings and each Borrower shall cause each Restricted Subsidiary to:

SECTION 8.1 Preservation of Existence, Etc.

(a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization or incorporation and (b) take all reasonable action to obtain, preserve, renew and keep in full force and effect the rights (including IP Rights), licenses, permits, privileges, franchises used in the conduct of its business, except in the case of *clause (a)* or *(b)*, to the extent (other than with respect to the preservation of the existence of (i) Holdings and (ii) except in a transaction otherwise permitted by this Agreement, each Borrower) that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or is pursuant to any merger, amalgamation, consolidation, liquidation, dissolution or Disposition permitted by *Article IX*.

SECTION 8.2 Compliance with Laws, Etc.

Comply (a) in all material respects with its Constituent Documents and the requirements of all Laws and all orders, writs, injunctions and decrees of any Governmental Authority applicable to it or to its business or property, except if the failure to comply therewith would not reasonably be expected individually or in the aggregate to have a Material Adverse

Effect, and (b) in all material respects, with all applicable Anti-Corruption Laws, Sanctions and Anti-Money Laundering Laws.

SECTION 8.3 Designation of Subsidiaries.

The chief executive officer or chief financial officer of Holdings may at any time designate any existing or subsequently acquired or organized Restricted Subsidiary (other than the Lead Administrative Borrower or any Borrower that, together with any other Borrowers designated as Unrestricted Subsidiaries in connection with the same or any series of related transactions, has assets included in the Revolving Borrowing Base or the FILO Borrowing Base in excess of \$15,000,000, except to the extent that Holdings or the Lead Administrative Borrower shall have provided an updated pro forma Borrowing Base Certificate at the time of such designation demonstrating the exclusion of such Borrower's assets from the Revolving Borrowing Base or the FILO Borrowing Base) as an Unrestricted Subsidiary and subsequently re-designate any such Unrestricted Subsidiary as a Restricted Subsidiary subject solely to the following terms and conditions:

(a) the fair market value of such Subsidiary at the time it is designated as an Unrestricted Subsidiary shall be treated as an Investment by the Borrowers at such time;

(b) on a Pro Forma Basis, after giving effect thereto, the Payment Conditions shall be satisfied;

(c) the Indebtedness and Liens of such Subsidiary at the time it is designated as a "Restricted Subsidiary" shall be treated as Indebtedness and Liens of such Subsidiary at such time; and

(d) on a Pro Forma Basis, after giving effect thereto, no Event of Default has occurred or is continuing or would exist after giving effect to such designation or redesignation;

provided that no Restricted Subsidiary may be designated as an Unrestricted Subsidiary unless it is also designated as an "unrestricted subsidiary" with respect to the Senior Notes or any Material Indebtedness (other than the Untendered Existing 2024 Notes Indebtedness), or, in each case, any Permitted Refinancing thereof.

SECTION 8.4 Payment of Taxes, Etc.

Timely pay, discharge or otherwise satisfy, as the same shall become due and payable, all of its obligations and liabilities in respect of Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property or assets, except, in each case, to the extent (a) any such Tax, assessment, charge or levy is being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP or (b) the failure to pay or discharge the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

SECTION 8.5 Maintenance of Insurance.

Maintain with insurance companies that the Lead Administrative Borrower believes (in the good faith judgment of its management) are financially sound and reputable at the time the relevant coverage is placed or renewed, insurance with respect to the properties and business of the Loan Parties and their Restricted Subsidiaries against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Loan Parties and their

Restricted Subsidiaries) as are customarily carried under similar circumstances by such other Persons, and will furnish to the Lenders, upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall, as appropriate and to the extent customary with respect to jurisdictions outside the United States, (a) name the Collateral Agent, on behalf of the Secured Parties, as an additional insured thereunder as its interests may appear, (b) to the extent available from the relevant insurance carrier, in the case of each casualty insurance policy, contain a lender's loss payable clause or endorsement reasonably acceptable to the Collateral Agent that names the Collateral Agent, on behalf of the Secured Parties as the lender's loss payee thereunder and (c) to the extent available from the relevant insurance carrier, in the case of each liability or casualty insurance policy, contain an endorsement providing that such policy shall not be canceled or not renewed (i) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Administrative Agent (giving the Administrative Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Administrative Agent.

SECTION 8.6 Inspection Rights.

In addition to the requirements pursuant to Section 7.5, permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (subject to such accountants' customary policies and procedures), all at the reasonable expense of the Borrowers and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrowers; *provided* that only the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 8.6 and the Administrative Agent shall not exercise such rights more often than two (2) times during any twelve (12) month period absent the existence of an Event of Default and only one (1) such time shall be at the Borrowers' expense; *provided further* that when an Event of Default exists, the Administrative Agent (or any of its representatives or independent contractors) may conduct any such inspection at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrowers the opportunity to participate in any discussions with the Borrowers' independent public accountants. Notwithstanding anything to the contrary in this Section 8.6, none of the Loan Parties nor any of the Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure is prohibited by Law or any confidentiality obligation binding on such Loan Party, such Restricted Subsidiary or any of their respective Affiliates, or (c) is subject to attorney-client or similar privilege or constitutes attorney work product; *provided* that, in the event that any such Person not provide any document or information in reliance on *clause*(b) or (c), such Person shall provide notice to the Administrative Agent that such documents or information is being withheld and shall use your commercially reasonable efforts to communicate the applicable documents or information in a way that would not violate the applicable obligation or risk waiver of such privilege.

SECTION 8.7 Books and Records.

Maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP shall be made of all

material financial transactions and matters involving the assets and business of Holdings, the Borrowers or such Restricted Subsidiary, as the case may be.

SECTION 8.8 Maintenance of Properties.

Except if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, maintain, preserve and protect all of its material properties and equipment used in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and casualty or condemnation excepted.

SECTION 8.9 Use of Proceeds.

SECTION 8.9 Use of Proceeds. Use the proceeds of the Credit Extensions only in compliance with (and not in contravention of) applicable Laws and each Loan Document, including for working capital and general corporate purposes (including Permitted Acquisitions) and to consummate the Existing 2024 Notes Repurchase and the Existing Credit Agreement Refinancing and to pay Transaction Expenses. The Borrowers will not request any Credit Extension, and no part of the proceeds of any Credit Extension shall be used (including by loan, contribution or otherwise to any Subsidiary, joint venture partner or other individual or entity), (a) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by an individual or entity (including any Lender, any Arranger, the Administrative Agent, the Collateral Agent, any Issuer, the Swing Loan Lender, or otherwise) of Sanctions or Anti-Money Laundering Laws, or (b) in violation of any Anti-Corruption Laws.

SECTION 8.10 Compliance with Environmental Laws.

Except, in each case, to the extent that the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) comply, and take all reasonable actions to cause any lessees and other Persons operating or occupying its properties to comply with all applicable Environmental Laws and Environmental Permits; (b) obtain and renew all Environmental Permits necessary for its operations and properties; and (c) in each case to the extent required by applicable Environmental Laws, conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all applicable Environmental Laws.

SECTION 8.11 Covenant to Guarantee Obligations and Give Security.

At the Borrowers' expense, subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitation in any Collateral Document, take all action necessary or reasonably requested by the Administrative Agent or the Collateral Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including:

(a) (x) upon (i) the formation or acquisition of any new direct or indirect Wholly-Owned Subsidiary (other than any Excluded Subsidiary) by any Loan Party (including pursuant to any Division), (ii) the designation in accordance with *Section 8.3* of any existing direct or indirect Wholly-Owned Subsidiary (other than any Excluded Subsidiary) as a Restricted Subsidiary, (iii) any Restricted Subsidiary being deemed a "Material Subsidiary" (including pursuant to any such designation pursuant to the proviso set forth in the definition of "Material Subsidiary") or (iv) any Subsidiary (other than any Excluded Subsidiary) becoming a Wholly-Owned Subsidiary, and (y) with respect to any Subsidiary at the time it becomes a Loan Party, for any assets held by such Subsidiary (in each case, other than assets constituting Collateral)

under a Collateral Document that becomes subject to the Lien created by such Collateral Document upon acquisition thereof (without limitation of the obligations to perfect such Lien));

(i) (x) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the first three Fiscal Quarters of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to *Section 7.1(b)* for the Fiscal Quarter in which the relevant formation, incorporation, acquisition, designation or other event occurred or (y) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the fourth Fiscal Quarter of any Fiscal Year, on or before the date that is sixty (60) days after the end of such Fiscal Quarter (or, in the cases of *clauses (x) and (y)*, such longer period as the Administrative Agent may agree in its reasonable discretion), cause each such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to duly execute and deliver to the Administrative Agent a Joinder Agreement;

(A) (x) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the first three Fiscal Quarters of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to *Section 7.1(b)* for the Fiscal Quarter in which the relevant formation, incorporation, acquisition, designation or other event occurred or (y) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the fourth Fiscal Quarter of any Fiscal Year, on or before the date that is sixty (60) days after the end of such Fiscal Quarter (or, in the cases of *clauses (x) and (y)* such longer period as the Administrative Agent may agree in its reasonable discretion), cause each such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to duly execute and deliver to the Collateral Agent the following: Security Agreement Supplements, a joinder to the Intercompany Subordination Agreement, Intellectual Property Security Agreements and other Collateral Documents as reasonably requested by and in form and substance reasonably satisfactory to the Collateral Agent (consistent with the Guaranty and the Security Agreement, Intellectual Property Security Agreements and other Collateral Documents in effect on the Closing Date with respect to Loan

Parties in the Covered Jurisdictions applicable to such Loan Party), in each case granting and perfecting Liens required by the Collateral and Guarantee Requirement; *provided that*, notwithstanding the foregoing, delivery of any Mortgages and Related Real Property Documents shall only be required to be delivered pursuant to *clause (E)* below;

(B) (x) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the first three Fiscal Quarters of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to *Section 7.1(b)* for the Fiscal Quarter in which the relevant formation, incorporation, acquisition, designation or other event occurred or (y) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the fourth Fiscal Quarter of any Fiscal Year, on or before the date that is sixty (60) days after the end of such Fiscal Quarter (or, in the cases of *clauses (x)* and (y) such longer period as the Administrative Agent may agree in its reasonable discretion), cause each such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to deliver any and all certificates representing Equity Interests (to the extent certificated) that are required to be pledged pursuant to the Collateral and Guarantee Requirement, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank (or any other documents customary under local law) and instruments

evidencing the intercompany Indebtedness held by such Subsidiary and required to be pledged pursuant to the Collateral Documents, indorsed in blank to the Collateral Agent;

(C) (x) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the first three Fiscal Quarters of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to *Section 7.1(b)* for the Fiscal Quarter in which the relevant formation, incorporation, acquisition, designation or other event occurred or (y) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the fourth Fiscal Quarter of any Fiscal Year, on or before the date that is sixty (60) days after the end of such Fiscal Quarter (or, in the cases of *clauses (x)* and (y) such longer period as the Administrative Agent may agree in its reasonable discretion), (1) take and cause any applicable Subsidiary and each direct or indirect parent of such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to take whatever action (including the filing of UCC and PPSA financing statements and delivery of stock and membership interest certificates to the extent certificated) may be necessary in the reasonable opinion of the Administrative Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid Liens required by the Collateral and Guarantee Requirement, enforceable against all third parties in accordance with their terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in equity or at law and (2) comply with the requirements of *Section 8.12* with respect to all Deposit Accounts and Securities Accounts; *provided that*, notwithstanding the foregoing, delivery of any Mortgages and Material Real Property Documents shall only be required to be delivered pursuant to *clause (E)* below;

(D) (x) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the first three Fiscal Quarters of any Fiscal Year, on or before the date on which financial statements are required to be delivered pursuant to *Section 7.1(b)* for the Fiscal Quarter in which the relevant formation, acquisition, designation or other event occurred or (y) if the event giving rise to the obligation under this *Section 8.11(a)* occurs during the fourth Fiscal Quarter of any Fiscal Year, on or before the date that is sixty (60) days after the end of such Fiscal Quarter (or, in the cases of *clauses (x)* and (y) such longer period as the Administrative Agent may agree in its reasonable discretion), cause each such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to furnish to the Administrative Agent a description of each Material Real Property of Subsidiary in detail reasonably satisfactory to the Administrative Agent; and

(E) to the extent requested by the Administrative Agent, within ninety (90) days after such request, cause each such Subsidiary that is required to become a Loan Party pursuant to the Collateral and Guarantee Requirement to deliver to the Administrative Agent a Mortgage to the extent required by the Collateral and Guarantee Requirement with respect to any Material Real Property of such Loan Party and to satisfy each of the Material Real Property Collateral Requirements with respect to such Material Real Property; and

(ii) concurrently with the execution of such Collateral Documents, deliver to the Administrative Agent a signed copy of an opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan

Parties, as applicable, reasonably acceptable to the Administrative Agent as to such matters set forth in this *Section 8.11* as the Administrative Agent may reasonably request.

(b) without limiting the provisions of *Section 8.12* and except as provided in *Section 8.11(c)*, upon the acquisition of any material assets by any Loan Party (including pursuant to any Division) (other than assets constituting Collateral under a Collateral Document that becomes subject to the Lien created by such Collateral Document upon acquisition thereof (without limitation of the obligations to perfect such Lien)), within forty-five (45)

days after written request by the Administrative Agent (or such longer period as the Administrative Agent may agree in its reasonable discretion), (i) take and cause any applicable Subsidiary to take whatever action (including the filing of UCC and PPSA financing statements and delivery of stock and membership interest certificates to the extent certificated) may be necessary in the reasonable opinion of the Administrative Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid Liens required by the Collateral and Guarantee Requirement in such assets, enforceable against all third parties in accordance with their terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity (regardless of whether enforcement is sought in equity or at law).

(c) upon the acquisition by any Loan Party of any Material Real Property, within one hundred and eighty (180) days (or such longer period as the Administrative Agent may agree in its sole discretion) of the acquisition of such Material Real Property by a Loan Party, deliver to the Administrative Agent a Mortgage with respect to such Material Real Property and satisfy each of the Material Real Property Collateral Requirements with respect to such Material Real Property.

SECTION 8.12 Cash Receipts.

(a) Use commercially reasonable efforts to enter into, as soon as possible after the Closing Date, Approved Control Arrangements with each Approved Account Bank, in each case in form and substance reasonably satisfactory to the Administrative Agent, with respect to (i) each Deposit Account in which material amounts (as reasonably determined by the Administrative Agent) of funds of any of the Loan Parties are concentrated (which may include those listed on *Schedule 8.12* as of the Closing Date, but excluding, for the avoidance of doubt, petty cash, payroll, trust and tax withholding accounts) (collectively, the "*Material Deposit Accounts*"), and (ii) each English Collection Account (including those existing as of the Closing Date and listed on *Schedule 8.12*). If an Approved Control Arrangement shall not have been established with respect to any Material Deposit Account or English Collection Account on or prior to the date that is ninety (90) days after the Closing Date (such date, the "*Cash Management Compliance Date*"), the applicable Loan Party shall, within sixty (60) days after the Cash Management Compliance Date (or such later date as the Administrative Agent may agree in its reasonable discretion), be required to move such Material Deposit Account or English Collection Account, as applicable, to the Administrative Agent, an Affiliate or branch thereof or another financial institution that is willing to enter into an Approved Control Arrangement.

(b) The Loan Parties may open or close Deposit Accounts, Material Deposit Accounts and, at any time prior to the commencement of any Cash Dominion Period, English Collection Accounts, subject, in the case of the opening of any Material Deposit Account and English Collection Account, to the establishment of Approved Control Arrangements with respect thereto (unless expressly waived by the Administrative Agent) consistent with the provisions of this *Section 8.12*. The Loan Parties shall not enter into any agreements with any Credit Card Processors (other than the Credit Card Processors identified on *Schedule 1.1B*),

unless a Credit Card Notification shall have been executed and delivered to the applicable Credit Card Processor and to the Administrative Agent.

(c) Each Loan Party shall (i) instruct each Account Debtor or other Person obligated to make a payment to any of them under any Account to make payment, or to continue to make payment, to an Approved Deposit Account (which, in the case of an English Loan Party, shall be an English Collection Account), (ii) deposit in (A) a Store Account all Cash Receipts received in the Stores, and (B) an Approved Deposit Account promptly upon receipt all other Cash Receipts (as defined below) received by any Loan Party from any other Person, (iii) deliver to the Administrative Agent, on the Closing Date, Credit Card Notifications and (iv) instruct each depository institution for a Deposit Account (including, without limitation, Store Accounts) to cause all amounts on deposit and available in such Deposit Account to be swept to one of the Loan Parties' Approved Deposit Accounts (A) in the case of Deposit Accounts located within the United States, no less frequently than on each Business Day and (B) in the case of Deposit Accounts located outside of the United States, no less frequently than on a weekly basis, such instructions to be irrevocable unless otherwise agreed to by the Administrative Agent; *provided* that the Loan Parties shall not be required to sweep, and may maintain, an amount not to exceed \$2,000,000 in the aggregate in all of the Store Accounts. So long as no Cash Dominion Period is continuing, the Loan Parties may direct, and shall have sole control over, the manner of disposition of funds in the Approved Deposit Accounts, in each case subject to the other provisions of this Agreement and the other Loan Documents.

(d) Each Credit Card Notification and Approved Control Arrangement shall require (without further consent of the Loan Parties), and the Loan Parties shall cause, after the occurrence and during the continuance of a Cash Dominion Period (and whether or not there are then any outstanding Obligations), the ACH or wire transfer no less frequently than (i) each Business Day, in the case of cash receipts and collections within the United States and (ii) weekly, in the case of cash receipts and collection outside of the United States (it being agreed, in the case of this *clause (ii)*, that during such weekly period the Loan Parties and their Subsidiaries shall not effect a withdrawal from any applicable Deposit Account), in each case, to the concentration account maintained at Bank of America (or at another financial institution acceptable to the Administrative Agent in its sole discretion) by and in the name of the Borrowers (the "*Concentration Account*"), of all cash receipts and collections, including, without limitation, the following (collectively, the "*Cash Receipts*"):

(i) all available cash receipts from the sale of Inventory and other Collateral or casualty insurance proceeds arising from any of the foregoing;

(ii) all proceeds of collections of Accounts (including, without limitation, Credit Card Receivables);

(iii) the then contents of each Deposit Account (including, without limitation, any Approved Deposit Account subject to an Approved Control Arrangement and any Store Account) (net of any minimum balance as may be required to be kept in the subject Deposit Account by the institution at which such Deposit Account is maintained);

(iv) the cash proceeds of all credit card and debit card charges; and

(v) all cash proceeds of any other Collateral.

(e) The Concentration Account shall at all times be under the sole dominion and control of the Collateral Agent. The Loan Parties hereby acknowledge and agree that (i)

the Loan Parties have no right of withdrawal from the Concentration Account, (ii) the funds on deposit in the Concentration Account shall at all times be collateral security for all of the Obligations, and (iii) the funds on deposit in the Concentration Account shall be applied as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 8.12, any Loan Party receives or otherwise has dominion and control of any such proceeds or collections during a Cash Dominion Period, such proceeds and collections shall be held in trust by such Loan Party for the Collateral Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the Concentration Account or dealt with in such other fashion as such Loan Party may be instructed by the Administrative Agent. Any amounts received in the Concentration Account at any time when all of the Obligations have been indefeasibly paid in full shall be remitted to the operating account of the Loan Parties maintained with the Administrative Agent.

(f) From and after the Closing Date, except as otherwise expressly provided in the Loan Documents, each Loan Party shall maintain all Material Deposit Accounts and English Collection Accounts either (i) with the Administrative Agent (or a branch thereof) or (ii) to the extent an Approved Control Arrangement has been established with respect to any such Material Deposit Account or English Collection Account pursuant to (and within the time periods referred to in) Section 8.12(a), any other financial institution reasonably acceptable to the Administrative Agent.

(g) Upon the commencement of a Cash Dominion Period, the Administrative Agent may require each English Loan Party to provide further fixed security over its accounts receivable and English Collection Accounts (the "Additional English Security"). Notwithstanding anything to the contrary set forth in this Agreement or any other Loan Document, in the event that a Cash Dominion Period commences and the Administrative Agent requires Additional English Security, all English Collection Accounts shall remain under the full dominion and control of the Collateral Agent even if such Cash Dominion Period terminates.

(h) Upon the Lead Administrative Borrower's written requests following the termination of any Cash Dominion Period, the Administrative Agent shall promptly (but in any event shall use its commercially reasonable efforts within one (1) Business Day to) furnish written notice to each Approved Account Bank at which any Approved Deposit Account is maintained) of any termination of a Cash Dominion Period.

SECTION 8.13 Further Assurances.

Subject to the provisions of the Collateral and Guarantee Requirement and any applicable limitations in any Collateral Document and in each case at the expense of the Loan Parties:

(a) Promptly upon reasonable request by the Administrative Agent or the Collateral Agent or as may be required by applicable Law (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent or the Collateral Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Collateral Documents.

(b) In the event that any Loan Parties grants a Lien permitted under Section 9.1 on any property which does not constitute Current Asset Collateral, or in the event

that any Loan Party Disposes of any such property used or useful in connection with the Current Asset Collateral, the Loan Parties shall, upon the request of the Collateral Agent, use commercially reasonable efforts to cause such holder of such Lien or such purchaser or transferee, as applicable, to execute and deliver an agreement in favor of the Collateral Agent granting the Collateral Agent the right to use such property on terms and for periods of time substantially consistent with the provisions of Section 3.6 of the Senior Notes Intercreditor Agreement.

SECTION 8.14 People with Significant Control Regime.

Within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the U.K. whose shares are subject to a Lien in favor of the Collateral Agent and promptly provide the Administrative Agent with a copy of that notice.

SECTION 8.15 Anti-Corruption Laws and Sanctions.

Implement and maintain in effect policies and procedures designed to promote and achieve compliance by the Loan Parties and their Subsidiaries and their respective directors, officers, employees and agents with all applicable Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws.

SECTION 8.16 Compliance with Kimberley Process Certification Scheme.

(a) Conduct, and cause each of their respective Subsidiaries to conduct, their business in compliance in all material respects with the Kimberley Process Certification Scheme, and (b) implement and maintain in effect policies and procedures designed to promote and achieve compliance by the Loan Parties and their Subsidiaries and their respective directors, officers, employees and agents with the Kimberley Process Certification Scheme.

SECTION 8.17 Post-Closing Obligations.

Complete each of the post-closing obligations listed on *Schedule 8.17*, as soon as commercially reasonable and in any event on or before the date set forth for such post-closing obligation on *Schedule 8.17* (as such date may be extended by such Agent in writing in its reasonable discretion), each of which post-closing obligation shall be completed or provided in form and substance reasonably satisfactory to such Agent.

ARTICLE IX.

NEGATIVE COVENANTS

Until the Termination Date, Holdings and each Borrower shall not, nor shall Holdings nor the Borrowers permit any Restricted Subsidiary to:

SECTION 9.1 Liens. Create, incur, assume or suffer to exist any Lien securing Indebtedness upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens created pursuant to any Loan Document;

(b) Liens existing on the Closing Date and, to the extent securing Indebtedness in an aggregate amount exceeding \$5,000,000, set forth on *Schedule 9.1(b)*; provided that to the extent Liens existing on the Closing Date are not disclosed on such

Schedule 9.1(b) in reliance on the threshold provided for above, such Liens shall in no event encumber any Current Asset Collateral;

(c) Liens for Taxes, assessments or governmental charges that are not overdue for a period of more than thirty (30) days or that are being contested in good faith and by appropriate proceedings for which appropriate reserves have been established in accordance with GAAP;

(d) statutory or common law Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens or other customary Liens (other than in respect of Indebtedness) in favor of landlords, so long as, in each case, such Liens arise in the ordinary course of business that secure amounts not overdue for a period of more than thirty (30) days or, if more than thirty (30) days overdue, are unfiled and no other action has been taken to enforce such Lien or that are being contested in good faith and by appropriate proceedings, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(e) (i) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrowers or any Restricted Subsidiaries;

(f) deposits to secure the performance of bids, trade contracts, governmental contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions (including zoning restrictions), encroachments, protrusions and other similar encumbrances and title defects affecting real property that, in the aggregate, do not in any case materially interfere with the ordinary conduct of the business of the Loan Parties and their Restricted Subsidiaries taken as a whole, or the use of the property for its intended purpose;

(h) Liens arising from judgments or orders for the payment of money not constituting an Event of Default under *Section 10.1(g)*;

(i) Liens securing obligations in respect of Indebtedness permitted under *Section 9.3(e)*; *provided that* (i) such Liens attach concurrently with or within two hundred and seventy (270) days after completion of the acquisition, construction, repair, replacement or improvement (as applicable) of the property subject to such Liens, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, replacements thereof and additions and accessions to such property and the proceeds and the products thereof and customary security deposits, and (iii) such Liens do not at any time extend to or cover any assets (except for additions and accessions to such assets, replacements and products thereof and customary security deposits) other than the assets subject to, or acquired, constructed, repaired, replaced or improved with the proceeds of such Indebtedness; *provided that* individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender;

(j) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not (i) interfere in any material respect with the business of the Loan Parties and their Restricted Subsidiaries, taken as a whole, or (ii) secure any Indebtedness;

(k) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(l) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to *Section 9.2(i)* or *Section 9.2(m)* to be applied against the purchase price for such Investment or (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under *Section 9.5*, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(m) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(n) Liens on property of, or (except to the extent constituting Collateral) Equity Interests in, any Non-Loan Party securing Indebtedness of such Non-Loan Party incurred pursuant to *Sections 9.3(b), (l), (p), (r) or (v)*;

(o) Liens in favor of a Loan Party or a Restricted Subsidiary securing Indebtedness permitted under *Section 9.3(d)*; *provided that* all such Liens on Collateral in favor of a Non-Loan Party securing Indebtedness owing by a Loan Party to such Non-Loan Party shall be subordinated to the Liens of the Collateral Agent pursuant to the Intercompany Subordination Agreement;

(p) Liens existing on property (other than Current Asset Collateral, unless the Liens thereon are subordinated to the Lien of the Collateral Agent securing the Obligations in a manner consistent with the terms of the Senior Notes Intercreditor Agreement) at the time of its acquisition or existing on the property of any Person (including any Equity Interests owned by such Person) at the time such Person becomes a Restricted Subsidiary (other than by designation as a Restricted Subsidiary pursuant to *Section 8.3*), in each case after the Closing Date (other than Liens on the Equity Interests (to the extent constituting Collateral) of any Person that becomes a Restricted Subsidiary); *provided that* (i) such Lien was not created in contemplation of any such event, (ii) such Lien does not extend to or cover any other assets or property (other than the proceeds or products thereof and other than after-acquired property of such acquired Restricted Subsidiary or the Equity Interests owned by such Person), and (iii) the Indebtedness secured thereby is permitted under *Section 9.3(e) or (v)*;

(q) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under leases (other than Capitalized Leases) or licenses entered into by any Loan Party or any of the Restricted Subsidiaries in the ordinary course of business;

(r) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Loan Party or any of the Restricted Subsidiaries in the ordinary course of business;

(s) Liens deemed to exist in connection with Investments in repurchase agreements under *Section 9.2* and reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts maintained in the ordinary course of business and not for speculative purposes;

(t) Liens solely on any cash earnest money deposits made by any Loan Party or any of the Restricted Subsidiaries in connection with any letter of intent or purchase agreement not prohibited hereunder;

(u) ground leases in respect of real property on which facilities owned or leased by any Loan Party or any of the Restricted Subsidiaries are located;

(v) purported Liens evidenced by the filing of precautionary UCC financing statements or similar public filings;

(w) Liens securing Indebtedness in an aggregate amount not to exceed the greater of (i) \$450,000,000 and (ii) 85% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis; *provided* that (A) to the extent any such Indebtedness is secured by a Lien on the Collateral, such Lien shall be subject to an Acceptable Intercreditor Agreement, and (B) to the extent any such Indebtedness is secured by a Lien on the Current Asset Collateral, such Lien on such Current Asset Collateral shall be subordinate to the Liens of the Collateral Agent on the Current Asset Collateral securing the Obligations pursuant to an Acceptable Intercreditor Agreement;

(x) Liens (i) of a collection bank arising under Section 4-208 of the UCC on the items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business and (iii) in favor of a banking or other financial institution arising as a matter of law encumbering deposits or other funds maintained with a financial institution (including the right of set off) and that are within the general parameters customary in the banking industry;

(y) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Loan Parties and their Restricted Subsidiaries, taken as a whole;

(z) the modification, replacement, renewal or extension of any Lien permitted by *clauses (b) and (l)* of this *Section 9.1*; *provided* that (i) the Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien or financed by Indebtedness permitted under *Section 9.3*, and (B) proceeds and products thereof, (ii) to the extent the Liens subject to such modification, replacement, renewal or extension are subordinated to the Liens of the Collateral Agent Securing the Obligations, such Liens being so modified, replaced, renewed or extended shall be subordinated to the Liens of the Collateral Agent on terms at least as favorable to the Lenders as those contained in the subordination of such existing Liens and (iii) the renewal, extension or refinancing of the obligations secured or benefited by such Liens is permitted by *Section 9.3*;

(aa) rights of set-off against credit balances of a Loan Party or any of the Restricted Subsidiaries with Credit Card Issuers or Credit Card Processors or amounts owing by such Credit Card Issuers or Credit Card Processors to a Loan Party or any of the Restricted Subsidiaries in the ordinary course of business, but not rights of set-off against any other property or assets of any Loan Party or any the Restricted Subsidiaries pursuant to the agreements with such Credit Card Issuers or Credit Card Processors (as in effect on the date hereof) to secure the obligations of any Loan Party or any of the Restricted Subsidiaries to the Credit Card Issuers or Credit Card Processors as a result of fees and chargebacks;

(bb) without duplication of, or aggregation with, any other Lien permitted under any other clause of this *Section 9.1*, other Liens securing Indebtedness permitted under *Section 9.3(s)*, *provided* that, (i) to the extent any such Indebtedness is secured by a Lien on the

Collateral, such Lien shall be subject to an Acceptable Intercreditor Agreement, and (iii) to the extent any such Indebtedness is secured by a Lien on the Current Asset Collateral, such Lien on such Current Asset Collateral shall be subordinate to the Liens of the Collateral Agent on the Current Asset Collateral securing the Obligations pursuant to an Acceptable Intercreditor Agreement;

(cc) deposits of cash with the owner or lessor of premises leased and operated by a Loan Party or any of the Restricted Subsidiaries in the ordinary course of business of the Loan Parties and such Restricted Subsidiaries to secure the performance of any Loan Party's or such Restricted Subsidiary's obligations under the terms of the lease for such premises;

(dd) Liens that are contractual rights of setoff (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the issuance of Indebtedness or (ii) relating to pooled deposit or sweep accounts of any Loan Party or any of the Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Loan Parties and the Restricted Subsidiaries;

(ee) Liens securing any Senior Notes Indebtedness permitted pursuant to *Section 9.3(w)*; *provided* that such Liens shall be subject to the Senior Notes Intercreditor Agreement;

(ff) [reserved];

(gg) solely with respect to real property located in Canada, reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;

(hh) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(ii) security given to a public utility or any Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business; and

(jj) any other Lien securing any Indebtedness, *provided* that (i) Secured Leverage Ratio, on a Pro Forma Basis, as of the last day of the most recently ended Test Period is equal to or less than 5.00 to 1.00, in each case determined at the date of incurrence of such Indebtedness secured by such Lien, (ii) to the extent any such Indebtedness is secured by a Lien on the Collateral, such Lien shall be subject to an Acceptable Intercreditor Agreement and (iii) to the extent any such Indebtedness is secured by a Lien on the Current Asset Collateral, such Lien on such Current Asset Collateral shall be subordinate to the Liens of the Collateral Agent on the Current Asset Collateral securing the Obligations pursuant to an Acceptable Intercreditor Agreement.

SECTION 9.2 Investments:

SECTION 9.2 Investments. Make or hold any Investments, except:

(a) Investments by any Loan Party or any of the Restricted Subsidiaries in assets that are cash and Cash Equivalents;

(b) loans or advances to officers, directors and employees of any Loan Party or any of the Restricted Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes, (ii) in connection with such Person's purchase of Equity Interests of Holdings and (iii) for any other purpose, in an aggregate principal amount outstanding under this *clause (b)* not to exceed \$25,000,000;

(c) Investments by any Loan Party or any Restricted Subsidiary in a Loan Party or any Restricted Subsidiary; *provided* that any such Investments made pursuant to this *clause (c)* by any Loan Party in any Non-Loan Party (i) in the form of intercompany loans, shall be evidenced by notes that have been pledged (individually or pursuant to a global note) to the Collateral Agent for the benefit of the Lenders (it being understood and agreed that any Investments permitted under this *clause (c)* that are not so evidenced as of the Closing Date are not required to be so evidenced and pledged until the date that is sixty (60) days after the Closing Date (or such later date as may be acceptable to the Administrative Agent)) and (ii) shall be limited, to the extent not made in ordinary course of business (in a manner consistent with past practices), to an aggregate amount not to exceed (1) greater of (A) \$50,000,000 and (B) 9.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis;

(d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(e) Investments consisting of Liens, Indebtedness, fundamental changes, Dispositions and Restricted Payments permitted under Sections 9.1 (other than 9.1(l) or (o)), 9.3 (other than 9.3(c)(ii), (d), (i), (j) or (v)), 9.4 (other than 9.4(d)(ii), (f) or (g) (to the extent relating to Section 9.5(d) or (e)), 9.5 (other than 9.5(d) or (e)) and 9.6 (other than 9.6(d)), respectively;

(f) Investments existing on the Closing Date or made pursuant to legally binding written contracts in existence on the Closing Date and, in each case, to the extent such Investment (or required Investments) exceeds \$5,000,000, set forth on Schedule 9.2(f) and any modification, replacement, renewal, reinvestment or extension of any of the foregoing; *provided* that the amount of any Investment permitted pursuant to this Section 9.2(f) is not increased from the amount of such Investment on the Closing Date except pursuant to the terms of such Investment as of the Closing Date or as otherwise permitted by another clause of this Section 9.2;

(g) Investments in Swap Contracts permitted under Section 9.3;

(h) promissory notes and other non-cash consideration that is permitted to be received in connection with Dispositions permitted by Section 9.5;

(i) Permitted Acquisitions;

(j) Investments made to effect the Transaction;

(k) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment;

(l) Joint Venture Investments;

(m) without duplication of any other clauses of this Section 9.2, other Investments that do not exceed at any time outstanding the sum of (i) greater of (A) \$90,000,000

and (B) 17% of Consolidated EBITDA as of the most recently ended Test Period, on a Pro Forma Basis, plus (ii) the unutilized amounts under the General Restricted Payment Basket and the General Restricted Debt Payment Basket which have been reallocated by the Lead Administrative Borrower to make Investments pursuant to this Section 9.2(m);

(n) advances of payroll payments to employees in the ordinary course of business;

(o) Investments to the extent that payment for such Investments is made solely with Qualified Equity Interests of Holdings;

(p) Investments held by a Restricted Subsidiary acquired after the Closing Date or of a Person merged into a Loan Party or merged or consolidated with a Restricted Subsidiary in accordance with Section 9.4 after the Closing Date (other than existing Investments in subsidiaries of such Subsidiary or Person, which must comply with the requirements of Section 9.2(i) or (m)) to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(q) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(r) Investments made by any Restricted Subsidiary that is not a Loan Party to the extent such Investments are financed with the proceeds received by such Restricted Subsidiary from an Investment made pursuant to clauses (c), (i) or (m) of this Section 9.2 (provided that to the extent such Investment by a Non-Loan Party is made with the proceeds of any Investment in such Non-Loan Party by a Loan Party pursuant to Section 9.2(c), such Loan Party would be permitted to make such Investment directly);

(s) Guarantees by any Loan Party or any of the Restricted Subsidiaries of leases (other than Capitalized Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

(t) Investments received in connection with (i) a Disposition permitted by Section 9.5(m) or (ii) any Restricted Payment permitted by Section 9.6(k); and

(u) without duplication of, or aggregation with, any Investment made under any other clause of this Section 9.2, the Loan Parties and their Restricted Subsidiaries may make other Investments as long as the Payment Conditions are satisfied after giving effect thereto.

Notwithstanding anything to the contrary set forth herein or in any other Loan Document, any sale, assignment, pledge, transfer or disposition of Intellectual Property (whether by any Investment or other sale, contribution, pledge, assignment or other transfer of the Equity Interests of any Subsidiary that owns such Intellectual Property (including that of any Restricted Subsidiary)) that is Material Intellectual Property to a Person that is not a Loan Party, shall be made expressly subject to the ABL License and any purchaser, assignee or other transferee thereof shall agree in writing (pursuant to an agreement in form and substance reasonably satisfactory to Administrative Agent) to be bound by the ABL License.

Any Investment made in reliance on an Specified Asset Disposition/Investment Provision shall be subject to compliance with Section 7.4(b).

~~SECTION 9.3 Indebtedness:~~

SECTION 9.3 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness or issue any Disqualified Equity Interest, other than:

(a) Indebtedness under the Loan Documents (including Indebtedness incurred in accordance with Section 2.15);

(b) (i) Indebtedness existing on the date hereof and, to the extent exceeding an aggregate principal amount in excess of \$5,000,000, set forth on Schedule 9.3(b) and any Permitted Refinancing thereof and (ii) intercompany Indebtedness outstanding on the date hereof provided that all such Indebtedness of any Loan Party owed to any Non-Loan Party shall be subject to the Intercompany Subordination Agreement;

(c) (i) Guarantees by any Loan Party and any of the Restricted Subsidiaries in respect of Indebtedness of any Loan Party or any of the Restricted Subsidiaries otherwise permitted hereunder (except that a Restricted Subsidiary that is not a Loan Party may not, by virtue of this Section 9.3(c), Guarantee Indebtedness that such Restricted Subsidiary could not otherwise incur under this Section 9.3); provided that, if the Indebtedness

being Guaranteed is subordinated to the Obligations, such Guarantee shall be subordinated to the Guaranty on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness, and (ii) any Guaranty by a Loan Party of Indebtedness of a Restricted Subsidiary that would have been permitted as an Investment by such Loan Party in such Restricted Subsidiary under Section 9.2(c);

(d) Indebtedness of any Loan Party or any of the Restricted Subsidiaries owing to any Loan Party or any other Restricted Subsidiary to the extent constituting an Investment permitted by Section 9.2; provided that (i) all such Indebtedness of any Loan Party owed to any Person that is not a Loan Party shall be subject to the Intercompany Subordination Agreement and (ii) in the event of any such Indebtedness in respect of the sale, transfer or assignment of Current Asset Collateral, such Indebtedness shall be duly noted on the books and records of the Loan Parties as being owing in respect of Current Asset Collateral;

(e) (i) Attributable Indebtedness and other Indebtedness (including Capitalized Leases) of any Loan Party or any of the Restricted Subsidiaries financing the acquisition, construction, repair, replacement or improvement of fixed or capital assets; provided that such Indebtedness is incurred concurrently with or within two hundred and seventy (270) days after the applicable acquisition, construction, repair, replacement or improvement and any Permitted Refinancing thereof in an aggregate principal amount pursuant to this clause (i) not to exceed the greater of (A) \$150,000,000 and (B) 28% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and (ii) Attributable Indebtedness arising out of sale-leaseback transactions with respect to properties acquired after the Closing Date and any Permitted Refinancing thereof in an aggregate amount outstanding pursuant to this clause (ii) at any time not to exceed the greater of (A) \$150,000,000 and (B) 28% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and any Permitted Refinancings thereof;

(f) Indebtedness in respect of Swap Contracts designed to hedge against any Loan Party's or any Restricted Subsidiary's exposure to interest rates, foreign exchange rates or commodities pricing risks incurred in the ordinary course of business and not for speculative purposes and Guarantees thereof;

(g) Indebtedness representing deferred compensation to employees of the Loan Parties and their Restricted Subsidiaries incurred in the ordinary course of business;

(h) Indebtedness to current or former officers, directors, managers, consultants and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of Holdings (or any direct or indirect parent thereof) permitted by Section 9.6;

(i) Indebtedness incurred by any Loan Party or any of the Restricted Subsidiaries in a Permitted Acquisition, any other Investment expressly permitted hereunder or any Disposition, in each case to the extent constituting indemnification obligations or obligations in respect of purchase price (including earn-outs) or other similar adjustments;

(j) Indebtedness consisting of obligations of the Loan Parties and the Restricted Subsidiaries under deferred compensation or other similar arrangements with employees incurred by such Person in connection with the Transaction and Permitted Acquisitions or any other Investment expressly permitted hereunder;

(k) Cash Management Obligations and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the ordinary course of business and any Guarantees thereof;

(l) Indebtedness of the Loan Parties and the Restricted Subsidiaries in an aggregate principal amount not to exceed the greater of (i) \$450,000,000 and (ii) 85% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, in each case determined at the date of incurrence of such Indebtedness; provided that (1) the aggregate principal amount outstanding of Indebtedness permitted in reliance on this clause (l), together with the aggregate principal amount outstanding of the Untendered Existing 2024 Notes Indebtedness, in each case with a maturity date that is earlier than 91 days after the then Latest Maturity Date in effect, determined at the date of incurrence of such Indebtedness (or, in the case of the Untendered Existing 2024 Notes Indebtedness existing as of the Second Amendment Effective Date, as of the Second Amendment Effective Date), shall not exceed the greater of (A) \$200,000,000 and (B) 38% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and (2) the aggregate principal amount outstanding of Indebtedness incurred by Restricted Subsidiaries that are Non-Loan Parties in reliance on this clause (l) shall not exceed the greater of (A) \$120,000,000 and (B) 22.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and any Permitted Refinancings thereof;

(m) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(n) Indebtedness incurred by the Loan Parties or any of the Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances, warehouse receipts or similar instruments issued or created in the ordinary course of business consistent with past practice in

respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(o) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by any Loan Party or any of the Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(p) Indebtedness of the Loan Parties and the Restricted Subsidiaries, *provided* that (i) on a Pro Forma Basis, after giving effect to the incurrence of such Indebtedness either (A) Net Leverage Ratio as of the last day of the most recently ended Test Period is equal to or less than 6.00 to 1.00 or (B) the Interest Coverage Ratio for the most recently ended Test Period is equal to or greater than 2.00 to 1.00, (ii) the maturity date of such Indebtedness shall be no earlier than 91 days after the then Latest Maturity Date in effect, determined at the date of incurrence of such Indebtedness and (iii) Indebtedness incurred by a Non-Loan Party in reliance on this *Section 9.3(p)* (together with any Indebtedness of any Non-Loan Party incurred pursuant to *Section 9.3(r)*), at the time of the incurrence thereof and after giving Pro Forma Effect thereto, shall not exceed the greater of (1) \$120,000,000 and (2) 22.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and any Permitted Refinancings thereof;

(q) (i) Untendered Existing 2024 Notes Indebtedness in an aggregate principal amount not to exceed \$400,000,000 and (ii) any Permitted Refinancing thereof, *provided, further*, that the aggregate amount of Indebtedness incurred pursuant to this *Section 9.3(q)* (together with any Indebtedness incurred pursuant to *Section 9.3(w)*), after giving Pro Forma Effect thereto, shall not exceed \$500,000,000;

(r) Indebtedness incurred by a Non-Loan Party; *provided* that the aggregate principal amount of such Indebtedness incurred pursuant to this *Section 9.3(r)* (together with any Indebtedness of any Non-Loan Party incurred pursuant to *Section 9.3(p)*), at the time of the incurrence thereof and after giving Pro Forma Effect thereto, shall not exceed the greater of (i) \$120,000,000 and (ii) 22.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, and Permitted Financings thereof;

(s) other secured, unsecured or subordinated Indebtedness of any Loan Party or any of the Restricted Subsidiaries (and any Permitted Refinancing thereof), so long as (A) the Payment Conditions shall have been satisfied after giving effect thereto, and (B) the maturity date and Weighted Average Life to Maturity of such Indebtedness is at least six (6) months after the Latest Maturity Date at the time of incurrence of such Indebtedness, and (C) (i) to the extent any such Indebtedness is secured by a Lien on the Collateral, such Liens shall be subject to an Acceptable Intercreditor Agreement, and (iii) to the extent any such Indebtedness is secured by a Lien on the Current Asset Collateral, such Lien on such Current Asset Collateral shall be subordinate to the Liens of the Collateral Agent on the Current Asset Collateral securing Obligations pursuant to an Acceptable Intercreditor Agreement and any Permitted Refinancings thereof;

(t) to the extent constituting Indebtedness, obligations of Holdings relating of the LGP Preference Shares;

(u) Indebtedness in respect of letters of credit issued for the account of any of the Restricted Subsidiaries of Holdings to finance the purchase of Inventory so long as (x) such Indebtedness is unsecured, and (y) the aggregate principal amount of such Indebtedness does not exceed \$60,000,000 at any time;

(v) Indebtedness (i) of any Person that becomes a Restricted Subsidiary after the date hereof, which Indebtedness is existing at the time such Person becomes a Restricted Subsidiary and is not incurred in contemplation of such Person becoming a Restricted Subsidiary that is non-recourse to the Loan Parties and the other Restricted Subsidiaries (other than any Subsidiary of such Person that is a Subsidiary on the date such Person becomes a Restricted Subsidiary after the date hereof) and is either (A) unsecured or (B) secured only by Liens permitted under *Section 9.1(p)* and, in each case, any Permitted Refinancing thereof, and (ii) of the Loan Parties or any Restricted Subsidiary incurred or assumed in connection with any

Permitted Acquisition that is secured only by Liens permitted under *Section 9.1(p)* (and any Permitted Refinancing of the foregoing) and so long as the aggregate principal amount of such Indebtedness and all Indebtedness resulting from any Permitted Refinancing thereof at any time outstanding pursuant to this *Section 9.3(v)(ii)* does not exceed \$75,000,000;

(w) the Senior Notes Indebtedness, *provided* that the aggregate amount of Indebtedness incurred pursuant to this *Section 9.3(w)* (together with any Indebtedness incurred pursuant to *Section 9.3(q)*), after giving Pro Forma Effect thereto, shall not exceed \$500,000,000 and any Permitted Refinancing of the foregoing; and

(x) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in *clauses (a) through (w)* above

Notwithstanding the foregoing, no Restricted Subsidiary that is a Non-Loan Party will guarantee any Material Indebtedness of a Loan Party unless such Restricted Subsidiary becomes a Loan Party.

The principal amount of any non-interest bearing Indebtedness or other discount security constituting Indebtedness at any date shall be the principal amount thereof that would be shown on a balance sheet of Holdings and its Restricted Subsidiaries dated such date prepared in accordance with GAAP.

SECTION 9.4 Fundamental Changes. Merge, amalgamate, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(a) Holdings or any Restricted Subsidiary may merge, amalgamate or consolidate with the Lead Administrative Borrower (including a merger or amalgamation, the purpose of which is to reorganize the Lead Administrative Borrower into a new jurisdiction); *provided* that (x) the Lead Administrative Borrower shall be the continuing or surviving Person, (y) such merger, amalgamation or consolidation does not result in (1) the Lead Administrative Borrower ceasing to be organized or incorporated under the Laws of its Local Covered Jurisdiction or (2) any Loan Party becoming an Excluded Subsidiary, and (z) the Equity Interests of the Lead Administrative Borrower shall continue to be directly owned by one or more Loan Parties and pledged as Collateral pursuant to the terms of the Collateral Documents;

(b) any Borrower may merge, amalgamate or consolidate with another Borrower (including a merger or amalgamation, the purpose of which is to reorganize a Borrower into a new jurisdiction); *provided* that (x) a Borrower (or, to the extent the Lead Administrative Borrower shall be a party to any such merger, amalgamation or consolidation, the Lead Administrative Borrower) shall be the continuing or surviving Person, (y) such merger, amalgamation or consolidation does not result in (1) a Borrower ceasing to be organized or incorporated under the Laws of a Covered Loan Party Jurisdiction or (2) any Loan Party becoming an Excluded Subsidiary, and (z) the Equity Interests of each Borrower shall continue to be directly owned by one or more Loan Parties and pledged as Collateral pursuant to the terms of the Collateral Documents;

(c) (i) any Restricted Subsidiary of Holdings that is not a Loan Party may merge or consolidate with or into any other Restricted Subsidiary of Holdings that is not a Loan Party, (ii) any Restricted Subsidiary of Holdings (other than the Lead Administrative Borrower) may merge, amalgamate or consolidate with or into any other Restricted Subsidiary of Holdings that is a Loan Party (or, to the extent a Borrower shall be a party to any such merger,

amalgamation or consolidation, a Borrower shall be a surviving or continuing entity), (iii) any merger or amalgamation the sole purpose of which is to reincorporate or reorganize a Loan Party in another jurisdiction that is a Covered Loan Party Jurisdiction shall be permitted (*provided* that such Person and each of its Restricted Subsidiaries that is a Loan Party prior to such merger or amalgamation shall be a Loan Party after giving effect to such reincorporation or reorganization) and (iv) any Restricted Subsidiary of Holdings (other than the Lead Administrative Borrower) may wind-up, liquidate or dissolve or change its legal form if the Lead Administrative Borrower determines in good faith that such action is in the best interests of the Loan Parties and their Restricted Subsidiaries and is not materially disadvantageous to the Lenders; *provided* that, in the case of *clauses* (ii) through (iv) of this *Section 9.4(c)*, (A) no Event of Default shall have occurred and be continuing or shall result therefrom and (B) the surviving or continuing Person (or, with respect to *clause* (iv), the Person who receives the assets of such dissolving or liquidated Restricted Subsidiary) shall be a Loan Party (in the case of any such transaction involving a Guarantor) or a Borrower (in the case of any such transaction involving a Borrower), the Equity Interest of whom shall be directly owned by one or more Loan Parties and pledged as Collateral pursuant to the terms of the Collateral Documents;

(d) any Restricted Subsidiary (other than a Borrower) may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to a Loan Party or another Restricted Subsidiary; *provided* that (i) no Event of Default shall have occurred and be continuing or shall result therefrom and (ii) if the transferor in such a transaction is a Loan Party, then (1) the transferee must be a Loan Party or (2) such Investment must be a permitted Investment in a Restricted Subsidiary which is not a Loan Party in accordance with *Section 9.2* (other than *clause* (e) thereof) and must be a permitted Disposition in accordance with *Section 9.5*;

(e) so long as no Default or Event of Default is continuing or would result therefrom, the Lead Administrative Borrower may merge, amalgamate or consolidate with any other Person; *provided* that (i) the Lead Administrative Borrower shall be the continuing or surviving Person or (ii) if the Person formed by or surviving or continuing after any such merger, amalgamation or consolidation is not the Lead Administrative Borrower (any such Person, the "Successor Borrower"), (A) the Successor Borrower shall be an entity organized or existing under the Laws of the Local Covered Jurisdiction of the merging Lead Administrative Borrower, the Equity Interests of which shall be directly owned solely by one or more Loan Parties and pledged as Collateral pursuant to the terms of the Collateral Documents), (B) such Successor Borrower shall expressly assume all the obligations of the Lead Administrative Borrower under this Agreement and the other Loan Documents to which the Lead Administrative Borrower is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent, (C) each other Loan Party, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to this Agreement and the Guaranty, confirmed that its Obligations (including its Guarantee of the Obligations) shall apply to the Successor Borrower's obligations under this Agreement, (D) each Loan

Party, unless it is the other party to such merger, amalgamation or consolidation, shall have by a supplement to the Security Agreement confirmed that its obligations thereunder shall apply to the Successor Borrower's obligations under this Agreement, (E) Holdings shall have delivered (or caused to be delivered) to the Administrative Agent (1) a certificate of a Responsible Officer certifying that such merger, amalgamation or consolidation, and any such supplement to this Agreement or any Collateral Document delivered in connection with any such merger, amalgamation or consolidation, comply with this Agreement and (2) a customary opinion of counsel, including customary organization, due execution and authority, enforceability and attachment and perfection opinions and such other customary opinions as reasonably requested by the Administrative Agent; *provided, further*, that if the foregoing are satisfied, the Successor Borrower will succeed to, and be substituted for, the Lead Administrative Borrower under this Agreement and (F) the Administrative Agent shall have received, at least three (3) Business Days

prior to such merger, amalgamation or consolidation, (1) all documentation and other information about the Successor Borrower required under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Proceeds of Crime Act, and (2) to the extent that any Successor Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification with respect to such Successor Borrower, in each case, that shall have been requested in writing at least ten (10) Business Days prior to the date of such merger, amalgamation or consolidation;

(f) so long as no Default or Event of Default is continuing or would result therefrom, any Restricted Subsidiary (other than the Lead Administrative Borrower) may merge, amalgamate or consolidate with any other Person in order to effect an Investment permitted pursuant to *Section 9.2* (other than *Section 9.2(e)*); *provided* that the continuing or surviving Person shall be a Borrower or a Restricted Subsidiary, which together with each of their Restricted Subsidiaries, shall have complied with the applicable requirements of *Sections 8.11, 8.12 and 8.13*; and

(g) so long as no Default or Event of Default is continuing or would result therefrom, a merger, amalgamation, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to *Section 9.5* (other than *Section 9.5(e)*).

Any transaction permitted by any of *Sections 9.4(a) through 9.4(g)* made in reliance on an Specified Asset Disposition/Investment Provision shall be subject to compliance with *Section 7.4(b)*.

SECTION 9.5 Dispositions. Make any Disposition except:

(a) Dispositions of obsolete, worn out, used or surplus property, whether now owned or hereafter acquired, in the ordinary course of business and Dispositions of property no longer used or useful in the conduct of the business of the Loan Parties and the Restricted Subsidiaries;

(b) Dispositions of inventory and goods held for sale in the ordinary course of business;

(c) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property; *provided* that to the extent the property being transferred constitutes Current Asset Collateral, such replacement property shall constitute Current Asset Collateral;

(d) Dispositions of property to a Loan Party or a Restricted Subsidiary; *provided* that if the transferor of such property is a Loan Party (i) the transferee thereof must be a Loan Party or (ii) such Investment must be a permitted Investment in a Restricted Subsidiary that is not a Loan Party in accordance with *Section 9.2* (other than *Section 9.2(e)*) or (iii) to the extent constituting a Disposition to a Restricted Subsidiary that is not a Loan Party, such Disposition is for fair market value and any promissory note or other non-cash consideration received in respect thereof is a permitted investment in a Restricted Subsidiary that is not a Loan Party in accordance with *Section 9.2* (other than *Section 9.2(e)*); *provided* that if the property being disposed of constitutes Current Asset Collateral and is being transferred to a Non-Loan Party, such disposition shall be made only if the Payment Conditions are satisfied after giving effect thereto;

(e) Dispositions permitted by *Sections 9.2* (other than *Section 9.2(e)* or (h)), *9.4* (other than *Section 9.4(g)*) and *9.6* (other than *Section 9.6(d)*) and Liens permitted by *Section 9.1* (other than *Section 9.1(l)(ii)*);

(f) Dispositions of property (other than Current Asset Collateral) pursuant to sale-leaseback transactions;

(g) any issuance or sale of Equity Interests in, or sale of Indebtedness or other securities of, an Unrestricted Subsidiary;

(h) leases, subleases, licenses or sublicenses (including the provision of software under an open source license), in each case in the ordinary course of business and which do not materially interfere with the business of the Loan Parties and the Restricted Subsidiaries, taken as a whole;

(i) Dispositions in any Fiscal Year in an aggregate amount not to exceed the greater of (i) \$40,000,000 and (ii) 7.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis, with any unused amounts for any Fiscal Year permitted to be carried over to

the immediately succeeding Fiscal Year (excluding any carry-forward available from any prior Fiscal Year) (the “General Asset Sale Basket”);

(j) any Disposition of any asset (or assets) on an unlimited basis for fair market value so long as not otherwise permitted under this Section 9.5, provided that:

(i) at the time of such Disposition, no Event of Default shall exist or would result from such Disposition;

(ii) with respect to any Disposition pursuant to this clause (j) for a purchase price in excess of \$25,000,000, the Borrowers or any of the Restricted Subsidiaries shall receive not less than 75% of such consideration in the form of cash or Cash Equivalents (in each case, free and clear of all Liens at the time received, other than nonconsensual Liens permitted by Section 9.1 and Liens permitted by Sections 9.1(a), (m), (s), (t), (x), (w), (dd)(i) and (dd)(ii), provided, however, that for the purposes of this clause (ii), each of the following shall be deemed to be cash,

(A) any liabilities (as shown on a Loan Party's or a Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of a Loan Party or a Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the payment in cash of the Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which the Loan Parties and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing;

(B) any securities received by a Loan Party or a Restricted Subsidiary from such transferee that are converted by such Loan Party or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within one hundred and eighty days following the closing of the applicable Disposition; and

(C) any Designated Non-Cash Consideration received in respect of such Disposition having an aggregate fair market value (as determined by the Lead Administrative Borrower in good faith), taken together with all other Designated Non-Cash Consideration received pursuant to this clause (C) that is at

that time outstanding, not in excess of the greater of (I) \$40,000,000 and (II) 7.5% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value;

provided that, notwithstanding the foregoing to the contrary, with respect to any transaction or a series of related transactions pursuant to which any Loan Party or any Restricted Subsidiary shall effect a Disposition or other transaction pursuant to this clause (j) (including pursuant to the sale of Equity Interests in a Restricted Subsidiary, or a merger, liquidation, amalgamation, division, contribution of assets, Equity Interests or Indebtedness or otherwise) which results in the transfer (to any Person, other than a Loan Party) of Current Asset Collateral of the type included in the determination of the Revolving Borrowing Base or the FILO Borrowing Base, or the exclusion and/or removal of Current Asset Collateral of the type which were included in the determination of the Revolving Borrowing Base or the FILO Borrowing Base (including, as a result of the application of the eligibility criteria set forth in the definition of “Eligible Credit Card Receivables” and “Eligible Inventory”), in each case, as determined by reference to the Borrowing Base Certificate most recently delivered to the Administrative Agent, (x) the aggregate fair market value of such Current Asset Collateral so disposed, transferred, removed and/or excluded (in the aggregate for all such transactions) in reliance on the 75% Cash Consideration Basket shall not exceed 25% of the sum of the Revolving Borrowing Base and the FILO Borrowing Base, measured at the time of such disposition or transfer, and (y) the cash consideration payable in respect thereof shall be an amount equal to the greater of (1) 75% of the fair market value of such assets and (2) the aggregate amount of the Revolving Borrowing Base and the FILO Borrowing Base attributable to such assets (this clause (j), the “75% Cash Consideration Basket”);

(k) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(l) bulk sales or other dispositions of the Inventory of a Loan Party not in the ordinary course of business in connection with Store closings, at arm's length, provided that such Store closures and related Inventory dispositions shall not exceed (i) in any Fiscal Year, twenty percent (20%) of the number of the Loan Parties' Stores as of the beginning of such Fiscal Year (net of new Store openings) and (ii) in the aggregate from and after the Closing Date, fifty percent (50%) of the number of the Loan Parties' Stores in existence as of the Closing Date (net of new Store openings), provided further that all sales of Inventory in connection with store closings shall be in accordance with liquidation agreements and with professional liquidators reasonably acceptable to the Administrative Agent, provided further that all Net Cash Proceeds received in connection therewith are applied to the Obligations if then required in accordance with Section 2.9 hereof;

(m) the unwinding of any Swap Contract;

(n) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any IP Rights;

(o) to the extent allowable under Section 1031 of the Code (or comparable or successor provision), any exchange of like property (excluding any boot thereon permitted by

such provision) for use in any business conducted by the Loan Parties or any of their Restricted Subsidiaries that is not in contravention of Section 9.7;

(p) Dispositions of accounts receivable in connection with the collection or compromise thereof, *provided* that no disposition of Eligible Accounts shall be permitted pursuant to this *clause (p)* unless the Lead Administrative Borrower shall have (i) delivered to the Administrative Agent written notice of such disposition in reasonable detail and (ii) if requested by the Administrative Agent, delivered to the Administrative Agent an updated Borrowing Base Certificate;

(q) sales or other dispositions by the Loan Parties or any Restricted Subsidiary of assets in connection with the closing or sale of a Store in the ordinary course of the business of the Loan Parties or such Restricted Subsidiary which consist of leasehold interests in the premises of such Store, the equipment and fixtures located at such premises and the books and records relating exclusively and directly to the operations of such Store (but excluding any Current Asset Collateral); *provided* that as to each and all such sales and closings, (A) no Event of Default shall result therefrom and (B) such sale shall be on commercially reasonable prices and terms in a *bona fide* arm's length transaction;

(r) so long as no Event of Default is continuing, Dispositions of Cash Equivalents;

(s) any Disposition made to comply with any order of any Governmental Authority or any applicable Law;

(t) any Disposition made in the ordinary course of business constituting the sale or transfer of Accounts arising pursuant to the sale of goods or rendition of services to customers to any Specified Non-Recourse Private Label Provider pursuant to a Credit Card Agreement; and

(u) Dispositions constituting the U.K. Pension Transfer;

provided that any Disposition of any property pursuant to this Section 9.5 (except pursuant to (i) Sections 9.5(a), (d), (e), (k), (l), (m), (n), (o), (q), or (u) or (ii) other than with respect to Current Asset Collateral or the Equity Interests of any Person that owns Current Asset Collateral, Sections 9.5(i) or (s), and except for Dispositions from a Loan Party to a Loan Party), shall be for no less than the fair market value of such property either (x) at the time of execution of definitive documentation governing such Dispositions or (y) at the time of such Disposition as determined by the Lead Administrative Borrower in good faith. To the extent any Collateral is sold or transferred as expressly permitted by this Section 9.5 to any Person other than a Loan Party, such Collateral shall be sold or transferred free and clear of the Liens created by the Loan Documents, and, if requested by the Administrative Agent, upon the certification by the Lead Administrative Borrower that such Disposition is permitted by this Agreement, the Administrative Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

Notwithstanding anything to the contrary set forth above any sale, assignment, pledge, transfer or disposition of Intellectual Property (whether by sale, contribution, pledge, assignment or other transfer of the Equity Interest of any Subsidiary that owns such Intellectual Property) that is Material Intellectual Property, shall be made expressly subject to the ABL License and any purchaser, assignee or other transferee thereof shall agree in writing (pursuant to an agreement in form and substance reasonably satisfactory to Administrative Agent) to be bound by the ABL License.

Any Disposition made in reliance on an Specified Asset Disposition/Investment Provision shall be subject to compliance with Section 7.4(b).

SECTION 9.6 Restricted Payments.

Declare or make any Restricted Payment, except:

(a) each Restricted Subsidiary may make Restricted Payments to Holdings and to its other Restricted Subsidiaries (and, in the case of a Restricted Payment by a non-wholly-owned Restricted Subsidiary, to Holdings and any of its other Restricted Subsidiaries and to each other owner of Equity Interests of such Restricted Subsidiary based on their relative ownership interests of the relevant class of Equity Interests);

(b) Holdings and each of its Restricted Subsidiaries may declare and make dividend payments or other distributions payable solely in the Equity Interests (other than Disqualified Equity Interests not otherwise permitted by Section 9.3) of such Person;

(c) [reserved];

(d) to the extent constituting Restricted Payments, Holdings, the Borrowers and the Restricted Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Section 9.2 (other than Section 9.2(e)), 9.4 (other than a merger, amalgamation or consolidation of Holdings or any Borrower) or 9.8 (other than Section 9.8(a) or (j));

(e) repurchases of Equity Interests in Holdings deemed to occur upon exercise of stock options or warrants or similar rights if such Equity Interests represent a portion of the exercise price of such options or warrants or similar rights;

(f) Holdings may pay for the repurchase, retirement or other acquisition or retirement for value of Equity Interests of Holdings held by any future, present or former employee, director, consultant or distributor (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of Holdings, the Borrowers or any of their Restricted Subsidiaries upon the death, disability, retirement or termination of employment of any such Person or otherwise pursuant to any employee or director equity plan, employee or director stock option plan or any other employee or director benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, director, consultant or distributor of Holdings, the Borrowers or any of their Restricted Subsidiaries in an aggregate amount after the Closing Date not to exceed \$17,500,000 in any calendar year with unused amounts in any calendar year being carried over to the next two succeeding calendar years; *provided* that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds of key man life insurance policies received by the Holdings or its Restricted Subsidiaries after the Closing Date;

(g) [reserved];

(h) Holdings may pay cash in lieu of fractional Equity Interests in connection with any dividend, split or combination thereof or any Permitted Acquisition;

(i) so long as no Event of Default exists or would result therefrom, the declaration and payment of dividends on Holdings' Equity Interests in an aggregate *per annum* amount equal to 7.0% of the market capitalization of Holdings, measured as of the date of the relevant date of determination;

(j) repurchases of Equity Interests (i) deemed to occur on the exercise of options by the delivery of Equity Interests in satisfaction of the exercise price of such options and (ii) in consideration of withholding or similar Taxes payable by any future, present or former employee, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing), including deemed repurchases in connection with the exercise of stock options;

(k) without duplication of any other clauses of this Section 9.6, other Restricted Payments that, together with any prepayment, redemption, defeasance or other satisfaction of any Indebtedness made pursuant to the General Restricted Debt Payment Basket, do not exceed in the aggregate (for all such Restricted Payments and prepayments, redemptions, defeasances or other satisfaction of Indebtedness made pursuant to the General Restricted Debt Payment Basket) at the time of such Restricted Payment and after giving Pro Forma Effect thereto in an amount equal to (i) the greater of (1) \$90,000,000 and (2) 17% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis *minus* (ii) the aggregate unutilized amounts under the General Restricted Payment Basket and the General Restricted Debt Payment Basket, which have been reallocated by the Lead Administrative Borrower to make Investments pursuant to Section 9.2(m) (this clause (k), the "*General Restricted Payment Basket*");

(l) so long as no Event of Default exists or would result therefrom, the distribution, by dividend or otherwise, of the Equity Interests of, or debt owed to Holdings or a Restricted Subsidiary by, Unrestricted Subsidiaries (other than the Equity Interests of any Unrestricted Subsidiary, (x) the primary assets of which are cash and/or Cash Equivalents and/or (y) the assets of which include any Material Intellectual Property, in each case, which were contributed to such Unrestricted Subsidiary by Holdings and/or any Restricted Subsidiary); and

(m) other Restricted Payments so long as the Payment Conditions shall have been satisfied;

provided that it is understood and agreed that, for purposes of this Section 9.6, any determination of the value of any asset (other than cash) shall be made by the Lead Administrative Borrower in good faith.

SECTION 9.7 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by Holdings, the Borrowers and the Restricted Subsidiaries on the Closing Date or any business reasonably related or ancillary thereto.

SECTION 9.8 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, in excess of \$10,000,000, other than:

- (a) transactions between or among (i) the Loan Parties or any of the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction, and (ii) the Loan Parties;
- (b) transactions on terms substantially as favorable to such Loan Party or such Restricted Subsidiary as would be obtainable by such Loan Party or such Restricted Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate;
- (c) the Transaction and the payment of fees and expenses (including the Transaction Expenses) related to the Transaction;
- (d) the issuance of Equity Interests of Holdings to any officer, director, employee or consultant of Holdings or any of its Restricted Subsidiaries;
- (e) payments, loans (or cancellation of loans) or advances to employees or consultants that are (i) approved by a majority of the disinterested members of the Board of Directors of Holdings in good faith, (ii) made in compliance with applicable law and (iii) otherwise permitted under this Agreement;
- (f) employment and severance arrangements between Holdings or any of its Restricted Subsidiaries and their respective officers and employees in the ordinary course of business and transactions pursuant to stock option plans and employee benefit plans and arrangements;
- (g) the non-exclusive licensing of trademarks, copyrights or other IP Rights in the ordinary course of business to permit the commercial exploitation of IP Rights between or among Affiliates and Restricted Subsidiaries of Holdings;
- (h) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, directors, officers and employees of Holdings and the Restricted Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of Holdings and the Restricted Subsidiaries;
- (i) any agreement, instrument or arrangement as in effect as of the Closing Date and set forth on *Schedule 9.8*, or any amendment thereto (so long as any such amendment is not adverse to the Lenders in any material respect as compared to the applicable agreement as in effect on the Closing Date);
- (j) Restricted Payments permitted under *Section 9.6*;
- (k) [reserved];
- (l) transactions in which the Loan Parties or any of the Restricted Subsidiaries, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to the Loan Party or such Restricted Subsidiary from a financial point of view or meets the requirements of *clause (b)* of this *Section 9.8*;
- (m) the issuance or transfer of Equity Interests (other than Disqualified Equity Interests) of Holdings to any former, current or future director, manager, officer, employee or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of any Loan Party, any of their Restricted Subsidiaries to the extent otherwise permitted by this Agreement and to the extent such issuance or transfer would not give rise to a Change of Control;
- (n) [reserved];
- (o) payments to or from, and transactions with, Joint Ventures (to the extent any such Joint Venture is only an Affiliate as a result of Investments by any Loan Party or any Restricted Subsidiary in such Joint Venture) in the ordinary course of business to the extent otherwise permitted under *Section 9.2*;
- (p) [reserved];
- (q) [reserved];
- (r) any transaction approved by the majority of disinterested members of the Board of Directors of Holdings; and
- (s) to the extent not otherwise prohibited under this Agreement, payments by Holdings or any of its Restricted Subsidiaries in respect of any of their respective Indebtedness or Equity Interests that are payable to holders of such Indebtedness or Equity Interests generally (including Affiliates that may from time to time own such Indebtedness or Equity Interests).

SECTION 9.9 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that prohibits, restricts, imposes any condition on or limits the ability of (a) any Restricted Subsidiary that is not a Loan Party to

make dividends or other distributions to any Loan Party or (b) any Loan Party to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Lenders with respect to the Facilities and the Obligations under the Loan Documents (after giving effect to the anti-assignment provisions of the UCC, PPSA or similar applicable Laws); *provided* that the foregoing *clauses* (a) and (b) shall not apply to Contractual Obligations that:

(i) (x) exist on the date hereof and (to the extent not otherwise permitted by this *Section 9.9*) are listed on *Schedule 9.9* and (y) to the extent Contractual Obligations permitted by *clause* (x) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted modification, replacement, renewal, extension or refinancing of such Indebtedness so long as such modification, replacement, renewal, extension or refinancing does not expand the scope of such Contractual Obligation;

(ii) are binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary, so long as such Contractual Obligations were not entered into in contemplation of such Person becoming a Restricted Subsidiary;

(iii) represent Indebtedness of a Restricted Subsidiary that is not a Loan Party that is permitted by *Section 9.3*;

(iv) (A) are customary restrictions that arise in connection with any (x) any Lien permitted by *Sections 9.1(a), (l), (s), (t), (w), (x)* and (d) and relate to the property subject to such Lien or (y) Disposition permitted by *Section 9.5* applicable pending such Disposition solely to the assets subject to such Disposition;

(v) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under *Section 9.2* and applicable solely to such joint venture entered into in the ordinary course of business;

(vi) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under *Section 9.3*, but solely to the extent any negative pledge relates to the property financed by or the subject of such Indebtedness and the proceeds and products thereof;

(vii) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the assets subject thereto;

(viii) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to *Sections 9.3(e), (m)(i), (r)* or (u) to the extent that such restrictions apply only to the property or assets securing such Indebtedness or to the Restricted Subsidiary party to such Indebtedness;

(ix) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of any Loan Party or any Restricted Subsidiary;

(x) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business;

(xi) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business;

(xii) are restrictions contained in the Existing 2024 Notes Indenture and the Existing 2024 Notes;

(xiii) arise in connection with cash or other deposits permitted under *Section 9.1*; or

(xiv) comprise restrictions imposed by any agreement governing Indebtedness entered into after the Closing Date and permitted under *Section 9.3* that are, taken as a whole, in the good faith judgment of the Lead Administrative Borrower, no more restrictive with respect to Loan Parties or any Restricted Subsidiary than customary market terms for Indebtedness of such type, so long as the Lead Administrative Borrower shall have determined in good faith that such restrictions will not affect its obligation or ability to make any payments required hereunder.

SECTION 9.10 Changes in Fiscal Year.

Make any change in Fiscal Year; *provided, however*, that Holdings and the Restricted Subsidiaries may, upon written notice to the Administrative Agent, change its Fiscal Year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case, Holdings, the Lead Administrative Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

SECTION 9.11 Prepayment, Etc. of Indebtedness.

Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner (it being understood that payments of regularly scheduled principal and interest and mandatory prepayments of principal and interest shall be permitted) any Indebtedness constituting (x) Material Junior Financing or (y) the FILO Loans, except (i) so long as the Payment Conditions are satisfied after giving effect thereto, any prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness; (ii) any other prepayment, redemption, defeasance or other satisfaction of any Indebtedness that, together with any Restricted Payment made pursuant to General Restricted Payment Basket, do not exceed in the aggregate (for all such prepayments, redemptions, defeasances or other satisfaction of Indebtedness made pursuant to this *clause (ii)* and Restricted Payments made pursuant to the General Restricted Debt Payment Basket) at the time of payment and after giving Pro Forma Effect thereto in an amount equal to (A) the greater of (1) \$90,000,000 and (2) 17% of Consolidated EBITDA as of the most recently ended Test Period on a Pro Forma Basis *minus*

(B) the aggregate unutilized amounts under the General Restricted Debt Payment Basket and the General Restricted Payment Basket, which have been reallocated by the Lead Administrative Borrower to make Investments pursuant to *Section 9.2(m)* (this *clause (ii)*, the “General Restricted Debt Payment Basket”), *provided* that the General Restricted Debt Payment Basket may not be utilized to repay any FILO Loans; (iii) the refinancing of any Indebtedness with the Net Cash Proceeds of, or in exchange for, any Permitted Refinancing; (iv) the conversion (or exchange) of any Indebtedness to Equity Interests (other than Disqualified Equity Interests) of Holdings; (v) the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness of the Borrowers or any Restricted Subsidiary owed to Holdings, the Borrowers or a Restricted Subsidiary or the prepayment, redemption, purchase, defeasance or other satisfaction of any Indebtedness with the proceeds of any other Indebtedness otherwise permitted by *Section 9.3*; (vi) any Permitted Refinancing of any Indebtedness; (vii) any prepayment, redemption, purchase, defeasance or other satisfaction with the Net Cash Proceeds of any Permitted Equity Issuance; and (viii) the prepayment of Indebtedness incurred pursuant to *clauses (h)* and (v) of *Section 9.3*.

SECTION 9.12 Modification of Junior Financing Agreements.

Amend, modify or change in any manner materially adverse to the interest of the Lenders the subordination terms governing any Junior Financing.

ARTICLE X.

EVENTS OF DEFAULT

SECTION 10.1 Events of Default.

Each of the events referred to in the below clauses of this *Section 10.1* shall constitute an “Event of Default”:

(a) *Non-Payment*. The Borrowers or any other Loan Party fails to pay, in the currency required hereunder, (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within five (5) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or

(b) *Specific Covenants*.

(i) Any Loan Party or any Restricted Subsidiary fails to perform or observe any term, covenant or agreement contained in (A) *Article VI*; *provided* that any failure to comply with *Article VI* shall be subject to cure to the extent provided in *Section 10.4*, (B) *Section 7.3(a)*, *Section 8.1(a)* (solely with respect to Holdings or a Borrower), or the last sentence of *Section 8.9*, or (C) *Article IX*; or

(ii) during the continuance of any Cash Dominion Period, the Borrowers or any other Loan Party fails to perform or observe (or to cause to be performed or observed) any covenant or agreement contained in *Section 8.12* and such failure continues for two (2) Business Days; or

(iii) the Borrowers or any other Loan Party fails to perform or observe (or to cause to be performed or observed) any covenant or agreement contained in *Section 7.5* and such failure continues for ten (10) Business Days; or

(iv) the Borrowers or any other Loan Party fails to perform or observe (or to cause to be performed or observed) any covenant or agreement contained in

Section 8.5 (in respect of any property insurance policy insuring any inventory), and such failure continues for fifteen (15) Business Days; or

(v) the Borrowers or any other Loan Party fails to perform or observe (or to cause to be performed or observed) any covenant or agreement contained in *Section 7.4*, provided that (x) in the case of any Borrowing Base Certificate required to be delivered during any Quarterly Borrowing Base Reporting Period or any Monthly Borrowing Base Reporting Period, such failure continues for five (5) Business Days or (y) in the case of any Borrowing Base Certificate required to be delivered during any Weekly Borrowing Base Reporting Period, such failure continues for three (3) Business Days; or

(c) *Other Defaults*. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in *Section 10.1(a)* or (b) above and, for the purposes of clarity, including any failure to perform or observe any covenant or agreement contained in *Section 8.12* other than during the continuance of a Cash Dominion Period) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after receipt by the Lead Administrative Borrower of written notice thereof from the Administrative Agent; or

(d) *Representations and Warranties*. Any representation, warranty, certification or statement of fact made or deemed made by any Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be untrue in any material respect when made or deemed made; or

(e) *Cross-Default*. Any Loan Party or any Restricted Subsidiary (A) fails to make any payment beyond the applicable grace period, if any, whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, in respect of any Indebtedness (other than Indebtedness hereunder) having an individual outstanding principal amount (including amounts owing to all creditors under any combined or syndicated credit arrangement) of not less than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness, or any other event occurs (other than, with respect to Indebtedness consisting of Swap Contracts, termination events or equivalent events pursuant to the terms of such Swap Contracts and not as a result of any default thereunder by any Loan Party) the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (e)(B) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; provided further that such failure is unremedied and is not waived by the holders of such Indebtedness prior to any termination of the Commitments or acceleration of the Loans pursuant to *Section 10.2*; or

(f) *Insolvency Proceedings, Etc.* Any Loan Party or any Material Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver, interim receiver, examiner, sequestrator, compulsory manager or similar officer for it or for all or any material part of its property; or any receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and, in respect of any Loan

Party other than an English Loan Party or the Specified Irish Subsidiary Guarantor, the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days in respect of any Loan Party other than an English Loan Party or the Specified Irish Subsidiary Guarantor, or fourteen (14) calendar days in respect of an English Loan Party or the Specified Irish Subsidiary Guarantor provided that such proceeding is the filing of a winding-up petition or an order for relief is entered in any such proceeding; or

(g) *Monetary Judgments Generally*. There is entered against any Loan Party or any Restricted Subsidiary a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage thereof) and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of sixty (60) consecutive calendar days; or

(h) *Specified Judgments, Settlements and Arbitration Awards*. There shall exist one or more judgments or orders (other than any Specified Appealable Judgment or Order) and/or arbitration awards or settlements in respect of any Specified Litigation or Arbitration Proceeding which shall require any Loan Party or any Restricted Subsidiary to pay amount equal to or greater than the Threshold Amount in respect thereof (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment, order, arbitration award, or settlement and has not denied or failed to acknowledge coverage thereof), but solely to the extent that Excess Availability is less than \$300,000,000 (determined giving effect to a Specified Litigation and Arbitration Reserve); or

(i) *Pension Matters.* (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of any Loan Party or their respective ERISA Affiliates under Title IV of ERISA in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, (ii) any Loan Party or any of their respective ERISA Affiliates fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its Withdrawal Liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, (iii) with respect to a Foreign Plan a termination, withdrawal or noncompliance with applicable law or plan terms that would reasonably be expected to result in a Material Adverse Effect, (iv) Holdings or any of its Subsidiaries shall have been notified that any of them has been issued with a Contribution Notice or Financial Support Direction which would reasonably be expected to result in a Material Adverse Effect; or (v) a Canadian Pension Event occurs or any Lien arises (save for contribution amounts not yet due) in connection with any Canadian Pension Plan, which has resulted or would reasonably be expected to result in a Material Adverse Effect; or

(j) *Invalidity of Loan Documents.* Any material provision of any Loan Document at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 9.4 or 9.5) or the satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document (other than as a result of repayment in full of the Obligations and termination of the Commitments), or purports in writing to revoke or rescind any Loan Document; or

(k) *Collateral Documents.* Any Collateral Document after delivery thereof pursuant to Section 4.1 or 8.11 shall for any reason (other than pursuant to the terms hereof or thereof including as a result of a transaction permitted under Section 9.4 or 9.5) cease to create, or any Lien purported to be created by any Collateral Document shall be asserted in writing by any Loan Party not to be, a valid and perfected Lien, with the priority required by the Collateral Documents (or other security purported to be created on the applicable Collateral) on and security interest in any material portion of the Collateral purported to be covered thereby, subject to Liens permitted under Section 9.1, except to the extent that any such loss of perfection or priority results from the failure of the Administrative Agent or the Collateral Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents or to file UCC continuation statements or PPSA financing change statements, as applicable, and except as to Collateral consisting of real property to the extent that such losses are covered by a lender's title insurance policy and such insurer has not denied coverage; or

(l) *Junior Financing Documentation.* (i) Any of the Obligations of the Loan Parties under the Loan Documents for any reason shall cease to be "Senior Indebtedness" (or any comparable term) or "Senior Secured Financing" (or any comparable term) under, and as defined in any Junior Financing Documentation governing Junior Financing subordinated in right of payment to the Obligations under the Loan Documents with an individual principal amount of not less than the Threshold Amount (including all amounts owing to creditors under any combined or syndicated credit arrangement) or (ii) the subordination provisions set forth in any Junior Financing Documentation governing Junior Financing subordinated in right of payment to the Obligations under the Loan Documents with an individual principal amount of not less than the Threshold Amount (including all amounts owing to creditors under any combined or syndicated credit arrangement) shall, in whole or in part, cease to be effective or cease to be legally valid, binding and enforceable against the holders of any such Junior Financing, if applicable; or

(m) *Change of Control.* There occurs any Change of Control.

SECTION 10.2 Remedies upon Event of Default.

(a) If any Event of Default occurs and is continuing, the Administrative Agent may, and, at the request of the Requisite Lenders shall, take any or all of the following actions:

(i) declare the Commitments of each Lender and any obligation of the Issuers to make L/C Credit Extensions to be terminated, whereupon such Commitments and obligation shall be terminated;

(ii) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(iii) require that the Borrowers Cash Collateralize the Letter of Credit Obligations (in an amount equal 103% of the then Outstanding Amount thereof); and

(iv) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and/or applicable Law;

provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under any Debtor Relief Law, the Commitments of each Lender and any obligation of the Issuers to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrowers to Cash Collateralize the Letter of Credit Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

(b) The Borrowers hereby irrevocably waives the right to direct the application of any and all payments in respect of the Obligations and any proceeds of Collateral after the occurrence and during the continuance of an Event of Default and agrees that during the continuance of a Specified Event of Default, the Administrative Agent may in its sole discretion, or upon the written direction of the Requisite Lenders, deliver a notice to each Approved Account Bank instructing them to cease complying with any instructions from any Loan Party and to transfer all funds therein to the Administrative Agent and the Administrative Agent shall apply all payments in respect of any Obligations and all funds on deposit in the Concentration Account and all other proceeds of Collateral in the order specified in *Section 10.3*.

(c) Notwithstanding anything to the contrary, if the only Events of Default then having occurred and continuing are the failure to comply with *Section 6.1* with respect to the Test Period most recently ended, then the Administrative Agent may not take any of the actions set forth in *subclauses (i), (ii), (iii) and (iv) of Section 10.2(a)* during the period commencing on the date that the Administrative Agent receives a Notice of Intent to Cure and ending on the Cure Expiration Date with respect thereto in accordance with and to the extent permitted by *Section 10.4*.

SECTION 10.3 Application of Proceeds. After the occurrence of an Event of Default and the exercise of remedies provided for in *Section 10.2* (or after the Loans have automatically become immediately due and payable and the Letter of Credit Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to *Section 10.2(a)*), any amounts received on account of the Obligations shall, subject to the provisions of *Section 2.16*, be applied by the Administrative Agent in the following order:

First, ratably, to pay Obligations in respect of any fees, indemnities, expense reimbursements, and other amounts (including (x) Attorney Costs of the Administrative Agent or the Collateral Agent and (y) Protective Advances made by the Administrative Agent or its Affiliates or branches and any interest in respect thereof) then due to the Administrative Agent or the Collateral Agent or any of its Affiliates or branches (other than in respect of Secured Hedge Agreements or Cash Management Obligations);

Second, ratably, to pay any Obligations in respect of fees, indemnities, expense reimbursements, and other amounts (excluding principal, interest and Letter of Credit Fees owed to the Revolving Credit Lenders in their respective capacities as such) then due to the Revolving Credit Lenders and any Issuer (other than in respect of Secured Hedge Agreements or Cash Management Obligations);

Third, ratably, to pay Obligations in respect of Letter of Credit Fees and interest due and payable in respect of the Revolving Credit Facility (other than to the extent interest is paid pursuant to clause *First* above, any Protective Advances);

Fourth, ratably, to pay principal of any Swing Loans and, to the extent not paid pursuant to clause *First* above, of any Protective Advances;

Fifth, ratably, to pay principal on the Loans (other than the Protective Advances, Swing Loans and FILO Loans) and unreimbursed Letter of Credit Borrowings;

Sixth, to pay an amount to the Administrative Agent equal to 103% of the Letter of Credit Obligations on such date, to be held in the Concentration Account as Cash Collateral for such Obligations;

Seventh, ratably, to pay any Obligations in respect of fees, indemnities, expense reimbursements, and other amounts (excluding principal and interest owed to the FILO Lenders in their respective capacities as such) then due to the FILO Lenders;

Eighth, ratably, to pay Obligations in respect of interest due and payable in respect of the FILO Facility;

Ninth, ratably, to pay principal on the FILO Loans;

Tenth, ratably, to pay outstanding Obligations in respect of Secured Hedge Agreements and Cash Management Obligations provided by any other Secured Party and for which an Availability Reserve has been implemented and is in effect;

Eleventh, ratably, to pay any remaining outstanding Obligations in respect of Secured Hedge Agreements and Cash Management Obligations due to any Secured Party;

Twelfth, ratably, to the payment of any other Obligation due to the Secured Parties; and

Thirteenth, after all of the Obligations have been paid in full, to the Borrowers or as the Borrowers shall direct or as otherwise required by Law.

Subject to Sections 2.4, 2.16, 8.12 and 10.5, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause *Sixth* above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above and, if no Obligations remain outstanding, to the Borrowers.

Notwithstanding the foregoing, if sufficient funds are not available to fund all payments to be made in respect of any Secured Obligation described in any of clauses *First* through *Twelfth* above, the available funds being applied with respect to any such Secured Obligation (unless otherwise specified in such clause) shall be allocated to the payment of such Secured Obligation ratably, based on the proportion of the Administrative Agent's, the Collateral Agent's and each applicable Lender's or Issuer's interest in the aggregate outstanding Secured Obligations described in such clauses; *provided, however*, that payments that would otherwise be allocated to the Lenders shall be allocated *first* to repay Protective Advances and Swing Loans *pro rata* until such Protective Advances and Swing Loans are paid in full and *then* to repay the Loans. The order of priority set forth in clauses *First* through *Twelfth* above may at any time and from time to time be changed by the agreement of all Lenders without necessity of notice to or consent of or approval by the Borrowers, any Secured Party that is not a Lender or Issuer or by any other Person that is not a Lender or Issuer. The order of priority set forth in clauses *First* through *Twelfth* above may be changed only with the prior written consent of the Administrative Agent in addition to that of all Lenders. Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to the Obligations otherwise set forth above in this Section.

SECTION 10.4 *Right to Cure*.

(a) Notwithstanding anything to the contrary contained in Section 10.1, in the event of any Event of Default under Section 6.1, following delivery of a Notice of Intent to Cure in accordance herewith and until the expiration of the tenth (10th) Business Day after the date on which the Consolidated Fixed Charge Coverage Ratio calculation is required to be delivered pursuant to Section 6.1 or Section 7.2(a) (such date, the "*Cure Expiration Date*"), Holdings may designate any portion of the Net Cash Proceeds of any issuance of common (or, if on terms and conditions reasonably acceptable to the Administrative Agent, preferred) Equity Interests of any Loan Party or any cash capital contribution to the common or preferred equity of any Loan Party as an increase to Consolidated EBITDA with respect to such applicable Fiscal Quarter; *provided* that all such Net Cash Proceeds to be so designated (i) are actually received by the Loan Parties as cash common or preferred equity (including through capital contribution of such Net Cash Proceeds to the Loan Parties) after the date of such Notice of Intent to Cure and before the Cure Expiration Date and (ii) the aggregate amount of such Net Cash Proceeds or cash capital contribution that are so designated shall not exceed 100% of the aggregate amount necessary to cure such Event of Default under Article VI for any applicable Test Period.

(b) Upon receipt by the Loan Parties of any such designated Net Cash Proceeds or cash capital contribution (the "*Cure Amount*") in accordance with this Section 10.4, Consolidated EBITDA for any period of calculation which includes the last Fiscal Quarter of the Test Period ending immediately prior to the date on which such Cure Amount was received shall be increased, solely for the purpose of calculating the Consolidated Fixed Charge Coverage Ratio pursuant to Section 6.1, by an amount equal to the Cure Amount. The resulting increase to Consolidated EBITDA and any reduction in Indebtedness, if applicable, from designation of a Cure Amount shall not result in any adjustment to Consolidated EBITDA or any other financial definition for any purpose under this Agreement other than for purposes of calculating the Consolidated Fixed Charge Coverage Ratio pursuant to Section 6.1 and for additional clarification shall not adjust the calculation of Consolidated EBITDA for purposes of determining the Net Leverage Ratio, the Secured Leverage Ratio, the Interest Coverage Ratio or Consolidated Fixed Charge Coverage Ratio (other than for purposes of actual compliance with Section 6.1 as of the end of any applicable Test Period). Any Indebtedness prepaid with the proceeds of the Cure Amount shall be deemed outstanding for purposes of determining compliance with Section 6.1.

(c) If, after giving effect to the foregoing recalculations, the Loan Parties shall then be in compliance with the requirements of Section 6.1, the Loan Parties shall be deemed to have satisfied the requirements of Section 6.1 as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable existing breach or default of Section 6.1 shall be deemed cured for this purpose of the Agreement.

(d) In each period of four Fiscal Quarters, there shall be at least two (2) Fiscal Quarters for which Consolidated EBITDA is not increased by exercise of a cure pursuant to Section 10.4(a). Consolidated EBITDA may not be increased by the exercise of a cure pursuant to Section 10.4(a) more than four (4) times during the term of this Agreement.

(e) From the date of delivery of a Notice of Intent to Cure until the earlier to occur of the Cure Expiration Date and the date on which the Administrative Agent is notified by Holdings or the Lead Administrative Borrower that the required contribution will not be made, the Event of Default resulting from the breach of Section 6.1 for which the applicable Notice of Intent to Cure was delivered shall be deemed to exist for all

purposes of the Loan Documents, including, without limitation, conditions to funding (*provided* that, during such period, the exercise by the Administrative Agent of its rights or remedies with respect to such Event of

Default resulting from the breach of *Section 6.1* shall be subject to the provisions of *Section 10.2(c)*); and in the event the required contribution is not made by the Cure Expiration Date, the Administrative Agent and the Lenders shall have all rights and remedies available to them in respect of such Event of Default as provided in this Agreement and the other Loan Documents.

SECTION 10.5 Actions in Respect of Letters of Credit; Cash Collateral.

(a) *Certain Credit Support Events.* At any time (i) upon the Letter of Credit Expiration Date, (ii) after the aggregate funds on deposit in the Concentration Account to Cash Collateralize Letter of Credit Obligations shall be less than 103% of the Letter of Credit Obligations and (iii) as may be required by *Section 2.9*, *Section 2.16* or *Section 10.2*, the Borrowers shall pay to the Administrative Agent in Same Day Funds at the Administrative Agent's Office referred to in *Section 12.8*, for deposit in the Concentration Account, (x) in the case of *clauses (i)* and *(ii)* above, the amount required to that, after such payment, the aggregate funds on deposit in the Concentration Account counts equals or exceeds 103% of the sum of all outstanding Letter of Credit Obligations and (y) in the case of *clause (iii)* above, the amount required by *Section 2.9*, *Section 2.16* or *Section 10.2*. The Administrative Agent may, from time to time after funds are deposited in the Concentration Account, apply funds then held in the Concentration Account to the payment of any amounts, in accordance with *Section 2.9*, *Section 2.16* and *Section 10.2*, as shall have become or shall become due and payable by the Borrowers to the Issuers or Lenders in respect of the Letter of Credit Obligations. The Administrative Agent shall promptly give written notice of any such application; *provided, however*, that the failure to give such written notice shall not invalidate any such application. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby or amounts required hereunder, the Borrowers or the relevant Defaulting Lender will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(b) *Grant of Security Interest.* The Borrowers, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Collateral Agent, the applicable Issuer and the Lenders, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to *Section 10.5(c)*. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Collateral Agent or the applicable Issuer as herein provided, or that the total amount of such Cash Collateral is less than the amount required to be maintained pursuant to this Agreement, the Borrowers will, promptly upon demand by the Administrative Agent, pay or provide to the Collateral Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America.. The Borrowers shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) *Application.* Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this *Section 10.5* or *Sections 2.4*, *2.9*, *2.13* or *10.2* in respect of Letters of Credit or Swing Loans shall be held and applied to the satisfaction of the specific Letter of Credit Obligations, Swing Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such

obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may be provided for herein.

(d) *Release.* Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender or, as appropriate, its assignee following compliance with *Section 12.2(b)(vi)*) or (ii) the Administrative Agent's good faith determination that there exists excess Cash Collateral; *provided, however*, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of a Default or Event of Default (and following application as provided in this *Section 10.5* may be otherwise applied in accordance with *Section 10.3*), and (y) the Person providing Cash Collateral and the applicable Issuer or Swing Loan Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

ARTICLE XI.

THE ADMINISTRATIVE AGENT

SECTION 11.1 Appointment and Authorization.

(a) Each of the Lenders and the Issuers hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this *Article XI* (other than *Sections 11.6* and *11.11*) are solely for the benefit of the Administrative Agent, the Lenders and the Issuers, and neither the Borrowers nor any other Loan Party shall have rights as a third-party beneficiary of any such provisions.

(b) The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (including in its capacities as a potential Hedge Bank and/or Cash Management Bank) and the Issuers hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of (and to hold any security interest created by the Collateral Documents for and on behalf of or in trust for) such Lender and such Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to *Section 11.5* for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this *Article XI* and *Article XII* (including, without limitation, *Sections 11.3, 11.13, 12.3, 12.4* and *12.5*, as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Administrative Agent to execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto (including the Senior Notes Intercreditor Agreement), as contemplated by and in accordance with the provisions of this Agreement and the Collateral Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders.

(c) For the purposes of holding any hypothec granted pursuant to the Laws of the Province of Quebec, each of the and each of the Lenders (including in its capacities as a potential Hedge Bank and/or Cash Management Bank), the Issuers and the other Secured Parties hereby irrevocably appoints and authorizes the Collateral Agent and, to the extent necessary, ratifies the appointment and authorization of Collateral Agent, to act as the hypothecary representative of the applicable Secured Parties as contemplated under Article 2692 of the Civil Code of Quebec, and to enter into, to take and to hold on their behalf, and for their benefit, any hypothec, and to exercise such powers and duties that are conferred upon the Collateral Agent under any related deed of hypothec. The Collateral Agent shall have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Collateral Agent pursuant to any such deed of hypothec and applicable Law. Any person who becomes a Secured Party shall be deemed to have consented to and confirmed the Collateral Agent as the person acting as hypothecary representative holding the aforesaid hypothecs as aforesaid and to have ratified, as of the date it becomes a Secured Party, all actions taken by the Collateral Agent in such capacity. The substitution or replacement of the Collateral Agent pursuant to the provisions of this *Article XI* shall also constitute the substitution or replacement of the Collateral Agent as hypothecary representative as aforesaid.

~~SECTION 11.2 Rights as a Lender.~~

SECTION 11.2 Rights as a Lender. Any Person serving as an Agent (including as Administrative Agent) hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates and branches may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders. The Lenders acknowledge that, pursuant to such activities, any Agent or its Affiliates or branches may receive information regarding any Loan Party or any of its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that no Agent shall be under any obligation to provide such information to them.

SECTION 11.3 Exculpatory Provisions. Neither the Administrative Agent nor any other Agent shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, an Agent (including the Administrative Agent):

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing and without limiting the generality of the foregoing, the use of the term “agent” herein and in the other Loan Documents with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law and instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Requisite Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided that* no Agent shall be required to

take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrowers or any of their Affiliates that is communicated to or obtained by any Person serving as an Agent or any of its Affiliates or branches in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Requisite Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in *Sections 12.1 and 10.2*) or (ii) in the absence of its own gross negligence or willful misconduct as determined by the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein.

The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default is given to the Administrative Agent by a Loan Party, a Lender or an Issuer.

No Agent-Related Person shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, (vi) the satisfaction of any condition set forth in *Article IV* or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent, or (vii) to inspect the properties, books or records of any Loan Party or any Affiliate thereof.

SECTION 11.4 Reliance by the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the applicable Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Requisite Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Requisite Lenders (or such greater number of Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders; provided that the Administrative Agent shall not be required to take any action that, in its opinion or in the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable Law.

SECTION 11.5 Delegation of Duties.

The Administrative Agent or Collateral Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Documents by or through any one or more sub-agents appointed by the Administrative Agent or the Collateral Agent. The Administrative Agent, the Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Agent-Related Persons. The exculpatory provisions of this Article shall apply to any such sub-agent, and to the Agent-Related Persons of the Administrative Agent or the Collateral Agent and any such sub-agent, and shall apply to their respective activities in connection with the

syndication of the credit facilities provided for herein as well as activities as Administrative Agent or the Collateral Agent. The Administrative Agent and the Collateral Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final judgment that the Administrative Agent or the Collateral Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

SECTION 11.6 Resignation of Administrative Agent and Collateral Agent.

(a) The Administrative Agent or the Collateral Agent may at any time give notice of its resignation to the Lenders, the Issuers and the Borrowers. Upon receipt of any such notice of resignation, the Requisite Lenders shall have the right, with the consent of the Lead Administrative Borrower at all times other than during the existence of an Event of Default (which consent of the Lead Administrative Borrower shall not be unreasonably withheld, conditioned or delayed), to appoint a successor, which shall be a Lender or a bank with an office in the United States, or an Affiliate or branch of any such Lender or bank with an office in the United States. If no such successor shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent or Collateral Agent, as applicable, gives notice of its resignation, then the retiring Administrative Agent or Collateral Agent, as applicable, may on behalf of the Lenders and the Issuers, appoint a successor Administrative Agent or Collateral Agent, as applicable, meeting the qualifications set forth above; *provided* that if the Administrative Agent or the Collateral Agent shall notify the Lead Administrative Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent or Collateral Agent, as applicable, shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent or the Collateral Agent on behalf of the Lenders or the Issuers under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor of such Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring Administrative Agent or Collateral Agent, as applicable, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and each Issuer directly, until such time as the Requisite Lenders appoint a successor Administrative Agent as provided for above in this Section 11.6. Upon the acceptance of a successor's appointment as Administrative

Agent or Collateral Agent, as applicable, hereunder and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Requisite Lenders may request, in order to (i) continue the perfection of the Liens granted or purported to be granted by the Collateral Documents or (ii) otherwise ensure that the Collateral and Guarantee Requirement is satisfied, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired), as applicable, Administrative Agent or Collateral Agent (other than any rights to indemnity payments or other amounts owed to the retiring (or retired) Administrative Agent or Collateral Agent), and the retiring Administrative Agent or Collateral Agent, as applicable, shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 11.6). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 12.3, 12.4 and 12.5 shall continue in effect for the benefit of such retiring Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them (i) while the retiring Agent was acting as Administrative Agent or Collateral Agent, as applicable and (ii) after such resignation for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including (a) acting as collateral agent or otherwise holding any collateral security on behalf of any of the Lenders and (b) in respect of any actions taken in connection with transferring the agency to any successor Agent.

(b) Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an Issuer and Swing Loan Lender. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuer and Swing Loan Lender, (ii) the retiring Issuer and Swing Loan Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor Issuer shall issue letters of credit in substitution for the Letters of Credit issued by Bank of America, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring Issuer to effectively assume the obligations of the retiring Issuer with respect to such Letters of Credit.

SECTION 11.7 Non-Reliance on Administrative Agent and Other Lenders; Disclosure of Information by Agents.

Each Lender and each Issuer acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by any Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to each Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of an investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their respective Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own

decision to enter into this Agreement and to extend credit to the Borrowers and the other Loan Parties hereunder. Each Lender and each Issuer also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Agent-Related Persons and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as

it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrowers and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by any Agent herein, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their respective Affiliates which may come into the possession of any Agent-Related Person.

SECTION 11.8 No Other Duties; Other Agents, Arrangers, Managers, Etc.

Anything herein to the contrary notwithstanding, none of the Arrangers, Co-Syndication Agents or Co-Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, the Collateral Agent or a Lender hereunder and such Persons shall have the benefit of this *Article XI*. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any agency or fiduciary or trust relationship with any Lender, Holdings, the Borrowers or any of their respective Subsidiaries. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

SECTION 11.9 Acceptable Intercreditor Agreements. The Administrative Agent and the Collateral Agent are authorized to enter into any Acceptable Intercreditor Agreement, and the parties hereto acknowledge that each such Acceptable Intercreditor Agreement shall be binding upon them. To the extent applicable, each Lender (a) hereby consents to the subordination of the Liens on the Collateral other than the Current Asset Collateral securing the Obligations on the terms set forth in any Acceptable Intercreditor Agreement, (b) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any Acceptable Intercreditor Agreement and (c) hereby authorizes and instructs the Administrative Agent and the Collateral Agent to enter into any Acceptable Intercreditor Agreement and to subject the Liens on the Collateral securing the Obligations to the provisions thereof. The foregoing provisions are intended as an inducement to the Secured Parties to extend credit to the Borrowers and such Secured Parties are intended third-party beneficiaries of such provisions and the provisions of each Acceptable Intercreditor Agreement.

SECTION 11.10 Administrative Agent May File Proofs of Claim.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or Letter of Credit Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Letter of Credit Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuers and the Administrative Agent under Sections 2.12, 12.3 and 12.4) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, interim receiver, assignee, trustee, monitor, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and each Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 2.12, 12.3 and 12.4.

Nothing contained herein shall be deemed to authorize the Administrative Agent to, or authorize or consent to or accept or adopt on behalf of any Lender or any Issuer, any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuer in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Requisite Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of

the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any other Debtor Relief Laws or similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Requisite Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Requisite Lenders contained in *clauses (a) through (m) of Section 12.1*), (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

SECTION 11.11 Collateral and Guaranty Matters.

Without limiting the provisions of *Section 11.10*, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the Issuers irrevocably authorizes the Administrative Agent and the Collateral Agent to, and the Administrative Agent and the Collateral Agent agree that they will:

(a) release any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document (i) upon the occurrence of the Obligations Payment Date, (ii) at the time the property subject to such Lien is transferred or is to be transferred as part of or in connection with any transfer permitted hereunder or under any other Loan Document to any Person (other than any other Loan Party), (iii) if the release of such Lien is approved, authorized or ratified in writing by the Requisite Lenders (or such greater proportion of the Lenders as may be required by *Section 12.1*), or (iv) if the property subject to such Lien is owned by a Loan Party (other than Holdings or the Lead Administrative Borrower), upon release of such Loan Party from its obligations under the Loan Documents pursuant to *Section 11.11(c)*;

(b) subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by *Section 9.1(i)*;

(c) release any Loan Party (other than Holdings or the Lead Administrative Borrower) from its obligations under the Loan Documents if such Person becomes an Excluded Subsidiary as a result of a transaction or designation permitted hereunder; *provided* that no such release shall occur if any such Person continues to Guarantee the Senior Notes Indebtedness, the Untendered Existing 2024 Notes Indebtedness or any Material Indebtedness of a Loan Party (or, in each case, any Permitted Refinancing thereof);

(d) if any Loan Party (other than the Lead Administrative Borrower) shall cease to be a Subsidiary as a result of a transaction permitted hereunder (as certified in writing by a Responsible Officer of the Lead Administrative Borrower), and the Lead Administrative Borrower notifies the Administrative Agent in writing that it wishes such Loan Party to be released from its obligations under the Loan Documents and provides the Administrative Agent and the Collateral Agent such certifications or documents as either such Agent shall reasonably request, (i) release such Subsidiary from its obligations under the Loan Documents and (ii) release any Liens granted by such Subsidiary or Liens on the Equity Interests of such Subsidiary; *provided* that no such release shall occur if such Subsidiary continues to Guarantee the Senior Notes Indebtedness, the Untendered Existing 2024 Notes Indebtedness or any Material Indebtedness of a Loan Party (or, in each case, any Permitted Refinancing thereof); and

(e) if any Loan Party incurs any Lien on the Collateral permitted by *Section 9.1*, enter into any Acceptable Intercreditor Agreement to the extent the execution of such Acceptable Intercreditor Agreement is contemplated by the terms of this Agreement in connection with such Lien.

Upon request by the Administrative Agent or the Collateral Agent at any time, the Requisite Lenders will confirm in writing the Administrative Agents and/or the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty pursuant to this *Section 11.11*. In each case as specified in this *Section 11.11*, the

applicable Agent will (and each Lender irrevocably authorizes the Administrative Agent and the Collateral Agent to), at the Borrowers' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of

Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Subsidiary Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this *Section 11.11*.

No Agent shall have any liability whatsoever to any Secured Party as a result of effectuating or execution any document evidencing the release of Collateral or any Loan Party by it as permitted (or which such Agent believes in good faith to be permitted) by this *Section 11.11*, and any execution and delivery of documents by any Agent pursuant to this *Section 11.11* shall be without recourse to or warranty by such Agent.

No Agent shall be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent or the Collateral Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

SECTION 11.12 Secured Cash Management Agreements and Secured Hedge Agreements.

(a) Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Cash Management Bank or Hedge Bank that obtains the benefits of *Section 10.3*, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this *Article XI* to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

(b) Each Secured Party hereby agrees that the benefit of the provisions of the Loan Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Secured Party that is not an Agent, a Lender or an Issuer party hereto as long as, by accepting such benefits, such Secured Party agrees, as among the Administrative Agent and all other Secured Parties, that such Secured Party is bound by (and, if requested by the Administrative, shall confirm such agreement in a writing in form and substance reasonably acceptable to the Administrative Agent) this *Article XI* and *Sections 3.1, 3.2, 12.4, 12.6, 12.19, 12.23 and 12.26* and any Acceptable Intercreditor Agreement, and the decisions and actions of any Agent and the Requisite Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders or other parties hereto as required herein) to the same extent a Lender is bound; *provided, however*, that, notwithstanding the foregoing, (x) such Secured Party shall be bound by the provisions set forth above only to the extent of liabilities, reimbursement obligations, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements with respect to or otherwise relating to the Liens and Collateral held for the benefit of such Secured Party, in which case the obligations of such Secured Party thereunder shall not be limited by any concept of pro rata share or similar concept, (y) each of the Agents, the Lenders and the Issuers party hereto shall be entitled to act at its sole discretion, without regard to the interest of such Secured Party, regardless of whether any Obligation to such Secured Party thereafter remains outstanding, is deprived of the benefit of the Collateral,

becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Party or any such Obligation and (z) such Secured Party shall not have any right to be notified of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under any Loan Document.

SECTION 11.13 Indemnification of Agents.

Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Administrative Agent and each other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the Administrative Agent) (to the extent not reimbursed by or on behalf of any Loan Party and without limiting the obligation of any Loan Party to do so), pro rata, and hold harmless the Administrative Agent and each other Agent-Related Person (solely to the extent any such Agent-Related Person was performing services on behalf of the Administrative Agent) from and against any and all Indemnified Liabilities incurred by it; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Agent-Related Person's own gross negligence, bad faith or willful misconduct, as determined by the final, non-appealable judgment of a court of competent jurisdiction; provided that no action taken in accordance with the directions of the Requisite Lenders (or such other number or percentage of the Lenders as shall be required by the Loan Documents) shall be deemed to constitute gross negligence, bad faith or willful misconduct for purposes of this *Section 11.13*.

In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section 11.13 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrowers, *provided* that such reimbursement by the Lenders shall not affect the Borrowers' continuing reimbursement obligations with respect thereto, *provided further* that the failure of any Lender to indemnify or reimburse the Administrative Agent shall not relieve any other Lender of its obligation in respect thereof. For purposes hereof, a Lender's pro rata share or ratable share shall be determined based upon its share of the sum of the total Revolving Credit Exposures, outstanding FILO Loans and other Loans and unused Commitments at the time. The undertaking in this Section 11.13 shall survive termination of the Commitments, the payment of all other Obligations and the resignation of the Administrative Agent, the Swing Loan Lender or any Issuer.

SECTION 11.14 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 Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with 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 Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 11.15 Security Trustee.

(a) In this Agreement, any Bermuda Collateral Document, any English Collateral Document or any Irish Collateral Document, and any rights and remedies exercisable by, any documents to be delivered to, or any other indemnities or obligations in favor of the Collateral Agent shall be, as the case may be, exercisable by, delivered to, or be indemnities or other obligations in favor of, the Collateral Agent (or any other Person acting in such capacity) in its capacity as security trustee of Secured Parties to the extent that the rights, deliveries, indemnities or other obligations relate to the Bermuda Collateral Documents, the English Collateral Documents or the Irish Collateral Documents, or, in each case, the security thereby created.

Any obligations of the Collateral Agent (or any other Person acting in such capacity) in this Agreement, the Bermuda Collateral Documents, the English Collateral Documents or the Irish Collateral Documents, shall be obligations of the Collateral Agent in its capacity as security

trustee of Secured Parties to the extent that the obligations relate to the Bermuda Collateral Documents, the English Collateral Documents or the Irish Collateral Documents or, in each case, the security thereby created. Additionally, in its capacity as security trustee of the Secured Parties, the Collateral Agent (or any other Person acting in such capacity) shall have (a) all the rights, remedies and benefits in favor of the Collateral Agent contained in the provisions of the whole of this *Article XI*; (b) all the powers of an absolute owner of the security constituted by the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents, and (c) all the rights, remedies and powers granted to it and be subject to all the obligations and duties owed by it under the Bermuda Collateral Documents, the English Collateral Documents or the Irish Collateral Documents and/or any of the other Loan Documents.

(b) Each Secured Party hereby appoints the Collateral Agent to act as its trustee under and in relation to the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents, and to hold the assets subject to the security thereby created as trustee for Secured Parties on the trusts and other terms contained in the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents, and each Secured Party hereby irrevocably authorizes the Collateral Agent in its capacity as security trustee of Secured Parties to exercise such rights, remedies, powers and discretions as are specifically delegated to the Collateral Agent as security trustee of the Secured Parties by the terms of the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents, together with all such rights, remedies, powers and discretions as are reasonably incidental thereto.

(c) Any reference in this Agreement to Liens stated to be in favor of the Collateral Agent shall be construed so as to include a reference to Liens granted in favor of the Collateral Agent in its capacity as security trustee of Secured Parties.

(d) The Secured Parties agree that if at any time that the Person acting as security trustee of the Secured Parties in respect of the Bermuda Collateral Documents, the English Collateral Documents or the Irish Collateral Documents shall be a Person other than the Collateral Agent, such other Person shall have the rights, remedies, benefits and powers granted to the Collateral Agent in its capacity as security trustee of Secured Parties under this Agreement, the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents.

(e) Nothing in *Section 11.15* shall require the Collateral Agent in its capacity as security trustee of Secured Parties under this Agreement, the Bermuda Collateral Documents, the English Collateral Documents and the Irish Collateral Documents to act as a trustee at common law or to be holding any property on trust, in any jurisdiction that is not a Covered Jurisdiction which may not operate under principles of trust or where such trust would not be recognized or its effects would not be enforceable.

SECTION 11.16 Reports and Financial Statements. By signing this Agreement, each Lender (and with respect to clause (a), each Secured Party):

(a) agrees to furnish the Administrative Agent at its written request, and at such frequency as the Administrative Agent may reasonably request in writing, with a summary of all Obligations of any Loan Party arising under any Secured Hedge Agreement and all Cash Management Obligations due or to become due to such Lender or its Affiliates or branches;

(b) is deemed to have requested that the Administrative Agent furnish such Lender, promptly after they become available, copies of all financial statements (and other information) required to be delivered by the Borrowers under *Section 7.1* and *Section 7.2*, all

commercial finance examinations and appraisals of the Collateral received by the Administrative Agent (collectively, the “*Reports*”), and the notices delivered by the Borrowers under *Section 7.3*, and the Administrative Agent agrees to furnish the same promptly to the Lenders (which Reports may be furnished in accordance with the penultimate paragraph of *Section 6.1*);

(c) expressly agrees and acknowledges that the Administrative Agent makes no representation or warranty as to the accuracy of the Reports, and shall not be liable for any information contained in any Report;

(d) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Administrative Agent or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(e) agrees to keep all Reports confidential in accordance with the provisions of *Section 12.17* hereof; and

(f) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Administrative Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any credit extensions that the indemnifying Lender has made or may

make to the Borrowers, or the indemnifying Lender's participation in Swing Loans and Letters of Credit, or the indemnifying Lender's purchase of, Loans of the Borrowers; and (ii) to pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Administrative Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender in violation of the terms hereof.

SECTION 11.17 Canadian Anti-Money Laundering Legislation. If the Administrative Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of the Proceeds of Crime Act and other applicable anti-terrorism Laws and "know your client" policies, regulations, Laws or rules (the Proceeds of Crime Act and such other anti-terrorism Laws, applicable policies, regulations, Laws or rules, collectively, including any guidelines or orders thereunder, "AML Legislation"), then the Administrative Agent:

(a) shall be deemed to have done so as an agent for each Lender and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of the applicable AML Legislation; and

(b) shall provide to the Administrative Agent, copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each Lender agrees that the Administrative Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Loan Parties or any such authorized signatory in doing so.

SECTION 11.18 Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment

hereunder in error to any Lender or any Issuer (the "Applicable Credit Party"), whether or not in respect of an Obligation due and owing by any Borrower or any other Loan Party at such time, where such payment is a Rescindable Amount, then in any such event, each Applicable Credit Party receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Applicable Credit Party in Same Day Funds in the currency so received, together with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate. Each Applicable Credit Party irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Applicable Credit Party promptly upon determining that any payment made to such Applicable Credit Party comprised, in whole or in part, a Rescindable Amount.

ARTICLE XII.

MISCELLANEOUS

SECTION 12.1 Amendments, Etc. Except as otherwise set forth in this Agreement (including, without limitation, in Sections 2.15, 2.17, and 3.3(c)), no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers or any other Loan Party therefrom, shall be effective unless in writing signed by the Requisite Lenders and the Borrowers or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided that*, no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender without the written consent of each Lender directly affected thereby (it being understood that (i) a waiver of any condition precedent set forth in Section 4.2 and (ii) the waiver of any Default, mandatory prepayment or mandatory reduction of any Commitment shall not constitute an extension or increase of any Commitment of any Lender);

(b) amend, modify or waive any condition set forth in Section 4.2 as to any Credit Extension under a particular Facility without the written consent of the Requisite Revolving Lenders or the Requisite FILO Lenders, as applicable;

(c) postpone any date scheduled for, or reduce or forgive the amount of, any payment of principal, interest, or fees due to the Lenders hereunder without the written consent of each Lender directly affected thereby, it being understood that the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans shall not constitute a postponement of any date scheduled for the payment of principal or interest;

(d) reduce or forgive the principal of, or the rate of interest specified herein on, any Loan or Letter of Credit Borrowing, or (subject to clause (iii) of the second proviso to this Section 12.1) any fees or other amounts payable hereunder or under any other Loan Document (or extend the timing of any payment of such fees or other amounts) without the written consent of each Lender directly affected thereby (it being understood that any change to any component of "Excess Availability" shall not constitute a reduction or forgiveness in the rate of interest); *provided that* (i) only the

consent of the Requisite Revolving Lenders shall be necessary to (x) amend the definition of "Default Rate" or (y) waive any obligation of the Borrowers to pay interest at the Default Rate, in each case, as it relates to Obligations in respect of the Revolving Credit Facility, and (ii) only the consent of the Requisite FILO Lenders shall be

shall be necessary to (x) amend the definition of "Default Rate" or (y) waive any obligation of the Borrowers to pay interest at the Default Rate, in each case, as it relates to Obligations in respect of the FILO Facility;

(e) (i) change any provision of this *Section 12.1* or change the definition of "Requisite Lenders" without the written consent of each Lender, (ii) change the definition of "Requisite Revolving Lenders" or "Requisite Supermajority Revolving Lenders" without the written consent of each Revolving Credit Lender, (iii) change the definition of "Requisite FILO Lenders" without the written consent of each FILO Lender, or (iv) change any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender affected thereby;

(f) other than in a transaction permitted under *Section 9.4* or *9.5*, release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;

(g) except to the extent provided in *Section 11.11(c)* or *11.11(d)* (in which case such release may be made by the Administrative Agent acting alone), release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender;

(h) change the definition of the term "Revolving Borrowing Base" or any component definition thereof, or increase the advance rates applied to eligible assets in the Revolving Borrowing Base, if as a result thereof the amounts available to be borrowed by the Borrowers would be increased, without the written consent of the Requisite Supermajority Revolving Lenders and each FILO Lender, *provided* that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Availability Reserves or Inventory Reserves without the consent of any Lenders;

(i) change the definition of the term "FILO Borrowing Base" or any component definition thereof, or increase the advance rates applied to eligible assets in the FILO Borrowing Base, if as a result thereof the amounts available to be borrowed by the Borrowers would be increased, without the written consent of each FILO Lender, *provided* that the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Availability Reserves or Inventory Reserves without the consent of any Lenders;

(j) change the definition of "FILO Deficiency Reserve" (or any component definition of such term), or cease to deduct from the Revolving Borrowing Base (or fail to establish or maintain) the FILO Deficiency Reserve, without the written consent of each FILO Lender;

(k) except as provided by operation of applicable Law or in any Acceptable Intercreditor Agreement, without the written consent of each Lender directly affected thereby, (i) subordinate any Obligations hereunder to any other Indebtedness, or (ii) subordinate the Liens granted hereunder or under the other Loan Documents to any other Lien;

(l) amend *Sections 2.9, 12.6* or *12.7* in a manner that would alter the *pro rata* sharing or application of payments required thereto or change the order of the application of funds specified in *Section 10.3*, in either case, without the written consent of each Lender directly affected thereby;

(m) amend *Section 1.11* or the definition of "Alternative Currency", without the written consent of each Lender directly affected thereby;
or

(n) amend the definition of "Covered Loan Party Jurisdiction" or *Section 2.14* to permit a Borrower to be organized in any jurisdiction other than the United States, Canada or England and Wales, without the written consent of each Lender directly affected thereby.

and *provided further* that (i) no amendment, waiver or consent shall, unless in writing and signed by each Issuer in addition to the Lenders required above, affect the rights or duties of an Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Loan Lender in addition to the Lenders required above, affect the rights or duties of the Swing Loan Lender under this Agreement; (iii) (x) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document and (y) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; (iv) *Section 12.2(g)* may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification; (v) the consent of Requisite Revolving Lenders shall be required with respect to any amendment that by its terms adversely affects the rights of the Lenders under the Revolving Credit Facility in respect of payments hereunder in a manner different than such amendment affects any other Facility; and (vi) the consent of Requisite FILO Lenders shall be required with respect to any amendment that by its terms adversely affects the rights of the

Lenders under the FILO Facility in respect of payments hereunder in a manner different than such amendment affects any other Facility. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders, the Requisite Lenders, the Requisite Supermajority Revolving Lenders, the Requisite FILO Lenders, or each affected Lender, as applicable, may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) any waiver, amendment or modification that would otherwise require the consent of such Lender under *Section 12.1(a), 12.1(c) or 12.1(d)*, shall require that consent of such Defaulting Lender, and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary herein (including the other provisions of this *Section 12.1*), (a) the Administrative Agent may, with the prior written consent of the Lead Administrative Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to (i) to comply with local Law or advice of local counsel, (ii) cure any omission, mistake, defect or inconsistency or (iii) to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties or to cause any Collateral Document to be consistent with this Agreement and the other Loan Documents; *provided that* the Administrative Agent shall post any such amendment to the Lenders (which may be posted to the Platform) reasonably promptly after the effectiveness thereof, and (b) this Agreement may be amended, amended and restated or otherwise supplemented or modified without the consent of a Lender (but with the consent of the Borrowers and the Administrative Agent) if, upon giving effect to such amendment, amendment and restatement or other supplement or modification, such Lender shall no longer be a party to this Agreement (as so amended, amended and restated or otherwise supplemented or modified), the Commitments of such Lender shall have terminated (but such Lender shall be entitled to the benefits of the provisions of this Agreement which expressly survive the termination of such Lender's Commitments or the repayment of the Obligations owing to such Lender), such Lender shall have no other obligation to provide additional Credit Extensions to the Borrowers under this Agreement and such Lender shall have

been paid in full all Obligations (other than (i) unasserted contingent indemnification Obligations and (ii) any Obligations relating to Swap Contracts that, at such time, are allowed by the applicable Hedge Bank to remain outstanding without being required to be repaid) owing to it or accrued for its account under this Agreement.

If any Lender does not consent to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the consent of each Lender and that has been approved by the Requisite Lenders, the Borrowers may replace such non-consenting Lender in accordance with *Section 3.8*; *provided that* such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such *Section* (together with all other such assignments required by the Borrowers to be made pursuant to this paragraph).

SECTION 12.2 Successors and Assigns.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that none of Holdings, any Borrower or any other Loan Party may, except as permitted by *Section 9.4*, assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of *subsection (b)* of this Section, (ii) by way of participation in accordance with the provisions of *subsection (d)* of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of *subsection (f)* of this Section, or (iv) to an SPC in accordance with the provisions of *subsection (g)* of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in *subsection (d)* of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders.* Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans (including for purposes of this *subsection (b)*, participations in Letter of Credit Obligations and in Swing Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment under any Facility (or, as applicable, a Class of Commitments under a Facility) and the Loans of any Class under any Facility at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or branch or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, (x) the aggregate amount of the Revolving Credit Commitment of any Class (which for this purpose includes Loans of each Class outstanding thereunder) or, if the Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Revolving Loans of such Class of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the

Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 and (y) the aggregate amount of the FILO Commitment and/or FILO Loans of any Class of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if a "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$1,000,000, unless in either case of clause (x) or (y), each of the Administrative Agent and, so long as no Event of Default under Section 10.1(a) or (f), solely with respect to the Borrowers, has occurred and is continuing, the Lead Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld, conditioned or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) *Proportionate Amounts.* Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the applicable Loans or the Commitment assigned, except that this clause (ii) shall not (1) apply to rights in respect of the Swing Loan Lender's rights and obligations in respect of Swing Loans or (2) prohibit any Lender from assigning all or a portion of its rights and obligations among any Class of Commitments or Loans or among the Facilities under this Agreement on a non-pro rata basis;

(iii) *Required Consents.* No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Lead Administrative Borrower (such consent not to be unreasonably withheld, conditioned, or delayed) shall be required unless (1) an Event of Default under Section 10.1(a) or, solely with respect to the Borrowers, Section 10.1(f), has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate or branch of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required unless such assignment is (x) in respect of the Revolving Facility, to a Person that is a Lender with a Revolving Commitment, an Affiliate or branch of such Lender or an Approved Fund with respect to such Lender or (y) in respect of the FILO Facility, to a FILO Lender, an Affiliate or branch of a FILO Lender or an Approved Fund;

(C) the consent of the Issuers (such consent not to be unreasonably withheld, conditioned, or delayed) shall be required for any assignment in respect of the Revolving Credit Facility; and

(D) the consent of the Swing Loan Lender (such consent not to be unreasonably withheld, conditioned, or delayed) shall be required for any assignment in respect of the Revolving Credit Facility;

(iv) *Assignment and Assumption.* The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption,

together with a processing and recordation fee of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The Eligible Assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. All assignments shall be by novation.

(v) *No Assignment to Certain Persons.* No such assignment shall be made (A) to Holdings, the Borrowers or any of the Borrowers' Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), (C) to a natural person or an investment vehicle of a natural person or (D) any Disqualified Institution (to the extent that the list of Disqualified Institutions has been provided to all Public Lenders on the Platform). To the extent that any assignment is purported to be made to a Disqualified Institutions (notwithstanding clause (D) of the foregoing sentence), such Disqualified Institutions shall be required immediately (and in any event within five (5) Business Days) to assign all Loans and Commitments then owned by such Disqualified Institutions to another Lender (other than a Defaulting Lender) or Eligible Assignee (and the Lead Administrative Borrower shall be entitled to seek specific performance in any applicable court of law or equity to enforce this sentence).

(vi) *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrowers and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, any Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Revolving Loans and participations in Letters of Credit and Swing Loans in accordance with its Revolving Commitment Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to *clause (c)* of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of *Sections 3.1, 3.2, 3.5, 3.6, 12.3, 12.4 and 12.5* with respect to facts and circumstances occurring prior to the effective date of such assignment and subject to its obligations thereunder; provided, that except to the extent otherwise

expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender). Upon request, and the surrender by the assigning Lender of its Revolving Credit Notes or FILO Notes, as applicable, the Borrowers (at their expense) shall execute and deliver one or more Revolving Credit Notes or FILO Notes, as applicable, to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with *subsection (d)* of this Section.

(c) *Register.* The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers (and such agency being solely for tax purposes), shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans and Letter of Credit Obligations (and the respective Class thereof) owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrowers, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice. This *Section 12.2(c)* and *Section 2.7* shall be construed so that all Loans are at all times maintained in "registered form" within the meaning of *Sections 163(f), 871(h)(2) and 881(c)(2)* of the Code and any related Treasury regulations (or any other relevant or successor provisions of the Code or of such Treasury regulations).

(d) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or an investment vehicle of a natural person, any Disqualified Institution to the extent that the list of Disqualified Institutions has been provided to all Public Lenders on the Platform, a Defaulting Lender or to Holdings, the Borrowers or any of the Borrowers' Affiliates or Subsidiaries) (each, a "*Participant*") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitments and/or the Loans of any Class (including such Lender's participations in Letter of Credit Obligations and/or Swing Loans) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agents, the other Lenders and the Issuers shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under *Section 11.13* without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or any other Loan Document; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to *Section 12.1* (other than *clauses (b) or (m)* of *Section 12.1*) that directly affects such Participant. Subject to *subsection (e)* of this Section, the Borrowers agree that each Participant shall be entitled (through the applicable Lender) to the benefits of *Sections 3.1, 3.2, 3.5 and 3.6* (subject to the requirements and limitations of such Sections (including the limitation in the definition of "Excluded Taxes"), and *Sections 3.7(a) and 3.8*, as if the Participant were a Lender) to the same

extent as if it were a Lender and had acquired its interest by assignment pursuant to *subsection (b)* of this Section. To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of *Section 12.6* as though it were a Lender, *provided* such Participant agrees to be subject to *Section 12.7* as though it were a Lender.

(e) *Limitations upon Participant Rights.* A Participant shall not be entitled to receive any greater payment under *Section 3.1, 3.2, 3.5 or 3.6* than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrowers' prior written consent. A Participant shall not be entitled to the benefits of *Sections 3.1 or 3.2* unless (i) the Borrowers are notified of the participation sold to such Participant, (ii) solely with respect to *Section 3.1*, the applicable Lender (acting solely for this purpose as a non-fiduciary agent of the Borrowers) maintains a register complying with the requirements of *Sections 163(f), 871(h) and 881(c)(2)* of the Code and the Treasury regulations issued thereunder relating to the exemption from withholding for portfolio interest on which is entered 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 this Agreement (the "*Participant Register*") and (iii) such Participant agrees, for the benefit of the Borrowers, to comply and does in fact comply with *Sections 3.1 or 3.2* as though it were a Lender. No Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under this Agreement) except to the extent that the relevant parties, acting reasonably and in good faith, determine that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under *Section 5f.103-1(c)* of the United States Treasury regulations. Unless otherwise required by the IRS, any disclosure required by the foregoing sentence shall be made by the relevant Lender directly and solely to the IRS. The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(f) Any Lender may, at any time, pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Revolving Credit Notes or FILO Notes, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a "*Granting Lender*") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers (an "*SPC*") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under *Section 2.13(e)*. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrowers under this Agreement (including its obligations under *Sections 3.1, 3.2, 3.5 and 3.6*, but such obligations under *Sections 3.1 and 3.2* as to an SPC will only exist if the SPC satisfies the requirements of *Sections 3.1 and 3.2* (as applicable) as if it were a Lender), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a

Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the applicable Commitment of the Granting Lender hereunder to the same extent, and as if, such Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the Laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrowers and the Administrative Agent and with the payment of a processing fee of \$3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(h) *Resignation as Issuer or Swing Loan Lender after Assignment.* Notwithstanding anything to the contrary contained herein, if at any time Bank of America or any other Issuer assigns all of its Revolving Credit Commitment and Revolving Loans pursuant to *subsection (b)* above, Bank of America or the applicable Issuer may, (i) upon thirty (30) days' notice to the Borrowers and the Lenders, resign as Issuer and/or (ii) if applicable, upon thirty (30) days' notice to the Borrowers, resign as Swing Loan Lender. In the event of any such resignation as Issuer or Swing Loan Lender, the Borrowers shall be entitled to appoint from among the Lenders a successor Issuer or Swing Loan Lender hereunder; *provided, however*, that no failure by the Borrowers to appoint any such successor shall affect the resignation of Bank of America or the applicable Issuer as Issuer or (as applicable)

Swing Loan Lender, as the case may be. If Bank of America or the applicable Issuer resigns as Issuer, it shall retain all the rights, powers, privileges and duties of an Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as Issuer and all Letter of Credit Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in unreimbursed amounts under Letters of Credit pursuant to *Section 2.4*). If Bank of America resigns as Swing Loan Lender, it shall retain all the rights of the Swing Loan Lender provided for hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Loans pursuant to *Section 2.3*. Upon the appointment of a successor Issuer and/or Swing Loan Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuer or Swing Loan Lender, as the case may be, and (b) the successor Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America or the applicable Issuer to effectively assume the obligations of Bank of America or the applicable Issuer with respect to such Letters of Credit.

SECTION 12.3 Costs and Expenses.

The Borrowers agree (a) to pay or reimburse the Administrative Agent and the Arrangers for all reasonable and documented out-of-pocket costs and expenses (including Attorney Costs) incurred in connection with the preparation, negotiation, syndication and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby (limited, in the case of legal fees and expenses, to

the Attorney Costs of one counsel to the Administrative Agent and the Arrangers taken as a whole and, if reasonably necessary, one local counsel of the Administrative Agent, the Arrangers, and the Lenders taken as a whole in each relevant jurisdiction), and (b) to pay or reimburse the Administrative Agent, the Issuers and the Lenders for all reasonable and documented out-of-pocket costs and expenses (including Attorney Costs) incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, but limited, in the case of legal fees and expenses, to the Attorney Costs of one counsel to the Administrative Agent, the Issuers and the Lenders taken as a whole (and, if reasonably necessary, one local counsel in any relevant jurisdiction and, in the event of an actual or potential conflict of interest between the Agents, the Issuers, and/or the Lenders, where the Person or Persons affected by such conflict of interest inform the Borrowers in writing of such conflict of interest, one additional counsel in each relevant jurisdiction to each group of affected Lenders similarly situated taken as a whole of the affected parties)). The agreements in this *Section 12.3* shall survive the termination of the Commitments and repayment of all other Obligations. All amounts due under this *Section 12.3* shall be paid within thirty (30) days following receipt by the Borrowers of an invoice relating thereto setting forth such expenses in reasonable detail and such supporting material as the Borrowers may reasonably request. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its sole discretion.

SECTION 12.4 Indemnities.

SECTION 12.4 Indemnities. The Borrowers shall indemnify and hold harmless the Agents, each Lender, each Issuer, the Arrangers and their respective Affiliates and their, and their Affiliates', branches, directors, officers, employees, agents, partners, trustees or advisors and other representatives (collectively the "*Indemnitees*") from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, reasonable and documented out-of-pocket expenses and disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (but, in the case of Attorney Costs, limited to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction, and in the case of an actual or potential conflict of interest between Indemnitees (where the Indemnitee(s) affected by such conflict of interest informs the Borrowers in writing of such conflict of interest), one additional counsel in each relevant jurisdiction to each group of affected Indemnitees similarly situated taken as a whole) (i) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (ii) any Commitment, Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by the Borrowers, any Subsidiary or any other Loan Party, or any Environmental Liabilities arising out of the activities or operations of the Borrowers, any Subsidiary or any other Loan Party, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the "*Indemnified Liabilities*"); *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such liabilities, obligations, losses, damages,

penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or of any affiliate, director, officer, employee or agent of such Indemnitee, (y) a material breach of any obligations under any Loan Document by such Indemnitee or of any Related Indemnified Person, in each case of *clauses* (x) and (y), as determined by a final, non-appealable judgment of a court of competent jurisdiction, or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent, collateral agent, issuer of Letters of Credit, or arranger or any similar role under the Facilities and other than any claims arising out of any act or omission of Holdings, the Borrowers or any of their Affiliates. To the extent that the undertakings to indemnify and hold harmless set forth in this *Section 12.4* may be unenforceable in whole or in part because they are violative of any applicable Law or public policy, the Borrowers shall contribute the maximum portion that it is permitted to pay and satisfy under applicable Law to the payment and satisfaction of all Indemnified Liabilities incurred by the Indemnitees or any of them. No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement (other than damages arising from the gross negligence, bad faith or willful misconduct of such Indemnitee or of any affiliate, director, officer, employee or agent of such Indemnitee as determined by a final, non-appealable judgment of a court of competent jurisdiction), nor shall any Indemnitee or any Loan Party have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date) (other than, in the case of any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party). In the case of an investigation, litigation or other proceeding to which the indemnity in this *Section 12.4* applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this *Section 12.4* shall be paid within thirty (30) days after written demand therefor; provided, however, that such Indemnitee shall promptly refund such amount to the extent that there is a final non-appealable order of a court of competent jurisdiction that such Indemnitee was not entitled to indemnification rights with respect to such payment pursuant to the express terms of this *Section 12.4*. The agreements in this *Section 12.4* shall survive the resignation of the Administrative Agent, the Collateral Agent, the Swing Loan Lender or any Issuer, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations. Without limiting the provisions of *Sections 3.1 and 3.2*, this *Section 12.4* shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

SECTION 12.5 Limitation of Liability.

The Loan Parties agree that no Indemnitee shall have any liability (whether in contract, tort or otherwise) to any Loan Party or any of their respective Subsidiaries or any of their respective equity holders or creditors for or in connection with the transactions contemplated hereby and in the other Loan Documents, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnitee's gross negligence or willful misconduct or bad faith or breach by such Indemnitee of its material obligations under this Agreement. In no event, shall any party hereto or any Indemnitee be liable on any theory of liability for any special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings but other than to the extent such damages would otherwise be subject to indemnification pursuant to the terms of *Section 12.4*). Each party hereto hereby waives, releases and agrees (each for itself and on behalf of its Subsidiaries) not to sue upon any such

claim for any special, indirect, consequential or punitive damages, whether or not accrued and whether or not known or suspected to exist in its favor. The agreements in this *Section 12.5* shall survive the resignation of the Administrative Agent, the Collateral Agent, the Swing Loan Lender or any Issuer, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

SECTION 12.6 Right of Set-off.

If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates and branches is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate or branch to or for the credit or the account of the Borrowers or any other Loan Party against any and all of the obligations of the Borrowers or such other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of *Section 2.16* and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and its Affiliates and branches under this Section are in addition to other rights

and remedies (including other rights of setoff) that such Lender or its Affiliates or branches may have. Each Lender agrees to notify the Borrowers and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 12.7 Sharing of Payments.

If, other than as expressly provided elsewhere herein, any Lender shall obtain payment in respect of any principal of or interest on account of the Loans made by it, or the participations in Letter of Credit Obligations and Swing Loans held by it (in each case, whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the applicable Loans made by them and/or, to the extent applicable, such subparticipations in the participations in Letter of Credit Obligations or Swing Loans held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment of principal of or interest on such Loans or such participations, as the case may be, pro rata with each of them; *provided* that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in *Section 12.14* (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other applicable Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. The provisions of this Section

shall not be construed to apply to the application of Cash Collateral provided for in *Sections 10.3 and 10.5*. For avoidance of doubt, the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement as in effect from time to time or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder. The Borrowers agree that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of set-off, but subject to *Section 12.6*) with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this *Section 12.7* and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this *Section 12.7* shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

SECTION 12.8 Notices and Other Communications: Facsimile Copies.

(a) *General.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in *subsection (b)* below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Holdings, the Borrowers, the Administrative Agent or the Collateral Agent, or to Bank of America in its capacity as an Issuer or as the Swing Loan Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on *Schedule 12.8*; and

(ii) if to any other Lender or Issuer, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by such Lender or Issuer on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrowers).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in *subsection (b)* below shall be effective as provided in such *subsection (b)*.

(b) *Electronic Communications.* Notices and other communications to the Lenders and the Issuers hereunder may be delivered or furnished by electronic communication (including e mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender or Issuer pursuant to *Article II* if such Lender or Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such *Article* by electronic

communication. The Administrative Agent, any Lender, any Issuer or the Borrowers may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

(c) *Receipt.* Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing *clause (i)* of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice 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.

(d) *The Platform.* THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Agent-Related Persons or any Arranger (collectively, the "*Agent Parties*") have any liability to Holdings, the Borrowers, any other Loan Party, any Lender, any Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrowers', any Loan Party's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence, bad faith or willful misconduct of such Agent Party; *provided, however*, that in no event shall any Agent Party have any liability to Holdings, the Borrowers, any other Loan Party, any Lender, any Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(e) *Change of Address.* Each of Holdings, the Borrowers, the Administrative Agent, each Issuer and the Swing Loan Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrowers, the Administrative Agent, each Issuer and the Swing Loan Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the

Platform and that may contain material non-public information with respect to the Loan Parties or their securities for purposes of United States Federal or state securities Laws.

(f) *Reliance by Administrative Agent, Issuers and Lenders.* The Administrative Agent, the Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing or Swing Loan Requests) purportedly given by or on behalf of the Borrowers or any other Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each Issuer, each Lender and the Agent-Related Persons of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrowers. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

SECTION 12.9 No Waiver; Cumulative Remedies

(a) No failure by any Lender, any Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent or the Collateral Agent in accordance with *Section 10.2* for the benefit of all the Secured Parties; *provided, however*, that the foregoing shall not prohibit (a) the Administrative Agent or Collateral Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent or the Collateral Agent) hereunder and under the other Loan Documents, (b) any Issuer or any Swing Loan Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as Issuer or Swing Loan Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with *Section 12.6* (subject to the terms of *Section 12.7*), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and *provided, further*, that if at any time there is no Person acting as Administrative Agent or Collateral Agent hereunder and under the other Loan Documents, then (i) the Requisite Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to *Section 10.2* and (ii) in addition to the matters set forth in *clauses (b), (c) and (d)* of the preceding proviso and subject to *Section 12.7*, any Lender may, with the consent of the Requisite Lenders, enforce any rights and remedies available to it and as authorized by the Requisite Lenders. The provisions of this *Section 12.9* are for the sole benefit of the Administrative Agent, the Collateral Agent and the other Secured Parties and shall not afford any right to, or constitute a defense available to, any Loan Party.

SECTION 12.10 Waiver of Immunities. Each Borrower, on behalf of itself and its Subsidiaries (and its and their respective process agents), and each such Person's properties and revenues of any kind, hereby irrevocably agrees that, to the extent that such

Borrower or any of its Subsidiaries or any such Person's properties or revenues has or may hereafter acquire any right of immunity, whether characterized as sovereign immunity or otherwise, from any legal proceedings, whether in a Covered Jurisdiction or elsewhere, to enforce or collect upon the Obligations, including immunity from service of process, immunity from jurisdiction or judgment of any court or tribunal, immunity from execution of a judgment, and immunity of any of its property or revenues from attachment prior to any entry of judgment, or from attachment in aid of execution upon a judgment, each Borrower, on behalf of itself and its Subsidiaries, hereby expressly waives, to the fullest extent permissible under applicable Law, any such immunity, and agrees not to assert any such right or claim in any such proceeding, whether in the United States or elsewhere (including a Covered Jurisdiction). Without limiting the generality of the foregoing, each Borrower further agrees that the waivers set forth in this *Section 12.10* shall have the fullest extent permitted under the Foreign Sovereign Immunities Act of 1976 (U.S.) and other applicable Law and are intended to be irrevocable for purposes of the Foreign Sovereign Immunities Act of 1976 (U.S.) and such other applicable Law.

SECTION 12.11 Binding Effect. This Agreement shall become effective when it shall have been executed by the Borrowers, Holdings and the Administrative Agent and the Administrative Agent shall have been notified by each Lender, Swing Loan Lender and each Issuer that each such Lender, Swing Loan Lender and Issuer has executed it and thereafter shall be binding upon and inure to the benefit of the Borrowers, Holdings, each Agent and each Lender and their respective successors and assigns.

SECTION 12.12 Governing Law; Submission to Jurisdiction; Service of Process.

(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF, BUT INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, 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 FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION 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. EACH PARTY HERETO AGREES THAT THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE LENDERS AND THE ISSUERS (BUT NOT THE BORROWERS OR ANY OTHER LOAN PARTY) RETAINS THE RIGHT TO BRING

PROCEEDINGS AGAINST THE BORROWERS OR ANY OTHER LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY LOAN DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.8. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. WITHOUT LIMITING THE FOREGOING, HOLDINGS AND EACH BORROWER THAT IS A FOREIGN SUBSIDIARY IRREVOCABLY DESIGNATES AND APPOINTS SIGNET TREASURY AS SUCH PERSON'S AUTHORIZED AGENT, TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF, SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY ACTION, LITIGATION OR PROCEEDING, AND AGREES THAT THE FAILURE OF SIGNET TREASURY TO GIVE ANY NOTICE OF ANY SUCH SERVICE SHALL NOT IMPAIR OR AFFECT THE VALIDITY OF SUCH SERVICE OR OF ANY JUDGMENT RENDERED IN ANY ACTION, LITIGATION OR PROCEEDING BASED THEREON. SIGNET TREASURY HEREBY CONFIRMS THAT IT HAS AGREED TO ACCEPT SUCH APPOINTMENT (AND ANY SIMILAR APPOINTMENT BY ANY OTHER PERSON THAT IS A FOREIGN SUBSIDIARY THAT BECOMES A PARTY TO THIS AGREEMENT AFTER THE CLOSING DATE). THE DESIGNATION AND APPOINTMENT MADE PURSUANT TO THE PRECEDING SENTENCE SHALL BE IRREVOCABLE BY SIGNET TREASURY, HOLDINGS AND EACH BORROWER THAT IS A FOREIGN SUBSIDIARY. IF THE FOREGOING APPOINTMENT IS TERMINATED FOR ANY REASON (INCLUDING IN CONNECTION WITH SIGNET TREASURY CEASING TO BE A LOAN PARTY) THE LEAD ADMINISTRATIVE BORROWER WILL APPOINT A REPLACEMENT AGENT FOR SERVICE OF PROCESS.

SECTION 12.13 Waiver of Jury Trial.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS

AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 12.14 Marshaling; Payments Set Aside.

None of the Administrative Agent, any Lender or any Issuer shall be under any obligation to marshal any assets in favor of the Loan Parties or any other party or against or in payment of any or all of the Obligations. To the extent that any payment by or on behalf of the Borrowers is made to any Agent, any Issuer or any Lender, or any Agent, any Issuer or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent, such Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Lender and each Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the Issuers under *clause (b)* of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

SECTION 12.15 Execution in Counterparts; Integration; Effectiveness.

This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents 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 Sections 4.1, this Agreement shall become effective when it shall have been executed by

the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 12.16 Electronic Execution; Electronic Records; Counterparts.

This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Holdings and each Borrower, on behalf of itself and each Subsidiary Guarantor, and each of the Agents, the Lenders and the Issuers agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted

into another format, for transmission, delivery and/or retention. The Agents and each of the Lenders and the Issuers may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("*Electronic Copy*"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, neither the Agents, any Issuer nor the Swing Loan Lender is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, (a) to the extent any Agent, any Issuer and/or the Swing Loan Lender has agreed to accept such Electronic Signature, the Agents and each of the Lenders and Issuers shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of Loan Party and/or any Lender or Issuer without further verification and (b) upon the request of any Agent, any Issuer or the Swing Loan Lender, any Electronic Signature shall be promptly followed by such manually executed counterpart.

Neither any Agent, any Issuer nor the Swing Loan Lender shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with any Agent's, any Issuer's or the Swing Loan Lender's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Agents, the Issuers and Swing Loan Lender shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution or signed using an Electronic Signature) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Holdings and each Borrower, on behalf of itself and each Subsidiary Guarantor, and each Lender and Issuer hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) waives any claim against any Agent, Lender or Issuer and each Related Party of any such Person for any liabilities arising solely from any Agent's, any Lender's and/or any Issuer's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature, unless such claims or liabilities arise from the gross negligence or willful misconduct of such Agent, Lender or Issuer, in each case, as determined by the final judgment of a court of competent jurisdiction.

SECTION 12.17 Confidentiality.

SECTION 12.17 Confidentiality. Each of the Agents, the Arrangers, the Lenders and the Issuers agrees to maintain the confidentiality of the Information in accordance with its customary procedures (set forth below), except that Information may be disclosed (a) to its Affiliates and branches and their and their Affiliates' officers, directors, employees, legal counsel, independent auditors and other experts or agents who need to know such information in connection with the Transactions and are informed of the confidential nature of such Information and instructed to keep such Information confidential; provided, such Agent, Arranger, Lender or Issuer, as applicable, shall remain liable for the compliance of such Affiliates and branches and their officers, directors and employees with this paragraph, (b) upon the request or demand of any regulatory authority having jurisdiction over such Agent, Arranger, Lender or Issuer, as

applicable, or any of its Affiliates or branches (in which case such Agent, Arranger, Lender or Issuer, as applicable, agrees to inform the Borrowers promptly thereof prior to such disclosure, unless such Person is prohibited by applicable Law from so informing the Borrowers, or except in connection with any request as part of a regulatory examination, (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, *provided* that such Agent, Arranger, Lender, or Issuer, as applicable, agrees that it will notify the Lead Administrative Borrower as soon as practicable in the event of such disclosure unless such notification is prohibited by law, rule or regulation or except in connection with any request as part of a regulatory examination, (d) to any other party hereto, (e) for purposes of establishing a "due diligence" defense or solely to the extent necessary to establish a claim or defense in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions at least as restrictive as those of this *Section 12.17*, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or any Eligible Assignee invited to be an Additional Revolving Lender or an Additional FILO Lender (other than to a Disqualified Institution; *provided* that the list of Disqualified Institutions may be provided) or (ii) any actual or prospective direct or indirect counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Lead Administrative Borrower; (h) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Loan Parties received by it from such Agent, Arranger, Issuer, or Lender, as applicable); (i) on a confidential basis, to the CUSIP Service Bureau or any similar agency in connection with the application, issuance, publishing and monitoring of CUSIP numbers of other market identifiers with respect to the credit facilities provided hereunder; or (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to any Agent, Arranger, Issuer, Lender, or any of their respective Affiliates or branches on a nonconfidential basis from a source other than Holdings, the Borrowers or any Subsidiary thereof, and which source is not known by such Agent Arranger, Issuer or Lender to be subject to a confidentiality restriction in respect thereof in favor of the Borrowers or any Affiliate of the Borrowers.

For purposes of this Section, "*Information*" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Agent, Arranger, Issuer or Lender on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, it being understood that all information received from Holdings, the Borrowers or any Subsidiary after the date hereof, shall be deemed confidential unless such information is clearly identified at the time of delivery as not being confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so in accordance with its customary procedures 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 of the Agents, Arrangers, Issuers and Lenders acknowledges that (a) the Information may include material non-public information concerning Holdings, the Borrowers or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

SECTION 12.18 Use of Name, Logo, etc.

Each Loan Party consents to the publication in the ordinary course by the Administrative Agent or the Arrangers of customary advertising material relating to the

financing transactions contemplated by this Agreement using such Loan Party's name, product photographs, logo or trademark. Such consent shall remain effective until revoked by such Loan Party in writing to the Administrative Agent and the Arrangers. The Administrative Agent and the Arrangers reserve the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

SECTION 12.19 USA PATRIOT Act Notice; U.K. KYC; Foreign Asset Control Regulations.

(a) Each Lender that is subject to the USA PATRIOT Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the USA PATRIOT Act. The Borrowers shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(b) If (i) the introduction of or any change in (or in the interpretation, administration or application of) any Law made after the Closing Date; (ii) any change in the status of an English Loan Party after the Closing Date; (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer; or (iv) any Law, applicable market

guidance or internal policy in relation to the period review and/or updating of customer information obliges the Administrative Agent or any Lender (or, in the case of *clause (iii)* above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each English Loan Party shall promptly upon the request of the Administrative Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in *clause (iii)* above, on behalf of any prospective new Lender) in order for the Administrative Agent, such Lender or, in the case of the event described in *clause (iii)* above, any prospective new Lender to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable Laws pursuant to the transactions contemplated in the Loan Documents; and each Lender shall promptly upon the request of the Administrative Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary “know your customer” or other similar checks under all applicable Laws pursuant to the transactions contemplated in the Loan Documents.

(c) Neither the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the “Trading With the Enemy Act”) or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the “Foreign Assets Control Regulations”) or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the “Executive Order”) or the USA PATRIOT Act. Furthermore, none of the Loan Parties or their Affiliates (a) is or will become a “blocked person” as described in the Executive Order, the

Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such “blocked person” or in any manner violative of any such order.

SECTION 12.20 No Advisory or Fiduciary Responsibility.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrowers and Holdings acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Agents, the Arrangers and the Lenders, as applicable, are arm's-length commercial transactions between the Borrowers, Holdings and their respective Affiliates, on the one hand, and the Agents, the Arrangers and the Lenders, on the other hand, (B) each of the Borrowers and Holdings has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrowers and Holdings is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Agents, the Arrangers and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrowers, Holdings or any of their respective Affiliates, or any other Person and (B) none of the Agents, the Arrangers nor any Lender has any obligation to the Borrowers, Holdings or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Agents, the Arrangers, the Lender and their respective Affiliates and branches may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers, Holdings their respective Affiliates, and none of the Agents, the Arrangers nor any Lender has any obligation to disclose any of such interests to the Borrowers, Holdings or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrowers and Holdings hereby waives and releases any claims that it may have against the Agents, the Arrangers nor any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 12.21 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this *Section 12.21*, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the applicable Issuer or the Swing Loan Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

SECTION 12.22 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent, each Issuer and each Lender, regardless of any investigation made by the Administrative Agent, any Issuer or any Lender or on their behalf and notwithstanding that the Administrative Agent, any Issuer or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in

full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

SECTION 12.23 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the “Maximum Rate”). If any Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by an Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder. Without limiting the generality of the foregoing provisions of this Section 12.23, if any provision of any of the Loan Documents would obligate Canadian Loan Parties to make any payment of interest with respect to the Obligations in an amount or calculated at a rate which would be prohibited by applicable Law or would result in the receipt of interest with respect to the Obligations at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rates shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the applicable recipient of interest with respect to the Obligations at a criminal rate, such adjustment to be effected, to the extent necessary, as follows: (i) first, by reducing the amount or rates of interest required to be paid to the applicable recipient under the Loan Documents; and (ii) thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the applicable recipient which would constitute interest with respect to the Obligations for purposes of Section 347 of the *Criminal Code* (Canada). Notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if the applicable recipient shall have received an amount in excess of the maximum permitted by that section of the *Criminal Code* (Canada), then Canadian Loan Parties shall be entitled, by notice in writing to the Administrative Agent, to obtain reimbursement from the applicable recipient in an amount equal to such excess, and pending such reimbursement, such amount shall be deemed to be an amount payable by the applicable recipient to the applicable Canadian Loan Party. Any amount or rate of interest with respect to the Obligations referred to in this Section 12.23 shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Loans to Canadian Borrowers remain outstanding on the assumption that any charges, fees or expenses that fall within the meaning of “interest” (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the period from the Closing Date to the date of payment in full of the Obligations, and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Administrative Agent shall be conclusive for the purposes of such determination.

SECTION 12.24 Time of the Essence. Time is of the essence in the Loan Documents.

SECTION 12.25 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

SECTION 12.26 Acceptable Intercreditor Agreements. Each of the Loan Parties, the Arrangers, the Issuers and the Lenders acknowledge that the exercise of certain of the Agents’ rights and remedies hereunder may be subject to, and restricted by, the provisions of any Acceptable Intercreditor Agreement. Except as specified herein, nothing contained in any Acceptable Intercreditor Agreement shall be deemed to modify any of the provisions of this Agreement and the other Loan Documents, which, as among the Loan Parties, the Agents, the Issuers and the Lenders shall remain in full force and effect.

SECTION 12.27 Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty or the grant of a security interest under the Loan Documents, in each case, by any Specified Loan Party becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor’s obligations and undertakings under the Guaranty voidable under applicable Laws relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section 12.27 shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a “keepwell, support, or other agreement” for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

SECTION 12.28 Acknowledgment and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may

be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or Issuer that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 12.29 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the Laws of the State of New York and/or of the United States or any other state of the United States):

(a) 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.

(b) As used in this Section 12.29, the following terms have the following meanings:

“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.

“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).

“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.

“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).

SECTION 12.30 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or under any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is

given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable Law).

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Exhibit 21.1

SUBSIDIARIES OF REGISTRANT

The following is a list of subsidiaries of the Company as of January 28, 2023 February 3, 2024 omitting subsidiaries which, considered in the aggregate, would not constitute a significant subsidiary.

NAME	WHERE INCORPORATED
Sterling Inc.	Ohio, USA
Signet Service Plans, Inc.	Ohio, USA
Sterling Jewelers Inc.	Delaware, USA
Sterling Ecomm LLC	Delaware, USA
Signet US Holdings, Inc.	Delaware, USA
Signet Group Treasury Services Inc.	Delaware, USA
R2Net Inc.	Delaware, USA
Diamonds Direct Acquisition, LLC	Delaware, USA
Diamonds Direct USA, Inc.	Delaware, USA
BC Cyan Investment Holdings Inc.	Delaware, USA
Blue Nile, Inc.	Delaware, USA
Zale Corporation	Delaware, USA
Zale Delaware, Inc.	Delaware, USA
Zale Canada Co.	Canada
Signet Group Limited	England
Signet UK Finance plc	England
Signet Holdings Limited	England
Signet Trading Limited	England
Signet Global Insurance Services Limited	Bermuda

Exhibit 22.1

LIST OF SUBSIDIARY GUARANTORS

Signet UK Finance plc (the "Issuer"), a 100% owned subsidiary of Signet Jewelers Limited (the "Parent"), has \$147.5 million \$147.7 million principal amount outstanding of 4.700% Senior Notes due 2024 (the "Senior Notes"). As of January 28, 2023 February 3, 2024, Parent, along with the following 100% owned subsidiaries, are guarantors of the outstanding Senior Notes:

Name of Entity	Place of Incorporation or Organization
SIGNET US FINANCE LIMITED	England & Wales
SIGNET GROUP LIMITED	England & Wales
SIGNET TRADING LIMITED	England & Wales
SIGNET US HOLDINGS, INC.	Delaware
SIGNET U.S. SERVICES INC.	Delaware
SIGNET GROUP TREASURY SERVICES INC.	Delaware
STERLING JEWELERS INC.	Delaware
STERLING ECOMM LLC	Delaware
SIGNET GROUP SERVICES US INC.	Delaware
STERLING INC.	Ohio
ZALE CORPORATION	Delaware
ZALE DELAWARE, INC	Delaware
ZALE INTERNATIONAL, INC.	Delaware
ZAP, INC.	Delaware
ZGCO, LLC	Virginia
TXDC, L.P.	Texas
ZALE CANADA CO.	Canada
ZCSC, LLC	Delaware
ZALE PUERTO RICO, INC.	Puerto Rico
SIGNET SERVICE PLANS, INC.	Ohio

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-159987, 333-153435, 333-09634, 333-134192, 333-12304, 333-153422, 333-08964, 333-225653 and 333-239582) on Form S-8 and the registration statements (Nos. 333-195865-18 and 333-251179) 333-275900 on Form S-3 of our report dated March 16, 2023 March 20, 2024, with respect to the consolidated financial statements of Signet Jewelers Limited and subsidiaries and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Cleveland, Ohio

March 16, 2023 20, 2024

Exhibit 31.1

CERTIFICATION

I, Virginia C. Drosos, certify that:

1. I have reviewed this Annual Report on Form 10-K of Signet Jewelers Limited (the "Report");
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 company as of, and for, the periods presented in this Report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: March 16, 2023 March 20, 2024

By: /s/ Virginia C. Drosos
Name: Virginia C. Drosos
Title: Chief Executive Officer (Principal
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Joan M. Hilson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Signet Jewelers Limited (the "Report");
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 company as of, and for, the periods presented in this Report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company 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 company, 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 company'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 company's internal control over financial reporting that occurred during the company's most recent fiscal quarter (the company's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company'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 company'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 company's internal control over financial reporting.

Date: March 16, 2023 March 20, 2024

By: /s/ Joan M. Hilson
Name: Joan M. Hilson
Title: Chief Financial, Strategy & Services
Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Virginia C. Drosos, as Chief Executive Officer of Signet Jewelers Limited (the "Company"), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Annual Report on Form 10-K for the period ended January 28, 2023 February 3, 2024, as filed with the US Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023 March 20, 2024

By: /s/ Virginia C. Drosos
Name: Virginia C. Drosos
Title: Chief Executive Officer (Principal
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Joan M. Hilson, as Chief Financial, Strategy & Services Officer of Signet Jewelers Limited (the "Company"), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the accompanying Annual Report on Form 10-K for the period ended January 28, 2023 February 3, 2024, as filed with the US Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023 March 20, 2024

By: /s/ Joan M. Hilson
Name: Joan M. Hilson
Title: Chief Financial, Strategy & Services
Officer
(Principal Financial Officer)

Clawback Policy for Accounting Restatements

Adopted by the Board on November 29, 2023

Policy Statement

Signet Jewelers Limited (including its subsidiaries, the “Company”) recognizes that it is in the best interests of the Company and its shareholders to align its executive compensation philosophy regarding pay-for-performance with a culture of accountability and integrity. Accordingly, the Company has adopted this Clawback Policy for Accounting Restatements (this “Policy”) which provides for the recoupment of certain executive compensation in the event of an accounting restatement (as defined below) resulting from material noncompliance with financial reporting requirements under the federal securities laws. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “Exchange Act”) and Section 303A.14 of the New York Stock Exchange Listed Company Manual (“Listing Standards”).

Questions about this Policy should be directed to the Corporate Secretary.

Definitions

1. “Accounting restatement” means a restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
2. “Covered executives” means the Company’s current and former team members who have been designated by the Company’s Board of Directors (the “Board”) as executive officers in accordance with Section 10D of the Exchange Act, which shall generally include the Company’s team members who have been deemed by the Board to be subject to the requirements of Section 16 under the Exchange Act, and such other senior executives or team members who may from time to time be determined by the Board, in its sole discretion, to be subject to this Policy.
3. “Incentive compensation” means any of the following; provided that, such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:
 - a. Cash bonuses awarded under the Company’s Short-Term Incentive Plan (“STIP”), and any other short- or long-term cash incentives.
 - b. Equity-based compensation granted under the Company’s Long-Term Incentive Plan and/or Omnibus Incentive Plan or other Company plan or arrangement, including:
 - Stock options;
 - Stock appreciation rights;
 - Time-based restricted shares;
 - Time-based restricted stock units; or
 - Performance-based restricted stock units.
4. “Excess incentive compensation” means
 - a. the excess of the incentive compensation paid to the covered executive based on the erroneous data over the incentive compensation that would have been paid to the covered executive had it been determined based on the restated results, computed without regard for any taxes paid, as determined by the Board; or b. if the Board cannot determine the excess of the incentive compensation received by the covered executive directly from the information in the accounting restatement, then the Board shall make its determination based on a reasonable estimate of the effect of the accounting restatement.

5. "Financial reporting measures" include any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include, but are not limited to, the following (and any measures derived from the following): Company stock price; total shareholder return ("TSR"); revenues; net income; operating income, including non-GAAP adjusted operating income; sales, including same store or comparable sales of the Company or one or more reportable segments or banners, where such sales are subject to an Accounting Restatement; financial ratios (e.g., leverage ratio, operating margins, accounts receivable turnover and inventory turnover rates); earnings before interest and taxes ("EBIT"), including non-GAAP EBIT; earnings before interest, taxes, depreciation and amortization ("EBITDA"); funds from operations and adjusted funds from operations; free cash flow and other liquidity measures (e.g., working capital, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); and operating margins. A financial reporting measure need not be presented within the Company's financial statements or included in a filing with the Securities Exchange Commission to be deemed a financial reporting measure.

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Human Capital Management & Compensation Committee, in which case references herein to the Board shall be deemed references to the Human Capital Management & Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Recoupment

In the event the Company is required to prepare an accounting restatement of its financial statements, the Board will require reimbursement or forfeiture of any excess incentive compensation received by any covered executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement. The date on which the Company is required to prepare an accounting restatement is the earlier of: (a) the date the Board (or officers authorized by the Board) concludes or reasonably should have concluded that the Company is required to prepare an accounting restatement and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping excess incentive compensation hereunder which may include, without limitation and subject to compliance with any applicable law:

- seeking reimbursement of all or part of any cash or equity-based incentive compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based incentive compensation;
- cancelling prior cash or equity-based compensation, whether vested or unvested or paid or unpaid;
- offsetting the excess incentive compensation amount against any planned future cash compensation or equity-based awards, or otherwise owed by the Company to the covered executive;
- forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder; and
- taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any covered executives against the loss of any erroneously awarded or excess incentive compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and Section 303A.14 of the Listing Standards.

Effective Date

This Policy shall be effective as of the date it is adopted by the Board (the "Effective Date") and shall apply to incentive compensation that is approved, awarded or granted to covered executives on or after October 2, 2023. Subject to applicable law, the Board may affect recovery under this Policy from any amount of incentive compensation approved, awarded, granted, payable or paid to a covered executive prior to, on or after October 2, 2023.

Amendment and Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to remain consistent with the final or any amended regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and the New York Stock Exchange under Section 303A.14 of the Listing Standards. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any termination protection agreement, employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a covered executive to agree to abide by and be subject to the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy, including in any termination protection agreement, employment agreement, equity award agreement, or similar agreement, and any other legal remedies available to the Company.

Impracticability

The Board shall recover any excess incentive compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and Section 303A.14 of the Listing Standards.

Successors

This Policy shall be binding and enforceable against all covered executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Disclosure Requirement

A copy of this Policy and any amendments thereto shall be posted on the Company's website and filed as an exhibit to the Company's annual report on Form 10-K.

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