

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

(Mark One)

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

For the fiscal year ended December 31 , 2024

or

☐

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34146



**CLEARWATER PAPER CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware

20-3594554

(State or other jurisdiction of  
incorporation or organization)

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

601 West Riverside, Suite 1100

Spokane, WA

99201

(Address of principal executive offices)

(Zip Code)

( 509 ) 344-5900

(Registrant's telephone number, including area code)

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

Title of each class  
**Common Stock (\$0.0001 par value per share)**

Trading Symbol  
**CLW**

Name of each exchange on which registered  
**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 Section 15(d) of the Act. ☐ Yes ☒ No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files). ☒ Yes ☐ No

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

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

Emerging growth company

☐

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

Indicate by check mark whether the registrant 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

As of June 30, 2024, the aggregate market value of the common stock held by non-affiliates was \$ 788.5 million.

As of February 21, 2025, 16,175,161 shares of common stock were outstanding.

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**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive proxy statement for the 2025 Annual Meeting of Stockholders to be held on May 8, 2025 are incorporated by reference in Part III of this Form 10-K.

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# CLEARWATER PAPER CORPORATION

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## Part I

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Our disclosure and analysis in this report contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our Augusta, Georgia paperboard manufacturing facility and associated business; the recent sale of our consumer products division (our tissue business); accounting standards; our strategy; our operations and expectations; current and anticipated borrowing and credit facilities; cash flows; capital expenditures; disclosure controls; compliance with our loan and financing agreements; tax rates; debt repayments; operating costs; selling, general and administrative expenses; liquidity; benefit plan funding levels; stockholder equity; interest expenses; and legal proceedings. Words such as “anticipate,” “expect,” “intend,” “plan,” “target,” “project,” “believe,” “schedule,” “estimate,” “may,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are based on management’s current expectations, estimates, assumptions and projections that are subject to change. Our actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this report. Important factors that could cause or contribute to such differences in operating results include those risks discussed in Item 1A of this report, as well as the following:

- our inability to realize the expected benefits of the Augusta, Georgia paperboard manufacturing facility acquisition, including anticipated financial results, because of integration difficulties or other challenges;
- purchase price adjustments and/or unexpected costs, charges or expenses resulting from the recent sale of our consumer products division (tissue business);
- the inability to successfully implement our restructuring initiatives in response to the recent sale of our consumer products division (tissue business);
- competitive pricing pressures for our products, including as a result of capacity additions, demand reduction and the impact of foreign currency fluctuations on the pricing of products globally;
- the loss of, change in price in regard to, or reduction in, orders from a significant customer;
- changes in customer or consumer preferences for paperboard grades or substrates;
- consolidation and vertical integration of converting operations in the paperboard industry;
- cyclical industry conditions;
- changes in the United States and international economies and in general economic conditions in the regions and industries in which we operate;
- manufacturing or operating disruptions, including equipment malfunctions and damage to our manufacturing facilities;
- changes in the cost and availability of wood fiber and wood pulp;
- changes in energy, chemicals, packaging and freight costs and disruptions in transportation services impacting our ability to receive inputs or ship products to customers;
- larger competitors having operational, financial and other advantages;
- labor disruptions;
- reliance on a limited number of third-party suppliers, vendors and service providers required for the production of our products and our operations;
- cyber-security risks;
- environmental liabilities or expenditures and climate change;
- our ability to execute on our growth and expansion strategies and other strategic initiatives;
- our ability to successfully execute capital projects and other activities to operate our assets, including effective maintenance, implement our operational efficiencies and realize higher throughput or lower costs;
- IT system disruptions and IT system implementation failures;
- changes in expenses, required contributions and potential withdrawal costs associated with our pension plans;
- our ability to attract, motivate, train and retain qualified and key personnel;
- our ability to service our debt obligations and restrictions on our business from debt covenants and terms;
- changes in our banking relations;
- negative changes in our credit agency ratings; and

- changes in laws, regulations or industry standards affecting our business.

Forward-looking statements contained in this report present management's views only as of the date of this report. Except as required under applicable law, we do not intend to issue updates concerning any future revisions of management's views to reflect events or circumstances occurring after the date of this report. You are advised, however, to consult any further disclosures we make on related subjects in our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission, or SEC.

#### **ABOUT THIRD PARTY INFORMATION**

In this annual report on Form 10-K, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources, and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified.

## **ITEM 1. Business**

### **GENERAL**

We are a premier manufacturer and supplier of Solid Bleached Sulfate (SBS) paperboard packaging products to independent converters in North America. We participate in a 10 million ton North American paperboard market, represented in three segments with a broad range of applications. SBS represents approximately half of the North American paperboard market with Coated Unbleached Kraft (CUK) and Coated Recycled Board (CRB) comprising the remaining portions. Our paperboard products are inherently sustainable, and we believe we are well positioned to capitalize on sustainability trends towards renewable and recyclable materials. We produce paperboard that is then converted and printed by independent converters and primarily used in folding carton and food service applications. Additionally, minor amounts of pulp are sold to outside customers. We strive to develop new products and innovative solutions to expand and diversify our paperboard portfolio. We believe that our status as an independent, non-integrated supplier is core to our value proposition.

Our manufacturing facilities and all other assets are located within the continental United States.

We believe we are one of the five largest producers of paperboard in North America with approximately 14% of the available U.S. production capacity in 2024. We also provide custom sheeting, slitting and cutting of paperboard products.

### **Acquisition and Divestiture**

During 2024, through two transformational transactions, we repositioned Clearwater Paper Corporation to have a singular focus on the paperboard packaging industry. We may continue to pursue acquisitions in the future as a part of our overall growth strategy.

During the second quarter of 2024, we acquired a paperboard manufacturing facility and associated business, located in Augusta, Georgia from Graphic Packaging International, LLC (Augusta Acquisition). We paid \$700 million plus an adjustment for wood inventory and other assets, totaling approximately \$710.6 million. For more information, see Note 3, "Business Acquisition," in the Notes to the Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

During the fourth quarter of 2024, we sold our tissue business (formerly Consumer Products segment), which manufactured private branded tissue products, to Sofidel America Corp, a wholly owned subsidiary of Sofidel S.p.A. We received \$1.06 billion in cash less adjustments for working capital, indebtedness and transaction expenses. For more information, see "Note 4 Discontinued Operations" in the Notes to the Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data." This divestiture represents a strategic shift in our operations and financial results resulting in discontinued operations accounting treatment associated with this division. All prior periods have been recast to reflect the discontinued operations.

### **Products**

SBS paperboard is a premium paperboard grade that is most frequently used to produce folding cartons (also includes blister and carded packaging and top sheet), food service (including liquid packaging, cups and plates) and commercial printing items. SBS paperboard is used for such products because it is manufactured using virgin fiber combined with the kraft bleaching process, which results in superior cleanliness, brightness and consistency. SBS paperboard is often manufactured with a clay coating to provide superior surface printing qualities.

Folding carton is the largest portion of the SBS category of the North American paperboard industry. Within the folding carton segment, there are varying qualities of SBS paperboard, as well as competing paperboard substrates that can be substituted for SBS. We focus on the high end of the folding carton category which requires a premium print surface and includes uses such as packaging for pharmaceuticals, cosmetics and other premium retail goods. This generally provides for differentiation resulting in margins that are more attractive than less demanding folding carton applications.

Food service paperboard includes both liquid packaging and cup and plate categories. This includes rigid containers including juice, milk and wine sold in retail channels, premium ice cream, hot and cold cups used in quick service channels and paper plates. Our food service paperboard is known for its cleanliness and printability, and is engineered for superior performance.

With the exception of our capability to supply just-in-time sheeting and narrow rolls, we do not produce converted paperboard end-products, so we are not simultaneously a supplier of and a competitor to our customers.

### **Sales and marketing**

We utilize various methods for the sale and distribution of our paperboard. The majority of our paperboard is sold to packaging converters in North America through sales managers located throughout the United States, with a smaller percentage channeled through distribution to commercial printers. We sell sheeted paperboard products directly to folding carton converters, merchants and commercial printers. Our principal methods of competing are product quality, customer service and price.

#### **Competition**

We compete with other manufacturers of paperboard, including unbleached and recycled grades, both domestically and internationally. Paperboard manufacturers also compete with plastic manufacturers as well as other primary and secondary packaging materials on the basis of product performance, price, quality and customer service.

#### **Raw Materials**

Wood fiber is our principal raw material, which consists of chips, sawdust and logs. We own (or lease) and operate wood chipping facilities which we believe bolsters our wood fiber position and provides short-term and long-term cost savings. Additionally, we procure a portion of our pulp requirements in order to meet product specifications. We purchase approximately 88,000 short tons of pulp which supplements our internal production capabilities.

In addition to wood fiber, we utilize a significant amount of chemicals in the production of pulp and paper, including caustic, polyethylene, starch, sodium chlorate, latex and specialty process paper chemicals. A portion of the chemicals used in our manufacturing processes, particularly in the pulp-making process, are petroleum-based or are impacted by petroleum prices.

#### **Freight**

Freight is a significant cost input for our business. Fuel prices, miles driven and line-haul rates impact our freight costs for delivery of raw materials to our manufacturing facilities, internal inventory transfers and delivery of our finished products to customers.

#### **Energy**

We consume substantial amounts of energy, such as electricity, hog fuel, steam and natural gas. While we produce the majority of our own energy needs by utilizing carbon neutral biomass, we also purchase a portion of our natural gas and electricity under supply contracts. Under most of these contracts, the providers have agreed to provide us with our requirements for a particular type of energy at a specific facility and have pricing mechanisms that adjust or set prices based on current market conditions.

#### **Product Development**

Our product development resources works directly with our sales and marketing personnel to understand long-term consumer and retailer trends with a goal of creating relevant new paperboard solutions. These innovative solutions seek to provide customers with differentiated packaging to meet consumer preferences. Our development efforts include, but are not limited to, light weight paperboard options that do not sacrifice print quality and strength; developing compostable food service products including innovations in biodegradable barriers and coatings; and continued investment in alternative fibers with up to 35% of post-consumer recycled content.

#### **Seasonality**

Customer buying patterns for our paperboard generally result in lower sales volumes for certain grades during the first and fourth quarters, compared to the second and third quarters of a given year.

#### **CLIMATE CHANGE**

Climate change is an important issue to the public, governmental authorities and various other stakeholders, and is a priority for our business. Our continuing efforts to incorporate climate risk and opportunity into our core business strategy and disclosure include:

- Governance - Incorporating sustainability issues, including climate-related topics, into quarterly Board meetings.
- Strategy - establishing GHG reduction targets validated by the Science Based Targets initiative (SBTi) and developing a roadmap to achieve reductions based upon transformed business.
- Risk & Opportunity - Integrating climate change related risk into our enterprise risk management (ERM) program, which provides a systematic approach to identifying and understanding risks to the company that

might arise from changes in regulation and physical or operational events.

We have voluntarily provided disclosure and established targets with respect to climate change. Satisfying these targets has increased and may continue to increase our capital and operational costs. Achievement of these targets is subject to various risks and uncertainties and there is no assurance that our actions or investments will meet investor expectations or any applicable regulatory standards regarding sustainability. Our failure to meet these climate targets could negatively impact our reputation which could adversely impact our business. Moreover, our voluntary establishment and disclosure of these targets may put us at a competitive disadvantage.

#### Metrics & Targets

- Committing to 2030 targets to reduce Scope 1 and Scope 2 GHG emissions by 30% and Scope 3 GHG emissions by 25%.
- Developing a new water conservation and effluent reduction target consistent with our understanding of the best available climate science.
- Expanding our recyclable, compostable or marine-degradable paperboard offerings to represent more than 10% of our total SBS cupstock manufacturing by 2030.
- Generating renewable fuel from our organic residual wood fiber to generate steam which is converted to electricity, reducing the need for external energy or fuel at our Idaho and Arkansas mills.

Additional information regarding our GHG targets and strategy are available in our 2024 Sustainability Report, which we prepared in accordance with the Global Reporting Initiative (GRI) Standards Core Option. Our sustainability reports are available on our website at [www.clearwaterpaper.com/sustainability](http://www.clearwaterpaper.com/sustainability). The information contained in these sustainability reports is not incorporated by reference into this Form 10-K and should not be considered part of this or any other report that we file with or furnish to the SEC.

#### GOVERNMENTAL

For a discussion of the uncertainties and business risks associated with the environmental regulations, see Part I, Item 1A, "Risk Factors—Risks Related to Our Business Operations and the Markets in Which We Operate — We are subject to significant environmental regulation and compliance expenditures, which could increase our costs and subject us to liabilities" including information regarding environmental matters under Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this report, and which is incorporated herein by reference.

#### HUMAN CAPITAL

Our core values of Commitment, Collaboration, Communication, Courage, and Character are the foundation that define our culture and guide our operations to ensure that we protect, develop, and support our most critical stakeholders – our employees, customers, and communities. We apply these core values throughout our organization with key focus areas of safety and human capital management as discussed below.

##### Safety

The health and safety of our employees is our highest priority. We aspire to achieve zero significant workplace injuries and fatalities (SIFs) and to provide a safe, open, and accountable work environment for our employees. We have a dedicated Environmental, Health and Safety (EH&S) team that is tasked with promoting safe working practices, monitoring incidents, and working to reduce risks to our employees. Our EH&S team compiles and publishes regular safety results and leverages this information to implement enhanced safety procedures and training across our operations. We provide several channels for all employees to speak up, ask for guidance, and report concerns related to ethics or safety violations. We address employee concerns and take appropriate actions that uphold our core values.

##### Human Capital Management

Our approximately 2,200 employees are instrumental to delivering on our commitments to our customers and securing long term success for our organization. We actively work to attract and retain the best-qualified talent by offering competitive pay and benefits, including market-competitive compensation, healthcare, paid time off, parental leave, retirement benefits, tuition assistance, employee skills development and leadership development. We have deployed training and development programs across our organization to invest in the professional growth of our people.

We believe that a sustained commitment to fairly treating all of our employees makes us a stronger and more competitive organization. We are dedicated to fostering and sustaining an environment where our teammates are valued for their unique backgrounds, knowledge, skills, and experiences. We continue to execute on these goals.



As of December 31, 2024, approximately 1,395 of our employees are covered under collective bargaining agreements. Unions represent hourly employees at our manufacturing sites. For a discussion of the uncertainties and business risks associated with employee relations, see Part I, Item 1A, "Risk Factors — Risks Related to Our Business Operations and the Markets in Which We Operate — Our business and financial performance may be harmed by future labor disruptions."

**WEBSITE**

Interested parties may access our periodic and current reports filed with the SEC, at no charge, by visiting our website, [www.clearwaterpaper.com](http://www.clearwaterpaper.com). In the menu select "Investor Relations," then select "Financial Information & SEC Filings." Information on our website is not part of this report.

## ITEM 1A. Risk Factors

Our business, financial condition, results of operations and liquidity are subject to various risks and uncertainties, including those described below, and as a result, the trading price of our common stock could decline. You should read the following risk factors carefully in connection with evaluating the Company's business and the forward-looking information contained in this Annual Report. Any of the following risks and uncertainties could materially and adversely affect our business, financial condition, or operating results. While the Company believes it has identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that the Company does not presently know or that does not currently believe to be significant that may adversely affect our business, financial condition or operating results in the future.

### TRANSACTION RISK FACTORS

***We may not realize the expected benefits of the acquisition of the Augusta Facility because of integration difficulties or other challenges.***

Our long-term growth strategy involves strengthening our position as a premier, independent supplier of paperboard products to North American converters. On May 1, 2024, we completed the purchase of the consumer packaging business operating out of the paperboard mills and associated facilities in Augusta, Georgia (the "Augusta Facility") from Graphic Packaging International, LLC.

We may not be able to maintain the levels of revenue, earnings or operating efficiency that we estimate for the Augusta Facility. In addition, the success of the acquisition will depend, in part, on our ability to realize the anticipated benefits from the acquisition, including anticipated revenue, customer growth and cost structure and production scale benefits. The integration process has been and will continue to be complex, costly and time-consuming. The potential risks associated with our efforts to integrate the Augusta Facility operations and business include, among others:

- failure to implement effectively our business plan for the addition of the operations and business into our existing systems;
- unanticipated issues in integrating financial, manufacturing, logistics, information, information technology, communications and other systems;
- failure to retain key employees;
- failure to retain key customers;
- increased working capital needs, which could require additional debt and result in higher interest;
- inconsistencies in standards, controls, procedures and policies, including internal control and regulatory requirements under the Sarbanes-Oxley Act of 2002; and
- unanticipated issues, expenses and liabilities.

Further, the integration of the Augusta Facility requires the focused attention of our management team, including a significant commitment of their time and resources, which may divert management's attention from other business concerns. The need for our management to focus on integration matters could have a material and adverse impact on our sales and operating results.

Any inability by us to integrate and manage the Augusta Facility, any inability to achieve anticipated revenues, cost savings or other anticipated benefits from the acquisition in the time frame we anticipate or any unanticipated required increases in capital spending could adversely affect our business, financial condition, results of operations or liquidity.

***The Tissue Divestiture may disrupt our remaining business or not achieve its intended benefits.***

On November 1, 2024, we completed the sale of our consumer products division to Sofidel America Corp. (the "Tissue Divestiture"). A number of risks and challenges may arise from the divestiture, including purchase price adjustments, unexpected costs, charges or expenses and disruption in our remaining business, including potential adverse changes to relationships with customers, employees, suppliers or other parties resulting from the divestiture process. The Tissue Divestiture may also be disruptive to our regular operations, diverting the attention of our workforce and management team from the day-to-day operation of our business, making the execution of business and other potential strategies more difficult, and could result in increased undesired workforce turnover, including of key leaders or other personnel.

We may not realize some or all of the anticipated benefits from the Tissue Divestiture with respect to the anticipated

performance of our remaining business. The Company may experience continued financial exposure as a result of the Tissue Divestiture, through the retention of certain liabilities, including, for example, with respect to certain environmental claims. The Tissue Divestiture may not enhance long-term stockholder value as anticipated and/or the efforts required to complete the divestiture process may be more costly or time-consuming than expected. Any of the foregoing could result in the imposition of obligations that could have a material adverse effect on our business, operating results or financial condition.

***We may incur significant costs or be unable to realize the expected benefits and long-term savings associated with our restructuring initiatives.***

In response to the Tissue Divestiture, we have made and will continue to make certain changes to our functional and leadership structure to reduce operating expenses and adjust cash flows. Additional restructuring initiatives or changes to our functional and leadership structure may also be implemented in the future to align our operations with shifting demands in the markets in which we operate. These restructuring initiatives may include adjustments to our workplace policies and personnel strategy which could adversely impact our reputation and brand, and our ability to recruit, retain, train, and motivate highly skilled personnel. Such restructuring activities may also divert the attention of management and be disruptive to our business operations. While these initiatives are implemented to achieve long-term savings, we may incur significant short-term costs and there are no assurances that we will be able to realize all, or any, of the expected benefits.

***Following the Tissue Divestiture, we share certain facilities in Lewiston, Idaho with Sofidel and we are required to provide certain services to Sofidel related to such shared facilities. Our relationship with Sofidel may impact our ability to conduct business at our Lewiston mill solely for our benefit.***

Following the Tissue Divestiture, we share certain facilities located in Lewiston, Idaho with an affiliate of Sofidel America Corp. (together with such affiliate, "Sofidel"). We are party to a Services and Use Rights Agreement with Sofidel, pursuant to which we provide certain supplies and services to Sofidel in connection with its operations at such shared facility. Given the terms of this arrangement, operation of the Lewiston facility requires additional organizational formalities and procedures for decision-making on site. In certain circumstances, we must consult with Sofidel to reach a common view on operational matters affecting both portions of the Lewiston facility. Our inability to take unilateral actions at the Lewiston facility could have an adverse effect on our business, operating results or financial condition. We may also be exposed to unexpected risks associated with Sofidel's operations at the Lewiston facility over which we have little control.

***The Tissue Divestiture changes our exposure to other risks and uncertainties.***

As a result of the Tissue Divestiture, our pulp and paperboard segment is our only line of business, and thus we are a smaller and more narrowly-focused business than prior to the Tissue Divestiture. Due to this lack of diversification, any adverse developments in the pulp and paperboard industry could have a significantly greater impact on our overall financial condition and results of operations than if we maintained multiple lines of business.

**RISKS RELATED TO OUR BUSINESS OPERATIONS AND THE MARKETS IN WHICH WE OPERATE**

***Difficult industry and market conditions may adversely affect the operating results and cash flows of our business.***

Difficult industry and market conditions may adversely affect our utilization rates due to decreases in product demand. During such periods, our facilities may not operate at full capacity or may need to take production downtime. During periods of lower capacity utilization and production downtimes, we not only experience lost revenue from lower shipment volumes but are also forced to continue to incur our fixed manufacturing costs, which are not absorbed by our lower production levels. Our results of operations and cash flows may be materially adversely affected in a period of prolonged and significant market weakness. We are not able to predict market conditions or our ability to sustain pricing and production levels during periods of weak demand.

For example, demand for our paperboard products surged during and following the COVID-19 pandemic, due to increased packaging and other usage of paperboard needed to address substantially higher consumer activity. In response to this demand, our customers added to their paperboard inventories. As consumer activity leveled out, our customers deployed their inventories to address their paperboard needs, leading to an overall decline in paperboard demand and prices in 2023 and 2024. If this trend continues, we may experience a further decline in paperboard demand, we may be unable to sustain pricing, and we may need to take production downtime.

***The loss of, or a significant reduction in, orders from, or changes in prices in regard to, any of our large customers could adversely affect our operating results and financial condition.***

We derive a substantial amount of revenue from a concentrated group of customers. Our top 10 paperboard customers accounted for 45% of our sales in 2024. If we lose any of these customers or a substantial portion of their business or if the terms of our relationship with any of them becomes less favorable to us, our net sales would decline, which would harm our results of operations and financial condition. In 2024, we experienced increased price competition in our paperboard business along with a significant drop in demand due to market conditions. This competition and the decline in demand has resulted in a decrease in our paperboard revenue and gross margins and adversely affected our financial condition.

Our agreements with our customers, including our largest customers, are not exclusive and generally do not contain minimum volume purchase commitments. Our relationships with our largest and most important customers will depend on their needs for quality products and services, and our ability to continue to meet these needs at competitive prices. If we lose one or more of our large customers or if we experience a significant decline in the level of purchases by any of them, we may not be able to quickly replace the lost business volume, and our operating results and business could be harmed.

***Increases in paperboard supply could adversely affect our operating results and financial condition.***

We expect increased competition in North America from both foreign and domestic manufacturers. We have experienced, and expect to continue to experience, increased direct sales by foreign competitors in the markets in which we compete. In addition, as a result of increased sales by foreign suppliers into the Asian and European markets, we expect domestic manufacturers to seek to increase their sales in the United States to offset displaced overseas sales.

Several significant investments in paperboard manufacturing facilities in North America and globally have been announced, which could significantly increase the production and supply of Solid Bleached Sulfate (SBS) and Folding Boxboard (FBB) paperboard in the market. If demand does not increase commensurate with supply, it could result in lower capacity utilization and effect the price of SBS, which could materially and adversely affect our results of operations and cash flows.

***Substitution amongst paperboard grades could have an adverse effect on our financial results.***

We currently manufacture only SBS paperboard. In addition to non-paper-based packaging substitutes for paperboard, there are other grades or substrates of paperboard, including FBB, Coated Recycled Board (CRB), and Coated Unbleached Kraft (CUK) paperboard, which are or can be substituted for SBS paperboard. If demand for SBS paperboard declines as a result of customer or consumer preference for these substitute products, or more generally, we may lose business or may not be able to grow our existing paperboard business, and we may be forced to sell at lower margins, all of which could negatively affect our financial condition and results of operations.

***Consolidation in the North American paperboard and converting industry may adversely affect our business.***

The ongoing consolidation of paperboard and paperboard converting businesses, including through the acquisition and integration of such converting businesses by competitors of ours, could result in a loss of customers and sales. A loss of customers or sales as a result of consolidations and integrations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our products are vulnerable to declines in demand due to a shift in consumer preference for competing, sustainable materials which may have an adverse effect on our business.***

Consumer preferences are increasingly shaped by concerns over post-consumer waste, packaging sustainability, and the environmental impact of materials. The demand for recyclable and eco-friendly packaging represents a significant trend, requiring us to focus on developing innovative, sustainable consumer packaging solutions to help customers achieve their packaging sustainability goals. However, responding to these goals involves risks and uncertainties, as these efforts require substantial investment and may involve significant changes to our manufacturing facilities and processes. The inability to innovate our products effectively or respond adequately to changes in consumer preference could result in financial and operational challenges.

***Cyclical industry conditions have in the past affected and may continue to adversely affect the operating results and cash flows of our business.***

Our business has historically been affected by cyclical market conditions. We may be unable to sustain pricing in the face of weaker demand, and weaker demand may in turn cause us to take production downtime. In addition to lost revenue from lower shipment volumes, production downtime causes unabsorbed fixed manufacturing costs due to lower production levels. Our results of operations and cash flows may be materially adversely affected in a period of prolonged

and significant market weakness. We are not able to predict market conditions or our ability to sustain pricing and production levels during periods of weak demand.

***We incur significant expenses to maintain our manufacturing equipment and any interruption in the operations of our facilities may harm our operating performance.***

We regularly incur significant expenses to maintain our manufacturing equipment and facilities. The machines and equipment that we use to produce our products are complex, interdependent, have many parts and some are run on a continuous basis. We must perform routine maintenance on our equipment and have to periodically replace a variety of parts such as motors, pumps, pipes and electrical parts. In addition, our facilities require periodic shutdowns to perform major maintenance, during which we may discover additional maintenance or equipment issues that need to be addressed. These scheduled shutdowns of facilities result in decreased sales and increased costs in the periods in which they occur and could result in unexpected operational issues during the restart of a facility or in future periods as a result of changes to equipment and operational and mechanical processes made during the shutdown period.

Unexpected production disruptions could cause us to shut down or curtail operations at any of our facilities. Disruptions could occur due to any number of circumstances, including prolonged power outages, mechanical or process failures, faults in aging equipment, shortages of raw materials, natural catastrophes, disruptions in the availability of transportation, labor disputes, cyber-attacks and malware, terrorism, changes in or non-compliance with environmental or safety laws, and the lack of availability of services from any of our facilities key suppliers. For example, in the fourth quarter of 2023, we were forced to partially shut down parts of our mill and curtail production at our Idaho facility due to damage to a natural gas pipeline that supplied the region. Any facility shutdowns may be followed by prolonged startup periods, regardless of the reason for the shutdown. Those startup periods could range from several days to several weeks, depending on the reason for the shutdown and other factors. Any prolonged disruption in operations at any of our facilities could cause significant lost production, which would have a material adverse effect on our results of operations.

***We depend on external sources of wood fiber which exposes our business and results of operations to potentially significant supply and price fluctuations.***

Wood fiber is the principal raw material used to create wood pulp, which in turn is used to manufacture our pulp and paperboard products. Wood fiber pricing is subject to regional market influences, and our cost of wood fiber may increase in the areas our facilities are located due to market shifts in those regions. For example, much of the wood fiber we use in our pulp manufacturing process at our Lewiston, Idaho facility, is the by-product of sawmill operations. As a result, the price of these residual wood fibers is affected by operating levels in both the pulp and paperboard and lumber industries, which in the case of the latter is impacted by regional new home construction as well as home remodeling and repairs. During the past decade, many sawmills in the western United States have closed or curtailed operations or their operations have been consolidated. Additionally, the ability of paper and wood pellet mills in British Columbia to acquire wood fiber from the U.S. Inland Northwest region with limited to no reciprocal ability by U.S. mills to acquire wood fiber from British Columbia, reduces the supply of, and increases the costs for, wood fiber. The price of wood fiber in the Pacific Northwest is expected to remain volatile. Our Arkansas and Augusta pulp and paperboard facilities rely on whole log chips for a significant portion of their wood fiber, the supply of which can be negatively affected by regional demand from other paper or wood product manufacturing facilities as well as adverse weather conditions and reductions in logging companies.

The primary source for wood fiber is timber, the availability of which may be limited by adverse weather, fire, insect infestation, disease, ice storms, windstorms, flooding and other natural and man-made causes, thereby reducing supply and increasing prices.

The effects on market prices for wood fiber resulting from various governmental programs involving tax credits or payments related to biomass and other renewable energy projects or from environmental litigation or regulation are uncertain and could result in a reduction in the supply of wood fiber available for our pulp and paperboard manufacturing operations. Additionally, wood pellet and pulp facilities can increase demand and prices for wood fiber. If we and our pulp suppliers are unable to obtain wood fiber at favorable prices or at all, our costs will increase, and our operations and financial results may be harmed.

***The cost and availability of chemicals and energy needed for our manufacturing processes significantly affects our results of operations and cash flows.***

We use a variety of chemicals in our manufacturing processes, including petroleum-based polyethylene and certain petroleum-based latex chemicals. Prices for these chemicals have been and are expected to remain volatile. In addition,

chemical suppliers that use petroleum-based products in the manufacture of their chemicals may, due to supply shortages and cost increases, ration the amount of chemicals available to us, and therefore we may not be able to obtain at favorable prices the chemicals we need to operate our business, if we are able to obtain them at all. Additionally, our facilities rely on imported raw materials and energy, including market pulp, natural gas, bulk chemicals and other commodities required to manufacture our products that could be impacted by tariffs on imported goods. Any significant disruption in the supply of, or significant cost increase in our manufacturing inputs, caused by tariffs or otherwise, in circumstances where we cannot raise the price of our products, could have a material adverse effect on our results of operations, affect our ability to meet customer demand in a timely manner and harm our reputation and our business.

Our manufacturing operations also utilize large amounts of electricity and natural gas. Energy prices have fluctuated widely over the past decade, which in turn affects our operational costs. We purchase on the open market a substantial portion of the natural gas necessary to produce our products, and, as a result, the price and other terms of those purchases are subject to change based on factors such as worldwide supply and demand, geopolitical events, government regulation, weather, interruptions in pipeline and other delivery systems, and natural disasters. Our energy costs in future periods will depend principally on our ability to produce a substantial portion of our electricity needs internally, on changes in market prices for natural gas and on reducing energy usage. Any significant energy shortage, or significant increase in our energy costs, in circumstances where we cannot raise the price of our products, could have a material adverse effect on our results of operations. Any disruption in the supply of energy could also affect our ability to meet customer demand in a timely manner and could harm our reputation and our business.

***Disruptions in transportation services or increases in our freight costs could have a material adverse effect on our business.***

Our business is dependent on transportation services to deliver our products to our customers and to deliver raw materials to us. Shipments of products and raw materials may be delayed or disrupted due to weather conditions, labor shortages or strikes, regulatory actions or other events. If our transportation providers are unavailable or fail to deliver our products in a timely manner, we may incur increased costs and we may be unable to manufacture and deliver our products on a timely basis. For example, in 2022, we experienced both difficulties in procuring sufficient transportation for shipments as well as significant increases in freight costs due to a number of factors.

The costs of these transportation services are also affected by geopolitical, economic and weather-related events. We have not been able in the past, and may not be able in the future, to pass part or all of any fuel price increases through to customers. Any increased fuel or freight costs, in circumstances where we cannot raise the price of our products, could have a material adverse effect on our gross margins.

***Larger competitors have operational and other advantages over our operations.***

The markets for our products are highly competitive, and companies that have substantially greater financial resources compete with us in each market. Some of our competitors have advantages over us, including lower raw material and labor costs and better access to the inputs of our products.

Our ability to successfully compete in the pulp and paperboard industry is influenced by a number of factors, including manufacturing capacity, general economic conditions and the availability and demand for paperboard substitutes. Our business competes with Smurfit Westrock, Georgia-Pacific, Graphic Packaging, Sappi and other international producers, most of whom are much larger than us. Any increase in manufacturing capacity by any of these or other producers could result in overcapacity in the pulp and paperboard industry, which could cause downward pressure on pricing.

***Our business and financial performance may be harmed by future labor disruptions.***

As of December 31, 2024, approximately 1,400 of our full-time employees were represented by unions under collective bargaining agreements. As these agreements expire, we may not be able to negotiate extensions or replacement agreements on terms acceptable to us. If such workers were to engage in a strike, lockout, work slowdown, stoppage or other labor action, or if other employees were to become unionized, we could experience a significant disruption of our operations and/or higher ongoing labor costs, which could adversely affect our business, financial condition and results of operations.

In August 2025, a collective bargaining agreement for hourly employees at our Lewiston, Idaho facility, which affects approximately 500 employees, will expire. Any failure to reach an agreement with one of the unions may result in strikes, lockouts, work slowdowns, stoppages or other labor actions, any of which could have a material adverse effect on our operations and financial results.

***We rely on a limited number of third-party suppliers, vendors and service providers required for the production of our***

***products and our operations.***

Our dependence on a limited number of third-party suppliers, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality and delivery schedules. Limitations on the availability of, and subsequent increases in, the costs of raw materials could have an adverse effect on our financial results. We cannot be certain that our current suppliers will continue to provide us with the quantities of these raw materials that we require or will continue to satisfy our anticipated specifications and quality requirements. Any supply interruption in limited raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified. Although we believe there are other suppliers of these raw materials, we may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms.

We also depend on a limited number of third-party vendors for certain of our operating equipment and spare parts as well as service providers. Any performance failure on the part of our suppliers or vendors could interrupt production of our products, which would have a material adverse effect on our business.

***We rely on information technology in critical areas of our operations, and a disruption relating to such technology could harm our financial condition.***

We use information technology, or IT, systems in various aspects of our operations, including enterprise resource planning, management of inventories, manufacturing, supply chain and customer sales. We have different legacy IT systems that we are continuing to integrate, upgrade and move to the cloud. If one of these systems were to fail or cause operational or reporting interruptions, or if we decide to change these systems or hire outside parties to provide these systems, we may suffer disruptions, which could have a material adverse effect on our manufacturing and sales operation, results of operations and financial condition. In addition, we may underestimate the costs, complexity and time required to develop and implement new systems and operating technology systems that control our manufacturing equipment and facilities and are embedded in our plant networks.

***We face cyber-security risks.***

Our business operations rely upon secure information technology systems for data capture, processing, storage and reporting. Despite careful security and controls design, implementation and updating, our information technology systems or plant networks could become subject to cyber-attacks. We may not have the resources or technical sophistication to anticipate or prevent all such cyber-attacks. Moreover, techniques used to obtain unauthorized access to systems change frequently and may not be known until launched against us. Security breaches can also occur as a result of nontechnical issues, including intentional or inadvertent breaches by our employees. Network, system, application and data breaches could result in operational disruptions or information misappropriation, which could result in lost sales, production interruption, financial losses, business delays, negative publicity, and could have a material adverse effect on our business, results of operations and financial condition.

***We are subject to significant environmental regulation and environmental compliance expenditures, which could increase our costs and subject us to liabilities.***

We are subject to various federal, state and foreign environmental laws and regulations concerning, among other things, water discharges, air emissions, hazardous material and waste management and environmental cleanup. Environmental laws and regulations continue to evolve and we may become subject to increasingly stringent environmental standards in the future, particularly under laws and standards related to air quality, water quality, product composition and climate change issues. In particular, greenhouse gas emissions have increasingly become the subject of political and regulatory focus and this may lead to changes in legislative and regulatory initiatives directed at limiting greenhouse emissions.

Increased regulatory activity at the state, federal and international level is possible regarding climate change as well as other emerging environmental issues associated with our manufacturing sites and products, such as water quality standards, dam breaching for purposes of aiding salmon recovery in the Pacific Northwest, or recycling. Such new public policy or compliance with regulations that implement new public policy in these areas might require significant expenditures on our part or even the curtailment of certain of our manufacturing operations.

We could also incur substantial fines or sanctions, enforcement actions, damage claims, cleanup costs, third-party claims for property damage and personal injury, and reputational harm as a result of violations of, or liabilities under, environmental laws, regulations, codes and common law. The amount and timing of environmental expenditures is difficult to predict, and, in some cases, liability may be imposed without regard to contribution or to whether we knew of, or caused, the release of hazardous substances.

We are required to comply with environmental laws and the terms and conditions of multiple environmental permits. In particular, the pulp and paperboard industry in the United States is subject to several performance based rules associated with effluent and air emissions as a result of certain of its manufacturing processes. Federal, state and local laws and regulations require us to routinely obtain authorizations from and comply with the evolving standards of the appropriate governmental authorities, which have considerable discretion over the terms of permits. Failure to comply with environmental laws and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to take corrective measures, install pollution control equipment, or take other remedial actions, such as product recalls or labeling changes. We also may be required to make additional expenditures, which could be significant, relating to environmental matters on an ongoing basis. There can be no assurance that future environmental permits will be granted or that we will be able to maintain and renew existing permits, and the failure to do so could have a material adverse effect on our results of operations, financial condition and cash flows.

We own properties, conduct or have conducted operations at properties, and have assumed indemnity obligations for properties or operations where hazardous materials have been or were used for many years, including during periods before careful management of these materials was required or generally believed to be necessary. Consequently, we will continue to be subject to risks under environmental laws that impose liability for historical releases of hazardous substances and to liability for other potential violations of environmental laws or permits at existing sites or ones for which we have indemnity obligations.

***We may be subject to operational and financial climate change risks.***

Extreme weather-related events caused by climate change, such as prolonged, extreme high or low temperatures, extreme storms, floods and decreased or curtailed water supplies, could result in physical damage to our facilities and operations. Such events may also result in supply chain disruptions and increased costs. For example, in the first quarter of 2024, extreme cold and related natural gas supply issues resulted in the shutdown of our Lewiston, Idaho mill and in the fourth quarter of 2024, impacts from Hurricane Helene resulted in the temporary suspension of operations at our Augusta, Georgia facility.

The ability to harvest the wood fiber used in our manufacturing operations may be limited, and prices could become volatile, because of variations in weather, wildfires, and climate conditions. Damage or disruptions we may incur because of climate-related risks could have a material adverse effect on our manufacturing and sales operations, results of operations and financial condition. In addition, we may underestimate the costs, complexity and time required to develop and implement mitigation efforts to address potential climate change impacts.

***Our operations require substantial capital and our capital expenditures may not achieve the desired outcomes or may be achieved at a higher cost than anticipated.***

Our business is capital intensive and we regularly make capital expenditures to maintain our equipment, improve our operating efficiency, comply with environmental laws, and innovate to remain competitive. Many of our capital projects are complex, costly, and implemented over an extended period of time. We may experience higher expenditures than anticipated for particular capital projects as well as unanticipated business disruptions, and we may not achieve the desired benefits from a given project, any of which could adversely affect our business, financial condition, results of operations and cash flows. In addition, disputes between us and contractors who are involved with implementing capital projects could lead to time-consuming and costly litigation.

***We may face demand, supply, and operational challenges associated with effects of a disease outbreak, including epidemics, pandemics, or similar widespread public health concerns.***

Our business and financial results may be negatively impacted by health epidemics, pandemics and similar widespread public health concerns or outbreaks. Despite our efforts to manage these impacts, their ultimate impact also depends on factors beyond our knowledge or control, including the duration and severity of any such outbreak and actions taken to contain its spread and mitigate its public health effects.

***We are exposed to lawsuits, governmental investigations and proceedings relating to current and historical operations and products, which could harm our business.***

From time to time, the nature of our business exposes us to certain lawsuits, governmental investigations and proceedings relating to current and historical operations and products, which may include claims involving product liability, environmental compliance, hazardous materials, infringement of intellectual property rights of third parties, workplace safety, employment and other claims. While we have in place processes and policies to mitigate these risks



and to investigate and address such claims as they may arise, we cannot predict the underlying costs to defend or resolve such claims and any adverse rulings or results could have a material adverse effect on our business, financial condition, or results of operations.

***We could be subject to changes in tax rates, the adoption of new tax laws or interpretations, or exposure to additional tax liabilities.***

We are subject to income and other taxes in the U.S. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. Significant judgment is required in estimating our provision for income taxes. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe our tax estimates are reasonable, any final determination pursuant to tax audits and any related litigation could be materially different to the amounts reflected in our financial statements. Should any tax authority disagree with our estimates and determine any additional tax liabilities, including interest and penalties for us, this could adversely impact our results of operations, financial position and cash flows.

***If we are unable to continue to implement our business plan and strategic initiatives, our financial condition and operating results could be materially affected.***

Our future operating results will depend, in part, on the extent to which we can successfully implement our business plan and strategic initiatives in a cost effective manner. We pursue strategic initiatives that management considers important to our long-term success, including mergers and acquisitions, dispositions and restructuring activity. There are risks involved with the execution of such initiatives, including significant business, economic and competitive uncertainties, many of which are beyond our control, including those associated with the global macro-environment in which we operate, trends in our industry, demand for our products, competitive threats, product innovation, public policy developments, changes to consumption habits, and resource allocation. If we are unable to successfully implement our business plan or strategic initiatives, our business, financial condition and operating results could be materially and adversely affected.

Additionally, we may enhance, modify or build manufacturing facilities as part of our strategic initiatives. We may be unable to identify future suitable strategic capital or building projects or may be unable to achieve anticipated benefits or cost savings from construction projects in the timeframe we anticipate, or at all. Large construction projects or acquisitions can result in a decrease in our cash and short-term investments, an increase in our indebtedness, or both, and also may limit our ability to access additional capital when needed and divert management's attention from other business concerns.

#### **RISKS RELATED TO OUR EMPLOYEE PLANS**

***We may be required to pay material amounts to multiemployer pension plans; our participation subjects us to potential liabilities, which could be significant, if we withdraw from a plan in the future.***

We contribute to two multiemployer pension plans. The amount of our annual contributions to these plans is negotiated with the union representing our employees covered by each plan. In 2024, we contributed approximately \$5.8 million to these plans. If in future years we continue to participate in these plans, we may be required to make increased annual contributions in amounts that are difficult to predict and potentially beyond our control, which would reduce the cash available for business and other needs. The decision whether to continue to participate in these multiemployer plans does not rest solely with us; rather, it is negotiated as part of the collective bargaining agreements with labor unions that participate in these plans.

If we were to withdraw partially or completely from a multiemployer plan that is underfunded, we would be liable for a proportionate share of that plan's unfunded vested benefits as required by law. This is called withdrawal liability. The amount of withdrawal liability, if any, assessable to us if we were to withdraw in a future year is difficult to predict and largely beyond our control.

One of the multiemployer pension plans to which we contribute, the IAM National Pension Fund, or IAM NPF, elected to be certified in "critical status" for the plan year beginning January 1, 2019. If we were to withdraw from IAM NPF, either completely or partially, we would incur a statutory withdrawal liability based on our proportionate share of IAM NPF's unfunded vested benefits. Based on information available to us, as well as information provided by IAM NPF, and reviewed by our actuarial consultant, we estimate that, as of December 31, 2024, we would be obligated to pay a single sum withdrawal liability payment of approximately \$4.9 million on a pretax basis if we were to have completely withdrawn from IAM NPF in 2024. We currently have no plans to withdraw from IAM NPF and have not recognized any liability associated with a withdrawal from IAM NPF in our consolidated financial statements.

The other multiemployer pension plan to which we contribute, the PACE Industry Union-Management Pension Fund, or PIUMPF, was certified to be in "critical status" for the plan year beginning January 1, 2010 and continued to be in critical status through the plan year beginning January 1, 2014. For the plan years beginning January 1, 2015 through January 1, 2023, PIUMPF was certified to be in "critical and declining status" under the Multiemployer Pension Reform Act of 2014. The number of employers participating in PIUMPF fell from 135 during 2012 to 42 in 2023. We were the largest contributing employer participating in PIUMPF in 2024.

The American Rescue Plan Act of 2021, or ARPA, includes provisions to provide financial relief to financially troubled multiemployer pension plans. In 2023, PIUMPF applied for and received approximately \$1.3 billion in a lump sum payment under this program — an amount intended to allow it to remain solvent until approximately 2051.

If we were to withdraw from PIUMPF, either completely or partially, we would incur a statutory withdrawal liability based on our proportionate share of PIUMPF's unfunded vested benefits. Based on information available to us, as well as information provided by PIUMPF, and reviewed by our actuarial consultant, we estimate that, as of December 31, 2024, the withdrawal liability payments that we would be required to make to PIUMPF were we to have completely withdrawn in 2024 would be approximately \$5.7 million per year on a pretax basis. These payments generally would continue for 20 years with an estimated present value of approximately \$70 million on a pre-tax basis. We expect that all other things being equal, the receipt of ARPA funds has eliminated PIUMPF's unfunded vested benefits. Because the ARPA funds must be "phased in" over the period of time such funds are expected to be utilized, however, we expect any potential withdrawal liability will be significantly reduced annually and ultimately eliminated over an extended period.

Were we voluntarily to withdraw from PIUMPF, we could be subject to substantial payments in addition to the withdrawal liability payments described above. As a plan in critical and declining status, PIUMPF has adopted a rehabilitation plan. That rehabilitation plan purports to require a withdrawing employer to make an additional, lump-sum payment — above and beyond the statutory withdrawal liability — based on the employer's share of PIUMPF's accumulated funding deficiency, or AFD.

We believe PIUMPF's purported imposition of this AFD exit fee on withdrawing employers is not legally enforceable — and that PIUMPF's receipt of approximately \$1.3 billion in lump sum financial relief from the federal government (through the ARPA program) provides additional support for this belief. Among other things, since it was enacted, PIUMPF's sole justification for imposition of the AFD exit fee is that it was necessary to forestall PIUMPF's insolvency — a justification that no longer applies now that PIUMPF has received funds under the ARPA program that have addressed its solvency crisis.

Nevertheless, we are aware that one large employer that withdrew from PIUMPF prior to PIUMPF's receipt of ARPA funds has recognized a liability for payment of an AFD exit fee amount and that other withdrawing employers have paid some amounts in respect to the AFD exit fee. There have been lawsuits in federal courts challenging PIUMPF's AFD exit fee. These lawsuits have not resolved the issue.

If the AFD exit fee were held to be legally enforceable, and if we were to withdraw in a future year, the amount of our AFD exit fee liability at the time of our withdrawal could be material and would be subject to a variety of factors, including without limitation, the nature and timing of a withdrawal, the financial health of PIUMPF at the time of the withdrawal, the level of contributions to the plan made by other contributing employers before our withdrawal, whether any employers that had withdrawn in the intervening years had made AFD exit fee payments, the success of the potential legal challenges we could raise and the effect of funding provided under ARPA. PIUMPF's receipt of approximately \$1.3 billion in ARPA funds is more than enough to eliminate PIUMPF's AFD. However, due to regulatory and accounting requirements, the impact of the ARPA funding will be effectively phased in over time, and we expect that this will result in the substantial reduction annually and ultimate elimination of any potential AFD exit fee exposure over an extended period.

As we currently have no plans to withdraw from PIUMPF, we have not recognized any liability associated with a withdrawal from PIUMPF in our consolidated financial statements.

Adverse changes to, or requirements under, pension laws and regulations or adverse changes, requirements or claims pursuant to PIUMPF's rehabilitation plan, such as the AFD exit fee, could increase the likelihood and amount of our liabilities. Were we to withdraw from PIUMPF, these liabilities would be in addition to the pension contributions we would have to make to any new pension plan adopted or contributed to by us to replace PIUMPF. All of this could materially reduce the cash we would have available for business and other needs.

***Our pension and health care costs are subject to numerous factors that could cause these costs to change.***

In addition to our pension plans, we provide health care benefits to certain of our current and former salaried and hourly employees. Our health care costs vary with changes in health care costs generally, which have significantly exceeded general economic inflation rates for many years. Our pension costs are dependent upon numerous factors resulting from actual plan experience and assumptions about future investment returns. Pension plan assets are primarily made up of equity and fixed income investments. Fluctuations in actual equity market returns as well as changes in general interest rates may result in increased pension costs in future periods. Likewise, changes in assumptions regarding current discount rates, expected rates of return on plan assets and mortality rates could also increase pension costs. Significant changes in any of these factors may adversely impact our cash flows, financial condition and results of operations.

#### **RISKS RELATED TO OUR INDEBTEDNESS**

***Despite our current indebtedness levels, we may still incur significant additional indebtedness. Incurring more indebtedness could increase the risks associated with our substantial indebtedness.***

We may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the Credit Agreements restrict but do not prohibit us from doing so. We had availability of approximately \$270 million under our PCA Credit Agreement as of December 31, 2024. After giving effect to borrowing base limitations and issuance of letters of credit, we had availability of approximately \$218 million under the Credit Agreement as of December 31, 2024. In addition, our Credit Agreements allow us to obtain additional secured revolving loan commitments under our ABL Credit Agreement and additional term revolver commitments under our PCA Credit Agreement, in each case, under certain circumstances, which would be guaranteed by our subsidiary guarantors. In addition, the indenture governing our notes does not prevent us from incurring certain other liabilities that do not constitute secured indebtedness. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

***If we default under our Credit Agreements, or other indebtedness, we may not be able to service our debt obligations.***

In the event of a default under our Credit Agreements or other indebtedness, lenders could elect to declare all amounts borrowed, together with accrued and unpaid interest and other fees, to be due and payable. If such acceleration occurs, thereby permitting an acceleration of amounts outstanding under our debt obligations, we may not be able to repay the amounts due. Events of default are separately defined in each credit agreement or indenture, but include events such as failure to make payments when due, breach of covenants, default under certain other indebtedness, failure to satisfy judgments in excess of a threshold amount, certain insolvency events and the occurrence of a change of control (as defined in the Credit Agreements). The occurrence of an event of default could have serious consequences to our financial condition and results of operations and could cause us to become bankrupt or insolvent.

***To service our existing and future indebtedness, we must generate cash flows. Our ability to generate cash depends on many factors beyond our control, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

As of December 31, 2024, we had approximately \$275 million of outstanding indebtedness, and we could incur substantial additional indebtedness in the future. Our ability to make scheduled payments on or to refinance our indebtedness, including our outstanding notes, and to fund planned capital expenditures, will depend on our ability to generate cash from our operations. This, to a significant extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under our Credit Agreements in an amount sufficient to enable us to pay our indebtedness, including our outstanding notes, or to fund our other liquidity needs. We cannot assure you that we will be able to refinance any of our indebtedness, including our Credit Agreements and our outstanding notes, on commercially reasonable terms or at all.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. Additionally, our debt agreements limit the use of the proceeds from certain dispositions; as a result, we may not be

allowed, under these documents, to use proceeds from such dispositions to satisfy all current debt service obligations.

***Our Credit Agreements contain various covenants that limit our discretion in the operation of our business.***

Our Credit Agreements contain various covenants that limit our discretion in the operation of our business by restricting our ability to:

- undergo a change in control;
- sell assets;
- pay dividends and make other distributions;
- make investments, capital expenditures and other restricted payments;
- redeem or repurchase our capital stock;
- incur additional debt and issue preferred stock;
- guarantee indebtedness;
- create liens;
- consolidate, merge or sell substantially all of our assets;
- enter into certain transactions with our affiliates;
- engage in new lines of business; and
- enter into sale and lease-back transactions.

These restrictions on our ability to operate our business at our discretion could materially harm our business by, among other things, limiting our ability to enter into, make, or borrow in order to take advantage of financing opportunities with respect to mergers and acquisitions, capital expenditures and other corporate opportunities.

If and when (and for as long as) availability, as calculated, under the ABL Credit Agreement is less than a specified amount for a certain period of time, funds deposited into deposit accounts used for collections would be transferred on a daily basis into a blocked account with the administrative agent and applied to prepay loans under the ABL Credit Agreement. If and when our leverage ratio, as calculated under the PCA Credit Agreement, is greater than a specified amount (and lasting until at least the end of two fiscal quarters until our leverage ratio is less than such amount), the amount of dividends, stock repurchases, capital expenditures and other investments we would be permitted to make in the then current fiscal year would be capped at specified dollar amounts.

As a result of these covenants and restrictions, we may be limited in how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

There are various limitations on our ability to incur the full \$375 million of commitments under our ABL Credit Agreement and borrowings under our ABL Credit Agreement are limited by a specified borrowing base consisting of a percentage of eligible accounts receivable and inventory, less customary reserves. In addition, under the ABL Credit Agreement, a monthly fixed charge maintenance covenant would become applicable during an event of default or if availability, as calculated under the ABL Credit Agreement, is at any time less than or equal to the greater of (i) 10.0% of the lesser of the borrowing base and the maximum \$375 million of current revolving loan commitments (such lesser amount, the "Line Cap") and (ii) \$25 million. As of December 31, 2024, availability under the ABL Credit Agreement was approximately \$218 million or 10% % of the Line Cap. However, it is possible that availability, as calculated under the ABL Credit Agreement, could fall below the minimum threshold in a future period. If the covenant trigger were to occur, we would be required to satisfy and maintain on the last day of each quarter a fixed charge coverage ratio of at least 1.1x for the preceding four quarter period for which financial statements had been delivered. As of December 31, 2024, our fixed charge coverage ratio was approximately 2.0x. If and when the fixed charge coverage ratio were to be tested, our ability to meet the minimum fixed charge coverage ratio could be affected by events beyond our control, and we cannot assure you that we would meet this ratio at such time. A breach of any of these covenants could result in a default under the ABL Credit Agreement. Events beyond our control could affect our ability to meet these financial tests, and we cannot assure you that we will meet them.

***Our failure to comply with the covenants contained in our Credit Agreements or the indenture governing our outstanding notes, including as a result of events beyond our control, could result in an event of default that could cause repayment of the debt to be accelerated.***

If we are not able to comply with the covenants and other requirements contained in the indenture governing our outstanding notes, our Credit Agreements or our other debt instruments, an event of default under the relevant debt instrument could occur. If an event of default does occur, it could trigger a default under our other debt instruments, prohibit us from accessing additional borrowings, and permit the holders of the defaulted debt to declare amounts outstanding with respect to that debt to be immediately due and payable. Our assets and cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments. In addition, we may not be able to refinance or restructure the payments on the applicable debt. Even if we were able to secure additional financing, it may not be available on favorable terms.

***Credit rating downgrades could increase our borrowing costs or otherwise adversely affect us.***

Some of our outstanding indebtedness has received credit ratings from rating agencies. Our credit ratings could change based on, among other things, our results of operations and financial condition. Credit ratings are subject to ongoing evaluation by credit rating agencies and may be lowered, suspended or withdrawn entirely by a rating agency or placed on a "watch list" for a possible downgrade or assigned a "negative outlook." Although our indebtedness does not include any triggers that would increase existing borrowing rates if there were a ratings downgrade, actual or anticipated changes or downgrades, including any announcement that our ratings are under review for a downgrade or have been assigned a negative outlook, could increase our future borrowing costs, which could in turn adversely affect our results of operations, cash flows and financial condition, and the trading price of our common stock. If a downgrade were to occur or a negative outlook were to be assigned, it could impact our ability to access the capital markets to raise debt and/or increase the associated costs. In addition, while our credit ratings are important to us, we may take actions and otherwise operate our business in a manner that adversely affects our credit ratings.

***An increase in interest rates could have a negative effect on our business.***

We have the ability to select the Secured Overnight Funding Rate (SOFR) as a benchmark rate at which outstanding obligations under the Credit Agreements are based. SOFR is a floating rate, subject to a minimum rate set in the Credit Agreements. As a result, we are exposed to risks associated with an increase in interest rates, including if the Federal Reserve raises interest rates as it has done and may continue to do so in the future. Any further increase in SOFR will increase the Company's debt service obligations, which could have a negative impact on the Company's cash flow, financial position or operating results, including cash available for servicing the Company's indebtedness, or result in increased borrowing costs in the future. We may utilize derivative financial instruments, such as interest rate swaps, to manage our interest rate risk. There can be no assurance, however, that increases in interest rates will not adversely affect our business, financial position and results of operations by causing an increase in interest expense. Significantly higher interest rates may also, among other things, reduce the availability and increase the cost of obtaining new debt and refinancing existing indebtedness.

**GENERAL RISK**

***United States and global economic conditions could have adverse effects on the demand for our products and financial results.***

U.S. and global economic conditions and currency exchange rates have a significant impact on our business and financial results. Recessed global economic conditions and a strong U.S. dollar could affect our business in a number of ways, including causing declines in global demand for paperboard, and increased competition from foreign manufacturers in the U.S. market. Foreign currency changes can also impact pricing associated with our raw materials such as pulp and equipment purchases, impacting our cost structure.

***Recent fluctuations in economic conditions and cycles may have adverse effects on our financial results.***

During 2024, interest and inflation rates increased significantly relative to recent years, although the impacts were felt to different extents, and the far extent of such increases remains to be seen. Increasing rates may materially affect our prices and the demand for our products.

***We may fail to attract, motivate, train and retain qualified personnel, including key personnel.***

Our ability to effectively run our business depends on our ability to attract, motivate, train and retain employees with the skills necessary to understand and adapt to the competitive markets in which we operate. The increasing demand for qualified personnel makes it more difficult for us to attract and retain employees with requisite skill sets, particularly employees with specialized technical and trade experience, and can increase our operating and overhead costs. Changing demographics and labor work force trends also may result in a loss of knowledge and skills as experienced workers retire. If we fail to attract, motivate, train and retain qualified personnel, or if we experience excessive turnover, we may

experience declining sales, manufacturing delays or other inefficiencies, increased recruiting, training and relocation costs and other difficulties, which may negatively impact our results of operations, cash flows and financial condition.

In addition, we rely on key executive and management personnel to manage our business efficiently and effectively. The loss of any of our key personnel could adversely affect our results of operations, cash flows and financial condition. Effective succession planning is also important to our long-term success. Our failure to identify candidates with the leadership skills to manage our organization, and our failure to ensure effective transfers of knowledge and smooth transitions involving key executives, could hinder our strategic planning and execution.

***Certain provisions of our certificate of incorporation and bylaws and Delaware law may make it difficult for stockholders to change the composition of our Board of Directors and may discourage hostile takeover attempts that some of our stockholders may consider to be beneficial.***

Certain provisions of our certificate of incorporation and bylaws and Delaware law may have the effect of delaying or preventing changes in control if our Board of Directors determines that such changes in control are not in the best interests of the Company and our stockholders. The provisions in our certificate of incorporation and bylaws include, among other things, the following:

- a classified Board of Directors with staggered terms (which shall cease to be classified after the 2027 annual meeting);
- the ability of our Board of Directors to issue shares of preferred stock and to determine the price and other terms, including preferences and voting rights, of those shares without stockholder approval;
- stockholder action can only be taken at a special or regular meeting and not by written consent;
- advance notice procedures for nominating candidates to our Board of Directors or presenting matters at stockholder meetings;
- removal of directors only for cause (except for directors elected following the 2025 annual meeting); and
- supermajority voting requirements to amend our bylaws and certain provisions of our certificate of incorporation.

While these provisions have the effect of encouraging persons seeking to acquire control of the Company to negotiate with our Board of Directors, they could enable the Board of Directors to hinder or frustrate a transaction that some, or a majority, of the stockholders might believe to be in their best interests and, in that case, may prevent or discourage attempts to remove and replace incumbent directors. We are also subject to Delaware laws that could have similar effects. One of these laws prohibits us from engaging in a business combination with a significant stockholder unless specific conditions are met.

**ITEM 1B. Unresolved Staff Comments**

None.

**ITEM 1C. Cybersecurity**

Our cybersecurity program is managed by our Chief Information Officer (CIO), whose team is responsible for leading enterprise-wide information technology strategy, policy, standards, architecture, and processes. The CIO provides regular reports to our Board of Directors, Chief Executive Officer and other members of our senior leadership team. These reports include updates on our cyber risks and threats, the status of projects to strengthen our information security systems, assessments of the information security program, and the emerging threat landscape.

Assessing, identifying and managing cybersecurity related risks are integrated into our overall enterprise risk management (ERM) process. Cybersecurity related risks are included in the risk universe that the ERM function evaluates to assess top risks to the enterprise on an annual basis. The ERM process's annual risk assessment is presented to the Board of Directors.

Our programs are regularly evaluated by external experts with the results of those reviews reported to the senior leadership team and the Board of Directors. We also actively engage with key vendors, industry participants, and intelligence communities as part of our continuing efforts to evaluate and enhance the effectiveness of our information security policies and procedures.

During 2024, we did not experience any cybersecurity threats that had a material impact or are reasonably likely to materially affect our business, results of operations or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. Please see our "Risk Factors" in item 1A in this report for more information.

## ITEM 2. Properties

### Facilities

Our principal executive offices are located in Spokane, Washington. We believe that each of these facilities is adequately maintained and is suitable for conducting our operations and business. Information regarding our principal facilities is set forth in the following table.

Location	Products	Owned or Leased
Augusta, Georgia	Paperboard	Owned
Lewiston, Idaho	Pulp and Paperboard	Owned
Cypress Bend, Arkansas	Paperboard	Owned
Wilkes-Barre, Pennsylvania	Paperboard sheeting	Leased
Dallas, Texas	Paperboard sheeting	Leased
Mendon, Michigan	Paperboard sheeting	Leased
Richmond, Virginia <sup>1</sup>	Paperboard sheeting	Leased
Hagerstown, Indiana	Paperboard sheeting	Leased

<sup>1</sup> In the fourth quarter of 2024, we announced the permanent closure of our Richmond, Virginia sheeting operations. As market conditions warrant, we will be relocating existing equipment to a new location.

### Production Capacities

Information regarding currently operating production capacities is based on annual, normal operating rates and normal production mixes under current market conditions, taking into account known constraints. Market conditions, fluctuations in raw material supply, environmental restrictions and the nature of current orders may cause actual production rates and mixes to vary significantly from the production rates and mixes shown.

(In tons)	Market Pulp	Paperboard	Sheeted Paperboard
Augusta, Georgia		600,000	
Lewiston, Idaho	90,000	480,000	
Cypress Bend, Arkansas		340,000	
Wilkes-Barre, Pennsylvania			41,000
Dallas, Texas			29,000
Mendon, Michigan			50,000
Richmond, Virginia			34,000
Hagerstown, Indiana			37,000
	90,000	1,420,000	191,000



**ITEM 3. Legal Proceedings**

We may from time to time be involved in claims, proceedings and litigation arising from our business and property ownership. We believe, based on currently available information, that the results of such proceedings, in the aggregate, will not have a material adverse effect on our financial condition, results of operations and cash flows.

In November 2023, the United States Environmental Protection Agency (EPA) alleged that the Company had violated the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and Emergency Planning and Community Right-to-Know Act (EPCRA) by failing to timely report certain chlorine releases that occurred at the Company's facility in Lewiston, Idaho in 2019, 2020, and 2021 to the National Response Center and State Response Center. Although the Company reported each of the releases to the respective response centers, the EPA alleged that the Company should have reported sooner. In June 2024, the Company, without admitting any wrongdoing, settled the matter with the EPA and paid a \$322,088 civil penalty.

In April 2024, the EPA alleged the Company violated the Risk Management Program (RMP) under Section 112r of the Clean Air Act by failing to sufficiently implement certain RMP elements for its pulp bleach system at the Company's facility in Lewiston, Idaho. In February 2025 we reached a settlement with the EPA, resulting in an agreed civil penalty of \$440,393. The Company did not admit any wrongdoing in connection with the settlement.

**ITEM 4. Mine Safety Disclosures**

Not applicable.

## Part II

### ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### MARKET FOR OUR COMMON STOCK

Our common stock is traded on the New York Stock Exchange under the symbol "CLW."

#### HOLDERS

As of February 19, 2025, there were approximately 542 registered holders of our common stock.

#### ISSUER PURCHASES OF EQUITY SECURITIES

Our Board of Directors approved a new stock repurchase program on October 31, 2024 authorizing the repurchase of up to \$100 million of our common stock. As of December 31, 2024, we had up to \$96.7 million of authorized repurchases remaining.

This plan replaced the previously approved plan and terminated any remaining authorization under the original plan. The repurchase program authorizes purchases of our common stock from time to time through open market purchases, negotiated transactions or other means, including accelerated stock repurchases and 10b-5-1 trading plans in accordance with applicable securities laws and other restrictions. We have no obligation to repurchase stock under this program and may suspend or terminate the program at any time. The authorization has no expiration date.

The following table reflects our shares repurchased during the fourth quarter of 2024. None of the shares in this table were repurchased directly from any of our officers or directors.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
October 1, 2024 to October 31, 2024 <sup>1</sup>	23,000	\$ 27.43	23,000	\$ —
November 1, 2024 to November 30, 2024	7,821	\$ 27.23	7,821	\$ 99.8
December 1, 2024 to December 31, 2024	115,000	\$ 26.99	115,000	\$ 96.7
Total	145,821	\$ 27.07	145,821	

<sup>1</sup> These shares were purchases under the prior repurchase program authorized in 2015. This authorization was cancelled and replaced with the 2024 authorization as of October 31, 2024

#### SALES OF UNREGISTERED SECURITIES

None.

#### DIVIDENDS

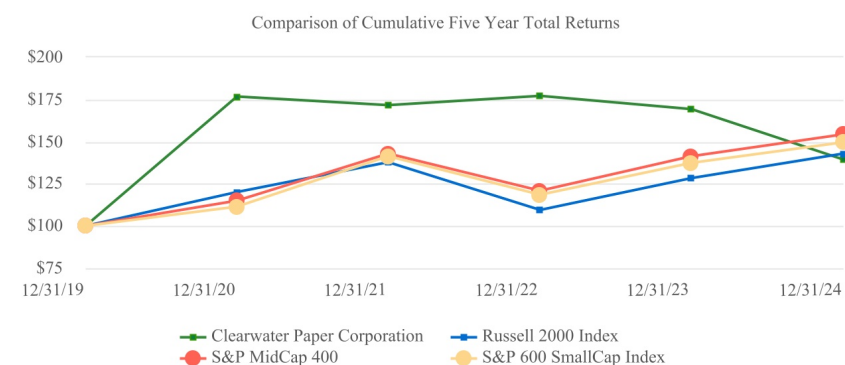
We have not paid any cash dividends. We will continue to review whether payment of a cash dividend on our common stock in the future best serves the company and our stockholders. The declaration and amount of any dividends, however, would be determined by our Board of Directors and would depend on our earnings, our compliance with the terms of our notes and revolving credit facilities that may contain certain restrictions on our ability to pay dividends, and any other factors that our Board of Directors believes are relevant.

#### PERFORMANCE GRAPH

The graph below compares the cumulative total stockholder return of our common stock for the period beginning December 31, 2019 and ending December 31, 2024, with the cumulative total return during such period of the S&P 600 Small Cap Index, the S&P MidCap 400, and the Russell 2000 Index. The comparison assumes \$100 was invested on December 31, 2019, in our common stock and in the indices and assumes dividends were reinvested. The stock performance shown on the graph represents historical stock performance and is not necessarily indicative of future stock price performance.

We measure our relative corporate performance for purposes of performance-based equity awards issued to our executive

officers against a specific index. Each year, an index is established to apply to performance-based equity awards issued in that year. We currently measure our relative performance, for purposes of performance-based equity awards, against the S&P 600 Small Cap Index, the S&P MidCap 400, and the Russell 2000 Index. The cumulative return for the Company and those indexes is listed below.



This comparison assumes \$100 was invested on December 31, 2019, in our common stock and in the indices and assumes dividends were reinvested.

Company Name / Index	December 31,					
	2019	2020	2021	2022	2023	2024
Clearwater Paper Corporation	\$ 100.00	\$ 176.73	\$ 171.68	\$ 177.01	\$ 169.10	\$ 139.37
Russell 2000 Index	100.00	119.96	137.74	109.59	128.14	142.93
S&P MidCap 400® Index (excluding members of the GICS® Financials sector)	100.00	114.87	142.87	120.91	141.11	154.08
S&P 600 SmallCap Index	100.00	111.29	141.13	118.41	137.42	149.37

ITEM 6. [Reserved]

## **ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis should be read in conjunction with our audited consolidated financial statements and related notes that appear elsewhere in this report. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this report.*

### **Overview of Business**

We are a premier manufacturer and supplier of Solid Bleached Sulfate (SBS) paperboard packaging products to independent converters. We believe we are well positioned to capitalize on sustainability trends towards renewable and recyclable materials. We focus on food service and folding carton markets and provide limited distribution and sheeting services. Additionally, we sell minor amounts of pulp to outside customers. We believe our status as an independent, non-integrated supplier is core to our value proposition. We strive to develop new products and innovative solutions to expand and diversify our paperboard portfolio. In 2024, our business and production capabilities, we completed the acquisition of a paperboard manufacturing facility and associated business in Augusta Georgia.

### **Reclassification of Our Tissue Operations**

In 2024, we completed the sale of our tissue operations. This sale represents a strategic shift in our operations and financial results requiring discontinued operations accounting treatment for this division. The financial information presented below reflects reclassifications from previously reported information based upon discontinued operations. Historically, we have shown certain intercompany pulp costs as offsets to cost of sales as they represented intercompany transactions between the tissue operations and the pulp and paperboard manufacturing operations. Based upon discontinued operations treatment, such transfers of pulp and other inputs have been recast to Net Sales on the Consolidated Statements of Operations.

### **Significant Factors That Impact Our Business and Results of Operations**

The paperboard industry is affected by macro-economic conditions around the world and has historically experienced cyclical market conditions. As a result, prices for products and sales volumes have historically been volatile. Product pricing is significantly affected by the relationship between supply and demand for our products. Product supply in the industry is influenced primarily by fluctuations in available manufacturing production, which tends to increase during periods when prices remain strong. During 2023 and 2024, the paperboard industry saw significant weakness due to customer destocking after a lengthy period of constrained supply given high demand coupled with increasing supply.

Our operating costs include raw materials, labor and selling, general and administrative expenses. We manage these costs through cost saving and productivity initiatives, sourcing programs, and pricing actions. Additionally, our operations, as do all pulp and paperboard manufacturing operations, require regular planned maintenance outages. During 2024, we incurred planned maintenance outages at our Lewiston, Idaho and our Augusta, Georgia facilities. During 2023, we incurred a planned maintenance outage at our Cypress Bend, Arkansas facility. During 2022, we incurred a planned maintenance outage at our Lewiston, Idaho facility. Starting in 2025, we plan to move to annual outages for each of our facilities.

### **Critical Accounting Policies and Significant Estimates**

A discussion of our significant accounting policies and significant accounting estimates and judgments is presented in Note 1, "Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements in Item 8 of this report. Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. We believe that the accounting estimates discussed below represent the accounting estimates requiring the exercise of judgment where a different set of judgments could result in the greatest changes to reported results. We reviewed the development, selection and disclosure of our critical accounting estimates with the Audit Committee of our Board of Directors. For 2024, these significant accounting estimates and judgments include:

#### **Business Acquisitions**

We use the acquisition method of accounting for acquired businesses. Under the acquisition method of accounting, we allocated the purchase consideration to the tangible assets acquired and liabilities assumed based on their estimated fair values on the date of the acquisition. Any excess of the purchase price over the estimated fair values of the identifiable net assets acquired is recorded as goodwill. The estimates used to determine the fair value of long-lived assets can be

complex and require significant judgments. Therefore, we use information available to us to make fair value determinations and often engage independent valuation specialists, when necessary, to assist in the fair value determination of significant, acquired long-lived assets. The determination of fair value requires estimates about discount rates, growth and retention rates, expected future cash flows and other future events that are judgmental in nature. While we use our best estimates and assumptions as a part of the purchase price allocation process, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we are permitted to record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of income.

On May 1, 2024, we completed the acquisition of a paperboard manufacturing facility and associated business, located in Augusta, Georgia (Augusta) from Graphic Packaging International, LLC for cash of \$708 million. Augusta's results of operations have been included in our financial results since the acquisition date. We allocated the fair value of purchase consideration transferred to the tangible assets acquired and liabilities assumed based on their estimated fair values on the date of the acquisition. We identified that the acquired assets were assigned a fair value of \$695 million. The majority of these assets were property, plant and equipment valued using the replacement cost method. This method is based on the replacement cost of comparable assets at the time of the acquisition adjusted for depreciation and economic and functional obsolescence of the asset. The Company believes the estimates are based on reasonable assumptions, but which are inherently uncertain. The remainder of the purchase price was allocated to working capital assets (primarily inventory) and goodwill. As a result, actual results may differ from the assumptions and judgments used to determine fair value of the assets acquired, which could result in material impairment losses in the future. Additional information regarding our acquisitions is included in "Note 3 - Business Acquisition" in the Notes to Consolidated Financial Statements included herein under "Item 8. Financial Statements and Supplementary Data."

**Retirement Plans and Postretirement Benefits**

We have a number of defined benefit pension plans in the United States covering many of our employees. Benefit accruals under most of our defined benefit pension plans in the United States were frozen prior to January 2014.

We account for the consequences of our sponsorship of these plans using assumptions to calculate the related assets, liabilities and expenses recorded in our financial statements. Net actuarial gains and losses occur when actual experience differs from any of the assumptions used to value defined benefit plans or when assumptions change as they may each year. The primary factors contributing to actuarial gains and losses are changes in the discount rate used to value obligations as of the measurement date and the differences between expected and actual returns on pension plan assets. This accounting method results in the potential for volatile and difficult to forecast gains and losses.

We record amounts relating to these defined benefit plans based on various actuarial assumptions, including discount rates, assumed rates of return, compensation increases and life expectancy. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current economic conditions and trends. We believe that the assumptions utilized in recording our obligations under our plans are reasonable based on our experience and on advice from our independent actuaries; however, differences in actual experience or changes in the assumptions may materially affect our financial condition or results of operations.

The following table illustrates the estimated impact on hypothetical pension obligations and expenses that would have resulted from a 25-basis point reduction in two key assumptions for the year ended December 31, 2024:

(In millions)	Statements of Operations		Balance Sheets
Discount rate	\$	— \$	4.6
Expected long term rate of return	\$	0.7 \$	—

It is not possible to forecast or predict whether there will be actuarial gains and losses in future periods, and if required, the magnitude of any such adjustment. These gains and losses are driven by differences in actual experience or changes in the assumptions that are beyond our control, such as changes in interest rates and the actual return on pension plan assets.

### Non-GAAP Financial Measures

In evaluating our business, we utilize several non-GAAP financial measures. A non-GAAP financial measure is generally defined by the SEC as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included under applicable GAAP guidance. In this report on Form 10-K, we disclose income (loss) from operations before interest expense, net, non-operating pension and other post employment benefit costs, income tax expense, depreciation and amortization, other operating charges, net, and debt retirement costs as Adjusted EBITDA from continuing operations which is a non-GAAP financial measure. Adjusted EBITDA from continuing operations is not a substitute for the GAAP measure of net income or for any other GAAP measures of operating performance.

We have included Adjusted EBITDA from continuing operations in this report because we use it as an important supplemental measure of our performance and believe that it is frequently used by securities analysts, investors and other interested persons in the evaluation of companies in our industry, some of which present Adjusted EBITDA when reporting their results. We use Adjusted EBITDA from continuing operations to evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates. It should be noted that companies calculate Adjusted EBITDA differently and, therefore, our Adjusted EBITDA from continuing operations measure may not be comparable to Adjusted EBITDA reported by other companies. Our Adjusted EBITDA from continuing operations measure has material limitations as a performance measure because it excludes interest expense, net, income tax (benefit) expense and depreciation and amortization which are necessary to operate our business or which we otherwise incur or experience in connection with the operation of our business. In addition, we exclude other income and expense items which are outside of our core operations.

The following table provides our Adjusted EBITDA from continuing operations for the periods presented and a reconciliation to net income.

(In millions)	For The Years Ended December 31,		
	2024	2023	2022
Net income	\$ 196.3	\$ 107.7	\$ 46.0
Less: income (loss) from discontinued operations, net of tax	270.3	59.0	(6.7)
Income (loss) from continuing operations	(74.0)	48.7	52.7
Add (deduct):			
Income tax provision (benefit)	(27.1)	16.9	29.2
Interest expense, net	29.2	9.5	11.2
Depreciation and amortization expense	69.8	40.7	40.6
Inventory revaluation on acquired business	6.8	—	—
Other operating charges, net	24.0	3.2	3.2
Other non-operating (income) expense	(1.8)	(0.1)	5.7
Debt retirement costs	9.1	3.1	0.5
Adjusted EBITDA from continuing operations	\$ 36.0	\$ 122.0	\$ 143.1

## OPERATING RESULTS FROM CONTINUING OPERATIONS

The financial information below reflects reclassifications from previously reported information based upon discontinued operations. Historically, the Company has shown certain intercompany pulp costs as offsets as they represent intercompany transactions between our tissue business and the pulp and paperboard manufacturing operations. Based upon discontinued operations treatment, such transfers of pulp and other inputs have been recast to Net Sales on the Consolidated Statements of Operations.

	For The Years Ended December 31,			Increase (decrease)	
	2024	2023	2022	2024-2023	2023-2022
Net Sales	\$ 1,383.6	\$ 1,136.0	\$ 1,195.0	21.8 %	(4.9)%
Cost of Sales	1,307.5	935.3	982.5	39.8 %	(4.8)%
Gross Profit	76.1	200.7	212.5	(62.1)%	(5.6)%
Selling, general and administrative expenses	116.7	119.4	110.0	(2.3)%	8.5 %
Other operating charges, net <sup>(1)</sup>	24.0	3.2	3.2	nm	— %
Income (loss) from continuing operations	\$ (64.5)	\$ 78.1	\$ 99.3	(182.6)%	(21.3)%
Adjusted EBITDA from continuing operations	\$ 36.0	\$ 122.0	\$ 143.1	(70.5)%	(14.7)%

<sup>(1)</sup> See Note 10, "Other operating charges," of the Notes to the Consolidated Financial Statements included in Item 8 of this report for additional information.

### Net Sales

Net sales increased 21.8% for the year ended December 31, 2024 compared to December 31, 2023 due the inclusion of the Augusta operations (see Note 3, "Business Acquisition" of the Notes to the Consolidated Financial Statements included in Item 8 of this report for additional information). This increase was driven by higher sales volume offset by decreases in sales prices due to previously announced price decreases and changes in our product mix.

Net sales decreased 4.9% for the year ended December 31, 2023 compared to December 31, 2022 due to weaker demand as customers rebalanced inventory levels. Pulp sales volumes increased for the year ended December 31, 2023 as we managed our paperboard production resulting in additional pulp to be sold.

	For The Years Ended December 31,			Increase (decrease)	
	2024	2023	2022	2024-2023	2023-2022
Paperboard shipments (short tons)	1,080,898	751,520	814,556	43.8 %	(7.7)%
Paperboard sales price (per short ton)	\$ 1,210	\$ 1,375	\$ 1,356	(12.0)%	1.4 %
Pulp shipments (short tons)	101,429	140,284	124,844	(27.7)%	12.4 %
Pulp sales price (short tons)	\$ 581	\$ 607	\$ 556	(4.3)%	9.3 %

### Cost of sales

Costs included in our cost of sales include input costs (principally raw materials and energy), labor and overhead, supply chain costs (principally freight and outside warehousing). The table below provides the details of our cost of sales for the years ended December 31, 2024, 2023 and 2022.

	For The Years Ended December 31,			Increase (decrease)	
	2024	2023	2022	2024-2023	2023-2022
Input cost (raw materials and energy)	\$ 615.0	\$ 494.5	\$ 515.7	24.4 %	(4.1)%
Labor and overhead	482.2	302.7	298.7	59.3 %	1.3 %
Supply chain costs (principally freight)	140.1	105.3	119.5	33.0 %	(11.9)%
Other	4.4	(3.3)	12.9	(233.4)%	(125.3)%
Depreciation and amortization	65.9	36.1	35.6	82.7 %	1.2 %
Cost of Sales	\$ 1,307.5	\$ 935.3	\$ 982.5	39.8 %	(4.8)%

Cost of sales increased 39.8% for the year ended December 31, 2024 compared to the year ended December 31, 2023 due to the inclusion of the Augusta operations. Input costs increased due to higher sales volume with reductions on a per ton basis across fiber, energy and chemicals due to deflation. Our labor and overhead increased due to the inclusion of the Augusta operation as well as planned annual maintenance at both our Lewiston, Idaho and our Augusta, Georgia facilities. Depreciation increased due to the inclusion of the Augusta operations. Supply chain cost increased due to higher volumes offset by lower freight costs per ton due to deflation.

Cost of sales decreased 4.8% from the year ended December 31, 2023 compared to the year ended December 31, 2022 due to lower volumes offset by higher inflation. Input costs on a per ton basis increased due to higher fiber and chemical costs on a per ton basis offset by lower energy costs. Our labor and overhead increased due to inflation. Supply chain cost decreased due to lower volumes offset by lower freight costs per ton due to deflation.

#### Gross profit

Gross profit declined 62.1% for the year ended December 31, 2024 compared to the year ended December 31, 2023 due to previously announced price decreases and higher costs due to our planned major maintenance outage at our Lewiston, Idaho and Augusta, Georgia facilities offset by lower input costs due to deflation.

Gross profit declined 5.6% for the year ended December 31, 2023 compared to the year ended December 31, 2022 due to reduced sales volumes and planned production downtime to manage inventory partially offset by deflation in input and supply chain costs.

#### Selling, general and administrative

Selling, general and administrative expenses decreased 2.3% for the year ended December 31, 2024 compared to the year ended December 31, 2023 primarily as a result of lower incentive pay due to lower operational performance partially offset by higher wages and benefits related to additional sales costs associated with the Augusta acquisition.

Selling, general and administrative expenses increased 8.5% for the year ended December 31, 2023 compared the year ended December 31, 2022 primarily related to costs associated with business improvement projects including information technology and other projects and higher wages partially offset by lower incentives due to lower operating performance.

#### Other operating charges

See Note 10, "Other Operating Charges, net" of the Notes to the Consolidated Financial Statements included in Item 8 of this report for additional information.

#### Overall income from continuing operations and Adjusted EBITDA

Operating income from continuing operations and Adjusted EBITDA from continuing operations decreased for the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to lower sale prices and planned major maintenance at both our Lewiston and Augusta facilities partially offset by higher volume. Additionally, impacting operating income from continuing operations were the transaction and integration cost associated with the acquisition of the Augusta facility.

Operating income from continuing operations and Adjusted EBITDA from continuing operations decreased for the year ended December 31, 2023 as compared to the year ended December 31, 2022 due to lower sales volume and planned production downtime to manage inventory and increase costs associated with business improvement projects.

#### OPERATING RESULTS FROM DISCONTINUED OPERATIONS

For the year ended December 31, 2024 as compared to the year ended December 31, 2023, retail sales volume declined



due to the sale of our tissue business on November 1, 2024. Retail sales prices decreased due to changes in our product mix and reductions resulting from contract pricing indexed to certain cost inputs. Operating income decreased predominately due to lower sales prices offset by lower input costs, primarily in pulp, freight and energy costs.

For the year ended December 31, 2023 as compared to the year ended December 31, 2022, retail sales volumes in our tissue business increased due to the increased demand for private label versus branded products. Retail sales prices increased in our tissue business due to previously announced price increases and improved product mix. Operating income increased due to higher volumes and pricing and lower freight costs.

#### **POTENTIAL IMPAIRMENTS**

We review from time-to-time possible dispositions or reorganization of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant factors. Because a determination to dispose or reorganize particular assets may require management to make assumptions regarding the transaction structure of the disposition or reorganization and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

#### **2025 OPERATIONS**

For 2025, we expect a continued improvement in demand for SBS paperboard products. Various industry publications suggest demand will return to pre-COVID levels by the end of 2025. We expect this increase in demand will be offset by additional market capacity expected to come online at the beginning in the second quarter of 2025. SBS is currently in a downcycle, which we believe to be a temporary condition until supply and demand come back into balance. As we navigate the current environment, we are focused on actions that are in our control, including improving our operational performance, reducing cost, and strengthening our product offering. We are taking actions to reduce our cost structure and are targeting \$30 to \$40 million in cost savings in 2025 across selling, general and administrative and operations. We continue to explore ways to broaden our product offering to better service our converter customers. Near-term initiatives include compostability, increasing the recycled content of our products, and lightweighting. Over the longer term, we are also exploring options to diversify into other substrates that may include beverage carrier grades, white top, or recycled board. We remain confident in the long term fundamentals of the paperboard market and our ability to deliver strong margins and cash flows through the cycle.

#### **LIQUIDITY AND CAPITAL RESOURCES**

##### **Overview**

Our principal sources of liquidity are existing cash, cash generated by our operations and our ability to borrow under such credit facilities as we may have in effect from time to time. At times, we may also issue equity, debt or hybrid securities or engage in other capital market transactions. Due to the competitive and cyclical nature of the markets in which we operate, there is uncertainty regarding the amount of cash flows we will generate during the next twelve months. However, we believe that our cash flows from operations, our cash on hand and our borrowing capacity under our Credit Agreements will be adequate to fund debt service requirements and provide cash to support our ongoing operations, capital expenditures and working capital needs for the next twelve months.

Our principal uses of liquidity are paying the costs and expenses associated with our operations, servicing outstanding indebtedness and making capital expenditures. We may also from time to time prepay or repurchase outstanding indebtedness or shares or acquire assets or businesses that are complementary to our operations. Any such prepayments, repurchases or acquisitions may be commenced, suspended, discontinued, or resumed, and the method or methods of effecting any such prepayments or repurchases may be changed at any time or from time to time without prior notice.

##### **Operating Activities**

During 2024, we generated \$61.4 million of cash from operations, as compared to \$190.7 million in 2023. This decrease was driven by lower operating performance and changes in working capital. Accounts receivable and accounts payable agings have remained relatively consistent with balances as of December 31, 2023.

During 2023, we generated \$190.7 million in cash from operations, as compared to \$150.2 million in 2022. This increase was driven by improved operating performance and changes in working capital.

### **Investing Activities**

During 2024, we generated \$167.7 million in cash from investing activities, as compared to a use of \$73.7 million in 2023. This includes a use of \$708.2 million for the acquisition of the Augusta operations and business and net proceeds of \$992.5 million received from the divestiture of our tissue business. Included in accounts payable and accrued liabilities was \$25.8 million related to capital expenditures that had not yet been paid at December 31, 2024.

During 2023 we used \$73.7 million in cash for investing activities, as compared to \$33.5 million in cash for investing activities in 2022. In both years, cash used for investing activities was related to capital expenditures. Included in accounts payable and accrued liabilities was \$13.0 million related to capital expenditures that had not yet been paid at December 31, 2023.

In 2025, we expect cash paid for capital expenditures to be approximately \$80 million to \$90 million.

### **Financing Activities**

Net cash flows used in financing activities were \$191.4 million for 2024. We received net proceeds of \$753.4 million from the issuance of long-term debt related to the Augusta acquisition and to cover short term cash requirements. We repaid \$931.1 million of long-term debt. Additionally, we used \$5.6 million for debt issuance costs and \$10.0 million to repurchase stock under our stock repurchase program during the year ended December 31, 2024.

Net cash flows used in financing activities were \$129.4 million for 2023 as compared to \$88.6 million for 2022. The increase was due to higher debt repayments in 2023 driven by improved operating results which provided additional available cash to fund debt repayments. Additionally, we used \$17.9 million for common stock repurchases under our stock repurchase program during the year ended December 31, 2023.

### **Commitments**

As of December 31, 2024, we have purchase commitments of \$102.6 million, of which \$53.4 million is payable within 12 months, related to contracts with natural gas and electricity providers, contracts for the purchase of chemicals and pulp, and contracts associated with IT services that are legally binding on us and specify fixed or minimum quantities. Additionally, we have \$35.6 million, all of which is payable within 12 months, in purchase commitments associated with capital expenditures.

### **Credit Agreements**

We are party to an amended and restated credit agreement (which may be amended from time to time, the "PCA Credit Agreement") that consists of a term revolver commitment in the amount of \$270 million. We may also increase term revolver commitments under the PCA Credit Agreement in an aggregate amount of up to \$60 million, subject to obtaining commitments from any participating lenders and certain other conditions. The obligations under the PCA Credit Agreement are secured by liens on substantially all of our personal property assets and each of our domestic subsidiaries that are guarantors of the PCA Credit Agreement. Borrowings under the PCA Credit Agreement are subject to mandatory prepayment in certain circumstances. We may, at our option, prepay and reborrow any borrowings under the PCA Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances). The PCA Credit Agreement matures on May 1, 2029, subject to a springing maturity beginning on the date that is 91 days prior to the maturity of the Company's 2020 Notes if the outstanding principal amount of the 2020 Notes plus \$50 million is at any time during such 91 day period great than the sum of our available borrowing liquidity and unrestricted cash.

We are also party to an asset-based loan credit agreement (which may be amended from time to time, the "ABL Credit Agreement," and together with the PCA Credit Agreement, the "Credit Agreements") that consists of a \$375 million revolving loan commitment, subject to borrowing base limitations. Borrowings under the ABL Credit Agreement are subject to mandatory prepayment in certain circumstances. We may also increase the revolving commitments under the ABL Credit Agreement in an aggregate amount of up to \$100 million, subject to obtaining commitments from any participating lenders and certain other conditions. The obligations under the ABL Credit Agreement are secured by liens on substantially all of our personal property assets and each of our domestic subsidiaries that are guarantors of the ABL Credit Agreement. We may, at our option, prepay and reborrow any borrowings under the ABL Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances). The ABL Credit Agreement matures on November 7, 2027. As of December 31, 2024, we had no outstanding borrowings under this facility and \$3.7 million drawn to support our letters of credit.

Both Credit Agreements contain customary representations, warranties, and affirmative and negative covenants. The

ABL Credit Agreement also contains a financial covenant, which requires us to maintain a consolidated fixed charge coverage ratio of not less than 1.10x to 1.00x, provided that the financial covenant under the ABL Credit Agreement is only applicable during an event of default or if availability, as calculated under the ABL Credit Agreement, is at any time less than or equal to the greater of (i) 10.0% the Line Cap (as defined above) and (ii) \$25 million.

At December 31, 2024, we were in compliance with the covenants in the Credit Agreements, and based on our current financial projections, we expect to remain in compliance. However, if our financial position, results of operations or market conditions deteriorate, we may not be able to remain in compliance. There can be no assurance that we will be able to remain in compliance with the Credit Agreements. See Note 9, "Debt," to the Notes to Consolidated Financial Statements included in Item 8 of this report for additional information.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk on financial instruments is limited to our Credit Agreements. As of December 31, 2024, there were no borrowings outstanding under our Credit Agreements. The interest rates applied to borrowings on both Credit Agreements are adjusted often and therefore react quickly to any movement in the general trend of market interest rates.

Foreign Currency Risk

We have minimal foreign currency exchange risk. Nearly all of our international sales are denominated in U.S. dollars.

Quantitative Information about Market Risk

(In millions)	Expected Maturity Date						
	2025	2026	2027	2028	2029	Thereafter	Total
Long-term debt: <sup>1</sup>							
Fixed rate	\$ —	\$ —	\$ —	\$ 275.0	\$ —	\$ —	\$ 275.0
Variable rate	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Average interest rate	— %	— %	— %	4.75 %	— %	— %	4.75 %
Fair value at December 31, 2024							\$ 258.9

<sup>1</sup> Excludes finance lease liabilities.

## ITEM 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors Clearwater Paper Corporation:

#### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Clearwater Paper Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

#### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

#### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

##### *Measurement of the pension benefit obligation*

As discussed in Notes 1 and 12 to the consolidated financial statements, the Company's pension benefit obligation was \$217.2 million as of December 31, 2024. The measurement of the pension benefit obligation is based on actuarial assumptions that require judgment, which includes the discount rate applied to the pension benefit obligation.

We identified the evaluation of the discount rate used in the measurement of the pension benefit obligation as a critical audit matter. Specialized skills and knowledge were required to evaluate the discount rate used to determine the pension benefit obligation. In addition, there was subjectivity and judgment in

applying and evaluating results of the procedures due to the sensitivity of the pension benefit obligation to changes in the discount rate.

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 controls over the Company's pension benefit process. This included a control related to the determination of the discount rate assumption. We considered the change in the discount rate from that used in the prior year, including consideration of the changes in the discount rate in light of published reports of actuarial experts. We involved an actuarial professional with specialized skills and knowledge, who assisted in evaluating the discount rate as determined using the hypothetical bond portfolio model through analyzing the bond selection criteria, the bond ratings, and the cash flow matching of the model.

*Valuation of certain machinery and equipment assets in the Augusta Acquisition*

As discussed in Note 3 to the consolidated financial statements, the Company completed the acquisition of a paperboard manufacturing facility and associated business, located in Augusta, Georgia (the Augusta Acquisition) for an aggregate purchase price of \$708.2 million. The purchase price of the Augusta Acquisition was allocated to assets acquired and liabilities assumed based on the estimated fair values as of the date of the acquisition. Assets acquired included \$610.3 million of property, plant, and equipment, which were primarily assigned a fair value using replacement cost.

We identified the evaluation of the fair value measurement of certain property, plant, and equipment acquired in the Augusta Acquisition as a critical audit matter. Specifically, the evaluation of the replacement cost assumptions, including the assessment of whether the replacement cost basis was comparable with the asset being valued, used to determine the fair value of certain property, plant, and equipment required subjective auditor judgment, including the use of specialized skills and knowledge, as changes to the replacement cost assumptions could have a significant impact on the fair value measurement.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control over the determination of replacement cost assumptions, including the comparability of the replacement cost basis to the property, plant, and equipment acquired. We involved valuation professionals with specialized skills and knowledge, who assisted in assessing the reasonableness of the Company's estimated replacement cost assumptions, including the comparability of the replacement cost basis with the acquired asset being valued, by:

- inquired of the Company's internal and external specialists to understand the overall operations of the Augusta paperboard manufacturing facility and the Company's specialist's development of the replacement cost assumptions
- for a selection of acquired property, plant, and equipment, assessing the comparability of assets used to develop the replacement cost assumptions and the acquired property, plant, and equipment by inspecting vendor quotes, estimates prepared by the Company's internal specialists familiar with the selected property, plant, and equipment, and project budgets of recently purchased property, plant, and equipment
- evaluating the qualifications and knowledge, skills, and ability of the Company's internal and external specialists

/s/ KPMG

We have served as the Company's auditor since 2007.

Seattle, Washington

February 24, 2025

# CLEARWATER PAPER CORPORATION

## Consolidated Balance Sheets

(In millions, except share information)	December 31,	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 79.6	\$ 42.0
Receivables, net of allowance for current expected credit losses of \$ 1.6 and \$ 1.2 at December 31, 2024 and 2023	188.7	96.1
Inventories, net	258.0	161.2
Other current assets	19.1	17.4
Current assets of discontinued operations	—	247.5
Total current assets	545.4	564.1
Property, plant and equipment	2,328.4	1,608.6
Accumulated depreciation and amortization	( 1,305.4 )	( 1,247.9 )
Property, plant and equipment, net	1,023.1	360.7
Goodwill and intangible assets, net	52.9	41.5
Other assets, net	57.9	47.6
Long-term assets of discontinued operations	—	657.9
Total assets	\$ 1,679.2	\$ 1,671.8
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 0.6	\$ —
Accounts payable and accrued liabilities	319.7	195.5
Current liabilities of discontinued operations	—	90.5
Total current liabilities	320.4	286.0
Long-term debt	281.6	439.9
Liability for pension and other postretirement employee benefits	52.5	54.5
Deferred tax liabilities and other long-term obligations	170.2	84.6
Long-term liabilities of discontinued operations	—	138.1
Total liabilities	824.7	1,003.0
Stockholders' equity:		
Preferred stock, par value \$ 0.0001 per share, 5,000,000 shares authorized, no shares issued	—	—
Common stock, par value \$ 0.0001 per share, 100,000,000 shares authorized, 16,567,722 and 16,484,550 shares issued	—	—
Additional paid-in capital	11.5	14.9
Treasury stock, at cost, and 122,821 and 0 shares	( 3.3 )	—
Retained earnings	880.8	684.5
Accumulated other comprehensive loss, net of tax	( 34.5 )	( 30.7 )
Total stockholders' equity	854.6	668.8
Total liabilities and stockholders' equity	\$ 1,679.2	\$ 1,671.8

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

# CLEARWATER PAPER CORPORATION

## Consolidated Statements of Operations

(In millions, except per share data)	For The Years Ended December 31,		
	2024	2023	2022
Net sales	\$ 1,383.6	\$ 1,136.0	\$ 1,195.0
Costs and expenses:			
Cost of sales	1,307.5	935.3	982.5
Selling, general and administrative expenses	116.7	119.4	110.0
Other operating charges, net	24.0	3.2	3.2
Total operating costs and expenses	1,448.1	1,057.9	1,095.7
Income (loss) from continuing operations	( 64.5 )	78.1	99.3
Interest expense, net	( 29.2 )	( 9.5 )	( 11.2 )
Debt retirement costs	( 9.1 )	( 3.1 )	( 0.5 )
Other non-operating (expense) income	1.8	0.1	( 5.7 )
Total non-operating expense	( 36.6 )	( 12.5 )	( 17.4 )
Income (loss) from continuing operations before income taxes	( 101.1 )	65.6	81.9
Income tax provision (benefit)	( 27.1 )	16.9	29.2
Income (loss) from continuing operations	( 74.0 )	48.7	52.7
Income (loss) from discontinued operations before income taxes	73.3	78.6	( 8.8 )
Gain on sale of discontinued operations	307.2	—	—
Income tax provision (benefit) of discontinued operations	110.2	19.6	( 2.1 )
Income (loss) from discontinued operations	270.3	59.0	( 6.7 )
Net income	\$ 196.3	\$ 107.7	\$ 46.0
Net income per common share:			
Income (loss) per share from continuing operations - basic	\$ ( 4.41 )	\$ 2.89	\$ 3.10
Income per share from discontinued operations - basic	16.11	3.50	( 0.39 )
Net income per share - basic	\$ 11.70	\$ 6.39	\$ 2.71
Income (loss) per share from continuing operations - diluted	( 4.41 )	2.85	3.07
Income per share from discontinued operations - diluted	16.11	3.45	( 0.39 )
Net income per share - diluted	\$ 11.70	\$ 6.30	\$ 2.68
Average shares of common stock used to compute net income per share (in thousands):			
Basic	16,781	16,863	16,985
Diluted	16,781	17,091	17,181

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



CLEARWATER PAPER CORPORATION  
Consolidated Statements of Comprehensive Income

(In millions)	For The Years Ended December 31,		
	2024	2023	2022
Net income	\$ 196.3	\$ 107.7	\$ 46.0
Other comprehensive income (loss), net of tax:			
Defined benefit pension and other postretirement employee benefits:			
Net (gain) loss arising during the period, net of tax of \$( 1.2 ), \$ 0.9 and \$ 1.5	( 3.6 )	2.8	4.7
Amortization of actuarial (gain) loss included in net periodic cost, net of tax of \$( 0.1 ), \$( 0.1 ) and \$ 1.6	( 0.3 )	( 0.2 )	4.7
Other comprehensive income, net of tax	( 3.8 )	2.6	9.3
Comprehensive income	\$ 192.5	\$ 110.3	\$ 55.3

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

# CLEARWATER PAPER CORPORATION

## Consolidated Statements of Cash Flows

(In millions)	For The Years Ended December 31,		
	2024	2023	2022
<b>Operating activities</b>			
Net income	\$ 196.3	\$ 107.7	\$ 46.0
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation and amortization	99.8	98.6	103.3
Equity-based compensation expense	5.6	9.9	12.7
Deferred taxes	39.0	( 14.9 )	( 7.9 )
Defined benefit pension and other postretirement employee benefits	( 4.2 )	( 2.0 )	3.0
Gain on business divestiture	( 307.2 )	—	—
Amortization of deferred debt costs and debt retirement	11.8	4.4	2.0
Loss on sale or impairment associated with assets	1.9	2.1	6.1
Changes in operating assets and liabilities, net of acquisitions and divestitures:			
(Increase) decrease in accounts receivable	( 87.2 )	( 1.3 )	( 16.9 )
(Increase) decrease in inventories	12.4	4.0	( 46.3 )
(Increase) decrease in other current assets	( 2.5 )	0.8	( 2.4 )
Increase (decrease) in accounts payable and accrued liabilities	98.9	( 21.3 )	49.2
Other, net	( 3.0 )	2.6	1.5
Net cash flows provided by operating activities	61.4	190.7	150.2
<b>Investing activities</b>			
Additions to property, plant and equipment <sup>1</sup>	( 116.6 )	( 73.7 )	( 33.5 )
Acquisition of business	( 708.2 )	—	—
Proceeds from business divestiture	992.5	—	—
Net cash flows provided by (used in) investing activities	167.7	( 73.7 )	( 33.5 )
<b>Financing activities</b>			
Borrowings on long-term debt	753.4	222.0	—
Repayments of long-term debt	( 931.1 )	( 325.6 )	( 80.9 )
Taxes paid related to net share settlement of equity awards	( 4.1 )	( 4.7 )	( 2.5 )
Repurchases of common stock	( 10.0 )	( 17.9 )	( 5.0 )
Payments for debt issuance costs	( 5.6 )	( 3.1 )	( 0.9 )
Other, net	5.9	—	0.8
Net cash flows used in financing activities	( 191.4 )	( 129.4 )	( 88.6 )
Increase (decrease) in cash and cash equivalents	37.7	( 12.4 )	28.2
Cash and cash equivalents at beginning of period	42.0	54.4	26.2
Cash and cash equivalents at end of period	\$ 79.6	\$ 42.0	\$ 54.4
<b>Supplemental disclosures of cash flow information</b>			
Cash paid for interest, net of amounts capitalized	\$ 52.4	\$ 37.8	\$ 33.0
Cash paid for income taxes, net of refunds received	\$ 19.0	\$ 16.6	\$ 43.0

<sup>1</sup> Capital expenditures of \$ 25.8 million, \$ 13.0 million and \$ 15.7 million that have not been paid as of December 31, 2024, 2023 and 2022 were excluded from the Statement of Cash Flows.

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

# CLEARWATER PAPER CORPORATION

## Consolidated Statements of Stockholders' Equity

	Common Stock			Treasury Stock			Accumulated		Total
							Other		
(In millions, except share amounts which are in thousands)	Shares	Amount	Additional Paid-In Capital	Shares	Amount	Retained Earnings	Comprehensive Loss	Stockholders' Equity	
Balance at December 31, 2021	16,692	\$ —	\$ 23.6	\$ —	\$ —	530.7	\$ ( 42.6 )	\$	511.7
Net income	—	—	—	—	—	46.0	—		46.0
Stock-based compensation expense	—	—	11.7	—	—	—	—		11.7
Issuance of shares under stock plans, net	220	—	( 1.8 )	—	—	—	—		( 1.8 )
Pension and other postretirement employee benefits, net of tax of \$ 3.1	—	—	—	—	—	—	9.3		9.3
Repurchases of common stock	( 150 )	—	( 5.0 )	—	—	—	—		( 5.0 )
Balance at December 31, 2022	16,762	—	28.5	—	—	576.8	( 33.3 )		572.1
Net income	—	—	—	—	—	107.7	—		107.7
Stock-based compensation expense	—	—	9.0	—	—	—	—		9.0
Issuance of shares under stock plans, net	266	—	( 4.7 )	—	—	—	—		( 4.7 )
Pension and other postretirement employee benefits, net of tax of \$ 0.9	—	—	—	—	—	—	2.6		2.6
Repurchases of common stock	( 543 )	—	( 17.9 )	—	—	—	—		( 17.9 )
Balance at December 31, 2023	16,485	—	14.9	—	—	684.5	( 30.7 )		668.8
Net income	—	—	—	—	—	196.3	—		196.3
Stock-based compensation expense	—	—	6.0	—	—	—	—		6.0
Issuance of shares under stock plans, net	247	—	( 2.7 )	—	—	—	—		( 2.7 )
Pension and other postretirement employee benefits, net of tax benefit of \$ 1.3	—	—	—	—	—	—	( 3.8 )		( 3.8 )
Repurchases of common stock	( 164 )	—	( 6.7 )	( 123 )	( 3.3 )	—	—		( 10.0 )
Balance at December 31, 2024	16,568	\$ —	\$ 11.5	( 123 )	\$ ( 3.3 )	880.8	\$ ( 34.5 )	\$	854.6

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

# CLEARWATER PAPER CORPORATION

## Notes to Consolidated Financial Statements

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## **NOTE 1 Summary of Significant Accounting Policies**

### **NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

We are a premier manufacturer and supplier of bleached paperboard focused on servicing independent converters in North America. We also offer services that include customer sheeting, slitting, and cutting. Prior to the completion of the sale of our tissue business, we manufactured and sold consumer and parent roll tissues to major retailers, including grocery, club and discount stores.

On May 1, 2024, we completed the acquisition of a paperboard manufacturing facility and associated business in Augusta, Georgia. See Note 3, "Business Acquisition," for more information about the acquisition.

On November 1, 2024, we completed the sale of our tissue business. This represents a strategic shift in our operations and financial results requiring discontinued operations accounting treatment associated with this division. For all periods presented, the operating results associated with our tissue business have been reclassified to discontinued operations and have been shown as income (loss) from discontinued operations on our Consolidated Statements of Operations. The assets and liabilities associated with this business have been reflected as current and long-term assets and liabilities of discontinued operations in the Consolidated Balance Sheets. Additionally, certain reclassifications have been made to our continuing business to reflect certain intercompany transactions between our tissue business and our remaining entity such as treatment of intercompany sales and cost inputs. For the years ended December 31, 2023 and 2022, the impact of this reclassification was an increase to net sales of \$ 76.7 million and \$ 65.1 million and an increase to cost of sales of \$ 77.5 million and \$ 65.7 million. See Note 4, "Discontinued Operations," for more information on the divestiture.

Unless the context otherwise requires or unless otherwise indicated, references in this report to "Clearwater Paper Corporation," "we," "our," "the Company" and "us" refer to Clearwater Paper Corporation and its subsidiaries. All dollar amounts are shown in millions, except share and per share amounts .

### **USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results may differ from those estimates.

### **PRINCIPLES OF CONSOLIDATION**

These consolidated financial statements include the financial condition and results of operations of Clearwater Paper Corporation and its wholly-owned subsidiaries. All intercompany transactions and balances between operations within the Company have been eliminated. Certain amounts have been reclassified from prior year presentation for consistency.

### **BUSINESS COMBINATIONS**

We apply the principles provided in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, *Business Combinations*, to determine whether an acquisition involves an asset or a business. In determining whether an acquisition should be accounted for as a business combination or asset acquisition, we first determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this is the case, the single identifiable asset or the group of similar assets is accounted for as an asset acquisition. If this is not the case, we then further evaluate whether the single identifiable asset or group of similar identifiable assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. If so, the transaction is accounted for as a business combination.

We account for business combinations using the acquisition method of accounting which requires that (i) identifiable assets acquired (including identifiable intangible assets) and liabilities assumed generally be measured and recognized at fair value as of the acquisition date and (ii) the excess of the purchase price over the estimated net fair value of identifiable assets acquired and liabilities assumed be recognized as goodwill, which is not amortized for accounting purposes but is subject to testing for impairment at least annually. We measure and recognize asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets. Goodwill is not recognized in an asset acquisition with any consideration in excess of net assets acquired allocated to acquired assets on a relative estimated fair value basis. Transaction costs are expensed in a business combination and transaction costs directly attributable to the acquisition are considered a component of the cost of the acquisition in an asset acquisition. See Note 3, "Business Acquisition," for additional information.

## DISCONTINUED OPERATIONS

We present discontinued operations when there is a plan to dispose of a component of an entity or a group of components of an entity if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results. In the period in which the component meets held-for-sale or discontinued operations criteria, the major assets and liabilities are reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinuing operations, less applicable income taxes, are reported as components of net income (loss) separate from the net income (loss) from continuing operations. Additionally, we have elected to allocate interest expense to discontinued operations related to debt that was not directly attributed to the division being disposed of. Interest expense was allocated based on a ratio of net assets of discontinued operations to the consolidated net assets plus consolidated debt. See Note 4, "Discontinued Operations," for further information.

## CASH AND CASH EQUIVALENTS

We consider all highly liquid instruments with maturities of three months or less to be cash equivalents.

## ACCOUNTS RECEIVABLE

Receivables consist of:

	December 31,	
	2024	2023
Trade accounts receivable	\$ 167.5	\$ 85.2
Allowance for current expected credit losses	( 1.6 )	( 1.2 )
Unbilled receivables	5.3	4.1
Taxes receivable	2.6	4.8
Other	15.0	3.1
	<u>\$ 188.7</u>	<u>\$ 96.1</u>

## INVENTORIES

Our inventories are stated at the lower of net realizable value or current cost using the average cost method.

	December 31,	
	2024	2023
Logs, chips and sawdust	\$ 25.1	\$ 22.1
Pulp	6.9	4.7
Paperboard products	123.4	77.4
Materials and supplies	102.5	57.0
	<u>\$ 258.0</u>	<u>\$ 161.2</u>

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, including assets acquired under finance lease obligations, and any interest costs capitalized, less accumulated depreciation. Depreciation of buildings, equipment and other depreciable assets is determined using the straight-line method. Estimated useful lives generally range from 10 to 40 years for land improvements, 10 to 40 years for buildings and improvements and 2 to 25 years for machinery and equipment (includes office and other equipment).

	December 31,	
	2024	2023
Land and land improvements	\$ 65.8	\$ 45.1
Buildings and improvements	232.4	179.4
Machinery and equipment	1,942.6	1,341.1
Construction in progress	87.6	43.0
Property, plant and equipment	2,328.4	1,608.6
Less accumulated depreciation and amortization	( 1,305.4 )	( 1,247.9 )
Property, plant and equipment, net	<u>\$ 1,023.1</u>	<u>\$ 360.7</u>

At December 31, 2024 and 2023, included within property, plant and equipment, net were finance leases of \$ 8.6 million and \$ 0.0 million and associated accumulated depreciation amounts of \$ 0.3 million and \$ 0.0 million.

Depreciation expense is included in our financials as follows:

	For The Years Ended December 31,		
	2024	2023	2022
Continuing operations	\$ 67.7	\$ 38.6	\$ 38.5
Discontinued operations	30.0	57.9	62.6
Amortization of intangibles	2.1	2.1	2.1
	<u>\$ 99.8</u>	<u>\$ 98.6</u>	<u>\$ 103.3</u>

#### PLANNED MAINTENANCE

We recognize the cost of repair and maintenance activities in the period in which the activity is performed or goods are consumed under the direct expense method. We perform planned maintenance activities at our facilities periodically and associated expenses are included in cost of sales.

#### LEASES

Operating lease right-of-use (ROU) assets and liabilities are recognized at the commencement date of a lease based on the present value of lease payments over the lease term. Our leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that we will exercise that option. Some leases have variable payments: however, because they are not based on an index or rate, they are not included in the ROU assets and lease liabilities. Variable payments for real estate leases primarily relate to common area maintenance, insurance, taxes and utilities. Variable payments for equipment, vehicles, and leases within supply agreements primarily relate to usage, repairs and maintenance. As the implicit rate is not readily determinable for most of our leases, we apply a portfolio approach using an estimated incremental borrowing rate to determine the initial present value of lease payments over the lease terms on a collateralized basis over a similar term, which is based on market and company specific information. We use our unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate. Leases having a lease term of twelve months or less are not recorded on the balance sheet and the related lease expense is recognized on a straight-line basis over the term of the lease. In addition, we have applied the practical expedient to account for the lease and non-lease components as a single lease component for all of our leases. See Note 6, "Leases" for further information.

#### ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31,	
	2024	2023
Trade payables	\$ 164.6	\$ 89.1
Accrued compensation	38.2	32.8
Operating lease liabilities	11.1	8.5
Taxes payable	50.8	1.2
Other	55.0	63.8
	<u>\$ 319.7</u>	<u>\$ 195.5</u>

Included in accounts payable and other accrued liabilities is \$ 25.8 million and \$ 13.0 million related to capital expenditures that had not yet been paid as of December 31, 2024 and 2023.

We maintain a program with a financial institution to provide our vendors with an option to receive payments earlier than our standard payment terms. Vendors receive payments directly from the financial institution. We are obligated to repay the financial institution in the next billing cycle which is generally 35 to 60 days later than payment to the supplier. Amounts under this program were included in "Other" in the table above and payments made under this program are reflected as cash outflows for operating activities in the Consolidated Statements of Cash Flows.

The roll forward of our outstanding obligations confirmed as valid under the program were as follows:

	December 31,	
	2024	2023
Supplier finance program obligations balance, beginning of the year	\$ 14.7	\$ 14.5
Invoice amounts added during the year	84.1	74.7
Invoice amounts paid during the year	( 86.1 )	( 74.6 )
Supplier finance program obligations balance, end of year	\$ 12.7	\$ 14.7

#### RETIREMENT PLANS AND POSTRETIREMENT BENEFITS

We are required to use actuarial methods and assumptions in the valuation of defined benefit obligations and other postretirement obligations and the determination of expense. Differences between actual and expected results or changes in the values of the obligations and plan assets are not recognized in earnings as they occur but, rather, systematically and gradually over subsequent periods.

See Note 12, "Retirement Plans and Postretirement Benefits," for further information.

#### INCOME TAXES

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The determination of our provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in our consolidated financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, we reassess these probabilities and record any changes in the consolidated financial statements as appropriate.

See Note 8, "Income Taxes," for further information.

#### REVENUE RECOGNITION

We enter into contracts that can include various combinations of paperboard products, which are generally distinct and accounted for as separate performance obligations.

Generally, revenue is recognized at a point in time upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. Transfer of control typically occurs when the title and risk of loss passes to the customer. Shipping terms generally indicate when title and the risk of loss have passed, usually this is upon receipt at our customer's destination. We have elected to treat shipping and handling costs as a fulfillment cost. We expense incremental direct costs of obtaining a contract (sales commissions) when incurred because the amortization period is generally 12 months or less. We maintain consignment inventory at a limited number of customer locations. For consigned inventory, we recognize revenue upon transfer of control, which is often in advance of invoicing the customer. These amounts are classified as unbilled receivables in the above detail of accounts receivable.

We provide for trade promotions, customer cash discounts and other deductions, which are considered variable consideration and recorded as a reduction to net sales. Returns and credits are estimated at contract inception and updated at the end of each reporting period as additional information becomes available. Revenue, net of returns and credits, is only recognized to the extent that it is probable that a significant reversal of any incremental revenue will not occur. Judgment associated with forecasted volumes is required to determine the most probable amount of variable consideration to apply as a reduction to net sales. Revenue is recognized net of any taxes collected from customers.

For more information on the disaggregation of revenue by primary geographical market and major product line, see Note 18, "Segment Disclosure."



#### OTHER OPERATING CHARGES, NET

We classify significant amounts unrelated to ongoing core operating activities as "Other operating charges, net" in the Consolidated Statements of Operations. Such items include, but are not limited to, amounts related to facility closures and related gain (loss) on sale and impairment, restructuring charges (including severance charges), charges to establish and maintain litigation or environmental reserves, gains or losses from settlements with governmental or other organizations, acquisition, integration and divestiture related costs and cash settled equity-based compensation to our directors. Due to the nature of these items, amounts in the statement of operations can fluctuate from year to year. The determination of which items are considered significant and unrelated to core operations is based upon management's judgment.

See Note 10, "Other Operating Charges, net" for a discussion of specific amounts in 2024, 2023 and 2022.

#### ACCOUNTS RECEIVABLE ARRANGEMENT

Prior to the sale of our tissue business, we maintained an uncommitted supply-chain financing program with a global financial institution. Under this program, a specific customer's trade accounts receivable may be acquired, without recourse, by the institution at a discounted rate.

For the years ended December 31, 2024 and 2023, we sold \$ 261.6 million and \$ 257.5 million of receivables. The proceeds from these sales of receivables are included within operating activities in our Consolidated Statements of Cash Flows. For the years ended December 31, 2024, 2023, and 2022 factoring expense on the sale of receivables was \$ 3.4 million, \$ 3.7 million, and \$ 1.8 million and was included Selling, general and administrative expense within our Income (loss) from discontinued operations in our Consolidated Statements of Operations.

#### ENVIRONMENTAL AND ASSET RETIREMENT OBLIGATIONS

We estimate our environmental and asset retirement obligations based on various assumptions and judgments, the specific nature of which varies in light of the particular facts and circumstances surrounding each liability. These estimates typically reflect assumptions and judgments as to the probable nature, magnitude and timing of required investigation, remediation and monitoring activities and the probable cost of these activities. We have accrued only for specific costs related to environmental matters that we have determined are probable and for which an amount can be reasonably estimated. For asset retirement obligations, the liability is accreted to its settlement value and, where appropriate, the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we recognize a gain or loss for any difference between the settlement amount and the liability recorded. Our asset retirement obligation is included in "Deferred tax liabilities and other long-term obligations" in the Consolidated Balance Sheets. Our asset retirement obligation reflects the estimated present value of our obligations for capping, closure and post closure cost with respect to landfills, asbestos remediation and other ongoing environmental monitoring. The following table represents the activity associated with our asset retirement obligations.

	December 31,	
	2024	2023
Beginning balance	\$ 2.0	\$ 1.9
Liabilities acquired	2.9	—
Accretion expense	0.2	0.1
Payments	( 0.1 )	( 0.1 )
Ending balance	\$ 5.0	\$ 2.0

#### TREASURY STOCK

Under our 2024 stock repurchase authorization, we repurchase shares of common stock and such shares are recorded at cost as treasury stock and result in a reduction of shareholders' equity in the Consolidated Balance Sheets. We use the weighted-average cost method for determining the cost of shares reissued. The difference between the cost of the treasury shares and the reissuance value is added to or deducted from additional paid-in capital. If additional paid in capital is exhausted, amounts will be deducted directly from retained earnings upon reissuance.

## NOTE 2 Recently Adopted and New Accounting Standards

### RECENTLY ADOPTED

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures (Topic 280)*. This standard requires enhanced disclosures of segment expenses as well as additional information provided to the Chief Operating Decision Maker. This ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments in this ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. We adopted this new standard on January 1, 2024. See Note 18, "Segment Disclosure," for additional information. The adoption of this standard did not have a material impact on our financial statements.

### NEW ACCOUNTING STANDARDS

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (Subtopic 220-40)*, which requires disaggregated disclosure of certain types of expenses, such as inventory purchases, employee compensation, depreciation, and amortization in commonly presented expense captions such as cost of revenue and selling, general and administrative expenses. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the impact this new standard will have on our consolidated financial statement disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes—Improvements to Income Tax Disclosures (Topic 740)*, which requires enhanced disclosures primarily related to the rate reconciliation and disaggregation of income taxes paid. This ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. Adoption of this ASU will result in additional disclosure, but it will not impact our consolidated financial position, results of operations or cash flows.

### NOTE 3 Business Acquisition

On May 1, 2024, we completed the acquisition of a paperboard manufacturing facility and associated business, located in Augusta, Georgia (Augusta) from Graphic Packaging International, LLC (Augusta Acquisition). The acquisition is being accounted for under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, *Business Combinations* as a business combination as opposed to an asset acquisition. We used borrowings under our credit facilities to fund the acquisition. This acquisition strengthened our position as a premier, independent supplier of paperboard products to converters through improved scale and cost structure.

The purchase price of the Augusta Acquisition was allocated to assets acquired and liabilities assumed based on the estimated fair values as of the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, which is expected to be deductible for tax purposes. The allocation of the purchase price shown below remains preliminary and is subject to further adjustment, pending additional refinement and final completion of valuations, including but not limited to valuations of property, plant and equipment. Goodwill is primarily attributed to synergies from future expected economic benefits, including enhanced revenue growth as well as cost savings from reduction of duplicative overhead, streamlined operations and enhanced operational efficiency.

The purchase price allocation as of December 31, 2024 is as follows:

	Original Purchase Price Allocation		Measurement Period Adjustments		Updated Purchase Price Allocation	
Purchase price	\$	708.2	\$	—	\$	708.2
Inventories, net		102.8		—		102.8
Other current assets		0.4		( 0.1 )		0.4
Property, plant and equipment		609.3		1.0		610.3
Other assets, net		11.8		—		11.8
Total assets acquired		724.3		0.9		725.2
Current portion of long-term debt		( 0.6 )		—		( 0.6 )
Accounts payable and accrued liabilities		( 7.7 )		( 0.8 )		( 8.5 )
Long-term debt		( 8.9 )		—		( 8.9 )
Other long-term obligations		( 12.6 )		—		( 12.6 )
Total liabilities assumed		( 29.7 )		( 0.8 )		( 30.5 )
Net assets acquired		694.5		0.1		694.7
Goodwill		13.7		( 0.1 )		13.6
Total estimated fair value of net assets acquired	\$	708.2	\$	—	\$	708.2

As reflected in the above table, we updated the purchase price allocation related to Augusta Acquisition based on third-party valuation reports we received. As a result, we updated the fair value of property, plant and equipment acquired and made other insignificant updates, with a corresponding change to goodwill.

The Consolidated Statement of Operations includes \$ 341.3 million of Net Sales and \$ 27.0 million of Net Loss for the twelve months ended December 31, 2024 associated with this acquisition.

The following unaudited pro forma consolidated financial information for the twelve ended December 31, 2024 combines our results and the unaudited results of the Augusta operations for the corresponding periods. The unaudited pro forma consolidated financial information assumes that the Augusta Acquisition, which closed on May 1, 2024, was completed on January 1, 2023. The pro forma consolidated financial information has been calculated after applying our accounting policies and includes adjustments to reduce previously recorded amortization expense, fair value adjustments for acquired inventory, property, plant and equipment and operating leases. The impact to depreciation expense was de minimis due to the valuation step up being offset by increased useful lives. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of our operating results that would have been achieved had the Augusta Acquisition actually taken place on January 1, 2023. In addition, these results are not intended to be a projection of future results and do not reflect events that may occur after the Augusta Acquisition, including but not limited to revenue enhancements, cost savings or operating synergies that we may achieve as a result of the Augusta Acquisition.

(Unaudited)	For The Years Ended December 31,			
	2024		2023	
Net sales	\$	1,572.4	\$	1,750.8
Net income		183.0		124.1

#### NOTE 4 Discontinued Operations

On November 1, 2024, we completed the sale of our tissue business to Sofidel America Corp. The purchase price was \$ 1.06 billion in cash, subject to adjustments for working capital, indebtedness and transaction expenses. We recorded a gain on sale of \$ 307.2 million. The gain and cash proceeds are subject to customary working capital adjustments during a specified period following the close of the sale. We have estimated the preliminary non-cash working capital adjustment of \$ 13.1 million, which is excluded from "Proceeds from business divestiture" within Investing Activities on the Consolidated Statement of Cash Flows for the year ended December 31, 2024.

Below is a reconciliation of line items constituting pre-tax income from discontinued operations to the after-tax income from discontinued operations as reported on our Consolidated Statement of Operations:

	For The Years Ended December 31,		
	2024	2023	2022
Net sales	\$ 870.3	\$ 1,023.4	\$ 950.2
Cost of sales	733.0	892.6	906.0
Selling, general and administrative expenses	26.2	29.4	23.0
Other operating charges, net	14.4	2.4	6.6
Income from discontinued operations	96.7	99.1	14.6
Non-operating expense	( 23.4 )	( 20.5 )	( 23.4 )
Income (loss) from discontinued operations before income taxes	73.3	78.6	( 8.8 )

The major components of "Other operating charges, net" included in discontinued operations for the years ended December 31, 2024, 2023 and 2022 are reflected in the table below. These items are considered outside of our core discontinued operations.

	For The Years Ended December 31,		
	2024	2023	2022
Divestiture related costs	\$ 12.7	\$ —	\$ —
Costs associated with mill closure	—	—	0.3
Loss on sale or impairment associated with assets	0.4	2.4	4.7
Business improvement and other expenses	1.3	—	1.6
	\$ 14.4	\$ 2.4	\$ 6.6

The carrying amounts of major components of assets and liabilities included as part of discontinued operations are as follows:

	December 31, 2023
Assets of discontinued operations:	
Receivables, net of allowance for current expected credit losses	\$ 88.4
Inventories, net	158.6
Other current assets	0.5
Property, plant and equipment, net	629.4
Other assets, net	28.5
Total assets of discontinued operations	905.4
Liabilities of discontinued operations:	
Current portion of long-term debt	0.8
Accounts payable and accrued liabilities	89.6
Long-term debt	22.4
Liability for pension and other postretirement employee benefits	1.2
Deferred tax liabilities and other long-term obligations	114.5
Total liabilities of discontinued operations	228.6
Net assets of discontinued operations	\$ 676.8

Operating and investing cash flows of the discontinued operation are presented in the following table:

	Twelve Months Ended December 31,		
	2024	2023	2022
Net cash provided by operating activities of discontinued operations	\$ 143.7	\$ 121.3	\$ 68.9
Net cash used in investing activities of discontinued operations	( 11.4 )	( 18.8 )	( 8.0 )

In connection with the divestiture, we entered into a Lease Agreement to lease the portion of the land and building on

which our tissue business operated at the Lewiston, Idaho facility. The lease term shall be five years with certain renewal rights for a maximum of ten years. The lease was determined to be at below market rates and correspondingly a portion of the gain was deferred and will be amortized over the expected lease period (see Note 6). Additionally, we entered into a Services and Use Agreement which we will provide certain services in connection with the ongoing operations at the buyer's manufacturing facilities located in Lewiston, Idaho. We are operating under a Transition Services Agreement with the buyer to provide certain back office services (accounting and IT support) until October 31, 2025. Included in the Consolidated Balance Sheet at December 31, 2024 are \$ 2.7 million in accounts receivable.

**NOTE 5 Fair Value Measurements**

Fair value measurements and disclosure requirements establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs, the highest priority, are quoted prices in active markets for identical assets or liabilities. Level 2 inputs reflect other than quoted prices included in level 1 that are either observable directly or through corroboration with observable market data. Level 3 inputs are unobservable inputs due to little or no market activity for the asset or liability, such as internally-developed valuation models.

Carrying amounts reported on the consolidated balance sheets for cash and cash equivalents, receivables and accounts payable approximate fair value due to the short-term maturity of these instruments. See discussion on fair market values for long-term debt included within Note 9, "Debt."

We review the carrying amounts of goodwill and long-lived assets to be held and used for impairment wherever events or changes in circumstances indicate possible impairment. An impairment loss is recognized when a long-lived asset's carrying amount is not recoverable and exceeds estimated fair value. See Note 7, "Goodwill and Intangible Assets" for discussion of fair market values for goodwill.

**NOTE 6 Leases**

We have operating leases for manufacturing, office, equipment and vehicles. Our leases have remaining lease terms from less than one to eleven years , and some of our leases include one or more options to renew.

**COMPONENTS OF LEASE EXPENSE**

	For The Years Ended December 31,		
	2024	2023	2022
Operating lease costs	\$ 12.9	\$ 9.4	\$ 8.3
Finance lease costs:			
Amortization of ROU assets	0.3	—	—
Interest on lease liabilities	0.5	—	—
Total finance lease costs	0.8	0.0	0.0
Variable lease costs	0.5	0.3	0.3
Total lease costs	\$ 14.2	\$ 9.7	\$ 8.6

## SUPPLEMENTAL BALANCE SHEET INFORMATION

Balance Sheet Caption		December 31,	
		2024	2023
<b>Lease ROU assets</b>			
Operating lease assets	Other assets, net	\$ 39.1	\$ 31.7
Finance lease assets, net	Property, plant and equipment, net	\$ 8.3	\$ —
<b>Lease Liabilities</b>			
Current operating lease liabilities	Accounts payable and accrued liabilities	\$ 11.1	\$ 8.5
Current finance lease liabilities	Current portion of long-term debt	\$ 0.6	\$ —
Non-current operating lease liabilities	Deferred tax liabilities and other long-term obligations	\$ 28.3	\$ 24.2
Non-current finance lease liabilities	Long-term debt	\$ 8.4	\$ —
Total operating lease liabilities		\$ 39.4	\$ 32.7
Total finance lease liabilities		\$ 9.1	\$ —

## LEASE TERM AND DISCOUNT RATE

		December 31,	
		2024	2023
Weighted average remaining lease term (years)			
Operating leases		4.3	4.1
Finance leases		12.3	0.0
Weighted average discount rate			
Operating leases		6.5 %	6.1 %
Finance leases		7.4 %	— %

## SUPPLEMENTAL CASH FLOW INFORMATION

The table below includes lease information for both continuing and discontinued operations.

		For The Years Ended December 31,		
		2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$	20.7	\$ 19.6	\$ 19.7
Operating cash flows from finance leases		1.6	2.0	2.1
Financing cash flows from finance leases		1.1	0.9	1.1
Non-cash amounts for lease liabilities arising from obtaining ROU assets:				
Operating leases	\$	3.5	\$ 32.7	\$ 6.4
Finance leases		—	—	4.2
Operating leases assumed on business acquisition		14.5	—	—
Finance leases assumed on business acquisition		8.6	—	—

## MATURITY OF LEASE LIABILITIES

As of December 31, 2024, our future maturities of lease liabilities were as follows:

	Operating	Finance
2025	\$ 13.2	\$ 1.3
2026	11.6	1.3
2027	9.1	1.3
2028	4.5	1.2
2029	2.5	1.2
Thereafter	4.5	7.7
Total lease payments	45.4	13.9
Less imputed interest	( 6.0 )	( 4.8 )
Present value of lease liabilities	\$ 39.4	\$ 9.1

As discussed in Note 4, "Discontinued Operations," we entered into a Lease Agreement associated with the sale of our tissue operations. This lease is included in "Accounts payable and accrued liabilities" and "Deferred tax liabilities and other long-term obligations" on our Consolidated Balance Sheets. The maturity analysis of lease income associated with the agreement as of December 31, 2024 is as follows:

	Total
2025	\$ 4.8
2026	4.4
2027	4.0
2028	3.6
2029	3.3
Thereafter	12.1
Total	\$ 32.1

## NOTE 7 Goodwill and Intangible Assets

Changes in the carrying amounts of goodwill and intangible assets were as follows:

	Goodwill	Intangibles - Customer Relationship	Total
Balance as of December 31, 2022	\$ 35.1	\$ 8.6	\$ 43.6
Amortization	—	( 2.1 )	( 2.1 )
Balance as of December 31, 2023	35.1	6.4	41.5
Recognized goodwill <sup>1</sup>	13.6	—	13.6
Amortization	—	( 2.1 )	( 2.1 )
Balance as of December 31, 2024	\$ 48.6	\$ 4.3	\$ 52.9

<sup>1</sup> Goodwill recognized from the Augusta acquisition. See Note 3, "Business Acquisition," for additional information.

The intangible assets associated with customer relationships are amortized over their useful lives of 10 years.

We annually evaluate goodwill for possible impairment as of November 1 with additional interim evaluation performed when management believes that it is more likely than not that events or circumstances have occurred that would result in the impairment of a reporting unit's goodwill. We evaluate our intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The gross book value and accumulated amortization of definite lived intangible assets at December 31, 2024 was \$ 34.9 million and \$ 30.6 million. The gross book value and accumulated amortization of definite lived intangible assets at December 31, 2023 was \$ 34.9 million and \$ 28.4 million.

As of December 31, 2024, estimated future amortization expense related to intangible assets is as follows:

	Amount
2025	\$ 2.1
2026	2.1
2027	—
2028	—
2029	—
Total	\$ 4.3

## NOTE 8 Income Taxes

### INCOME TAX PROVISION (BENEFIT)

The components of income tax provision (benefit) from continuing operations is comprised of the following:

	For The Years Ended December 31,		
	2024	2023	2022
Current			
Federal	\$ ( 73.9 )	\$ 17.4	\$ 19.8
State	( 1.1 )	3.0	1.9
Total current	( 75.0 )	20.5	21.7
Deferred			
Federal	50.9	( 3.7 )	3.2
State	( 3.0 )	0.1	4.3
Total deferred	47.9	( 3.6 )	7.5
Income tax provision (benefit)	\$ ( 27.1 )	\$ 16.9	\$ 29.2

The income tax provision (benefit) from continuing operations differs from the amount computed by applying the statutory federal income tax rate to income (loss) before income taxes due to the following:

	For The Years Ended December 31,							
	2024	%	2023	%	2022	%		
Tax at the statutory rate	\$ ( 21.2 )	21.0 %	\$ 13.8	21.0 %	\$ 17.2	21.0 %		
State and local taxes, net of federal income tax impact	( 4.5 )	4.5 %	2.6	4.0 %	3.2	3.9 %		
Adjustment for state deferred tax rate <sup>1</sup>	( 0.1 )	0.1 %	( 0.2 )	( 0.2 )%	( 4.7 )	( 5.7 )%		
Federal credits <sup>2</sup>	( 3.0 )	3.0 %	( 1.0 )	( 1.6 )%	7.5	9.2 %		
Uncertain tax positions	0.1	( 0.1 )%	2.2	3.3 %	( 0.6 )	( 0.7 )%		
Non-deductible expenses	0.7	( 0.7 )%	1.3	1.9 %	1.6	1.9 %		
Change in valuation allowances <sup>1</sup>	0.4	( 0.4 )%	( 0.7 )	( 1.1 )%	4.2	5.1 %		
Other, net	0.6	( 0.6 )%	( 1.0 )	( 1.5 )%	0.6	0.8 %		
Income tax provision (benefit)	\$ ( 27.1 )	26.8 %	\$ 16.9	25.8 %	\$ 29.2	35.5 %		

<sup>1</sup> In 2022, Idaho revised their state income tax rate. Given our expected utilization, we recorded an offset to our valuation allowances for the amount of this reduction.

<sup>2</sup> In 2022, we adjusted our tax positions under audit related to the disallowance of a previously taken federal tax credits



based upon interpretation of the law.

#### DEFERRED TAXES

The tax effects of significant temporary differences creating deferred tax assets and liabilities at December 31 were:

	2024		2023	
Deferred tax assets:				
Employee benefits	\$	2.2	\$	2.1
Postretirement employee benefits		11.4		13.0
Incentive compensation		2.6		3.7
Inventories		5.2		0.9
Pensions		0.9		—
Federal and state credit carryforwards		9.6		8.6
Federal and state net operating losses		1.0		1.4
Operating leases		6.9		8.1
Capitalized research credits		10.7		4.4
Other		1.7		—
Total deferred tax assets		52.1		42.2
Valuation allowance		( 8.0 )		( 7.6 )
Deferred tax assets, net of valuation allowance		44.2		34.6
Deferred tax liabilities:				
Property, plant and equipment, net		( 124.6 )		( 59.0 )
Operating leases		( 6.8 )		( 7.9 )
Pensions		—		( 0.5 )
Intangible assets, net		—		( 1.3 )
Other		( 0.7 )		( 1.2 )
Total deferred tax liabilities		( 132.1 )		( 69.8 )
Net deferred tax liabilities	\$	( 88.0 )	\$	( 35.2 )

Net deferred tax assets (liabilities) consist of:

	December 31,			
	2024		2023	
Non-current deferred tax assets <sup>1</sup>	\$	1.7	\$	0.8
Non-current deferred tax liabilities		( 89.7 )		( 36.0 )
Net deferred tax liabilities	\$	( 88.0 )	\$	( 35.2 )

<sup>1</sup> Included in "Other assets, net" on our accompanying December 31, 2024 and 2023 Consolidated Balance Sheets.

We have tax benefits associated with state jurisdictions totaling \$ 2.6 million which expire between 2025 and 2038.

## UNCERTAIN TAX POSITIONS

The following table provides a roll forward of our unrecognized tax benefits.

	For The Years Ended December 31,		
	2024	2023	2022
Beginning balance	\$ 80.9	\$ 70.4	\$ 5.9
Increases:			
Tax position taken in current year	0.9	0.4	68.6
Tax position taken in prior years	—	10.4	( 0.1 )
Decreases:			
Settlements during the year	—	( 0.3 )	( 3.1 )
Tax position taken in prior years	( 78.4 )	—	—
Lapse of statutes in current year	( 1.0 )	—	( 0.9 )
Ending balance	\$ 2.4	\$ 80.9	\$ 70.4

During 2022, we ceased operations in our wholly owned subsidiary, Cellu Tissue Holdings, Inc. and recorded a \$ 68.4 million reserve for an estimated uncertain tax position relating to a worthless stock deduction for our investment which represented a full reserve of the tax effects of that position. During 2023, an additional \$ 10.4 million was recorded as a reserve for uncertain tax positions relating to state income tax effects of the worthless stock deduction. During the year ended December 31, 2023, we filed our U.S. 2022 tax return reflecting this position and requested a tax refund which was generated primarily due to the worthless stock deduction. Prior to December 31, 2023, we received this refund. In 2023, we requested a ruling from the IRS in connection with the worthless stock deduction and expect a determination in 2025.

Due to the sale of our tissue operations during 2024, we have determined that it is more likely than not that we will sustain the value of the worthless stock deduction either as recorded or as a capital gain. We continue discussions with the IRS on this deduction. Based upon this conclusion, we have removed the uncertain tax position and reversed any associated interest with this position.

We have operations in many states within the U.S. and are subject, at times, to tax audits in these jurisdictions. During 2023, we effectively settled federal tax years 2015 through 2019, however such years remain subject to exam until the U.S. federal exam is formally closed. With a few exceptions, we are no longer subject to state and local tax examination for years prior to 2018.

## NOTE 9 Debt

Long-term debt at the balance sheet dates consisted of:

	Interest Rate at December 31, 2024	December 31, 2024			December 31, 2023		
		Principal	Unamortized Debt Costs	Total	Principal	Unamortized Debt Costs	Total
PCA Credit Agreement (term revolver) maturing 2029, fixed interest rate	— %	\$ —	\$ —	\$ —	\$ 150.0	\$ ( 2.8 )	\$ 147.2
2020 Notes, maturing 2028, fixed interest rate	4.75 %	275.0	( 1.8 )	273.2	275.0	( 2.4 )	272.6
ABL Credit Agreement (revolving loan), maturing 2027, variable interest rate	— %	—	—	—	20.0	—	20.0
Finance leases		9.1	—	9.1	—	—	—
<b>Total debt</b>		<b>284.1</b>	<b>( 1.8 )</b>	<b>282.2</b>	<b>445.0</b>	<b>( 5.1 )</b>	<b>439.9</b>
Less: current portion		( 0.6 )	—	( 0.6 )	—	—	—
<b>Net long-term portion</b>		<b>\$ 283.4</b>	<b>\$ ( 1.8 )</b>	<b>\$ 281.6</b>	<b>\$ 445.0</b>	<b>\$ ( 5.1 )</b>	<b>\$ 439.9</b>

Deferred debt costs are amortized over the life of the related debt using a straight-line basis which approximates the effective interest method. Deferred debt costs associated with our Credit Agreements are recorded within "Other assets, net" on our Consolidated Balance Sheets.

The fair value of our debt as of December 31 is included in the following table:

	2024	2023
2020 Notes, maturing 2028, fixed interest rate	\$ 258.9	\$ 255.1
PCA Credit Agreement, maturing 2029, fixed interest rate	—	150.6
Revolving credit facility, maturing 2027, variable interest rate	—	20.0
	<b>\$ 258.9</b>	<b>\$ 425.7</b>

### PCA CREDIT AGREEMENT

On May 1, 2024, we entered into the PCA Credit Agreement with the lenders party thereto and AgWest Farm Credit, PCA, as administrative agent. The PCA Credit Agreement amended and restated our prior credit agreement dated as of October 27, 2023 with the lenders party thereto and AgWest Farm Credit, PCA as administrative agent. The PCA Credit Agreement consists of a term revolver commitment of \$ 270 million and initially, also included two term loans in the original outstanding aggregate principal amount of \$ 490 million. During 2024, drawn balances on these two term loans were fully repaid. We may increase term revolver commitments under the PCA Credit Agreement in an aggregate amount of up to \$ 60 million, subject to obtaining commitments from any participating lenders and certain other conditions. The term revolver commitment under the PCA Credit Agreement is subject to an annual reduction of 2% of the commitments then in effect. The PCA Credit Agreement matures on May 1, 2029, subject to a springing maturity beginning on the date that is 91 days prior to the maturity of the Company's 2020 Notes if the outstanding principal amount of the 2020 Notes plus \$50 million is at any time during such 91 day period greater than the sum of our available borrowing liquidity and unrestricted cash.

We may prepay and reborrow any borrowings under the PCA Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances). In addition, we must make mandatory prepayments of principal under the PCA Credit Agreement upon the occurrence of certain asset sales.

Under the PCA Credit Agreement, loans generally may bear interest based on SOFR or the administrative agent's fixed rate, as applicable, plus, in each case, an applicable margin of 3.65 % per annum. We may receive patronage dividends under the PCA Credit Agreement. Patronage dividends are distributions of profits from banks in the farm credit system. Patronage dividends, which are generally made in cash, are accrued as earned and recorded as a reduction to interest

expense.

The PCA Credit Agreement contains certain customary representations, warranties, and affirmative and negative covenants of us and our subsidiaries that restrict us and our subsidiaries' ability to take certain actions, including, incurrence of indebtedness, creation of liens, mergers or consolidations, dispositions of assets, repurchase or redemption of capital stock and certain types of indebtedness, making certain investments, entering into certain transactions with affiliates or changing the nature of our business. At December 31, 2024, we were in compliance with the PCA Credit Agreement. Our ability to utilize our PCA Credit Agreement could be limited in the future by the bond indenture governing our 2020 Notes, which has limitations on the incurrence of liens.

#### **ABL CREDIT AGREEMENT**

Our ABL Credit Agreement matures on November 7, 2027. After giving effect to an amendment on May 1, 2024 with JPMorgan Chase Bank, N.A., as administrative agent and several lenders, the revolving loan commitment under the ABL Credit Agreement was increased from \$ 275 million to \$ 375 million, subject to borrowing base limitations based on a percentage of applicable eligible receivables and eligible inventory. We may also increase commitments under the ABL Credit Agreement in an aggregate principal amount of up to \$ 100 million, subject to obtaining commitments from any participating lenders and certain other conditions. Based upon our Consolidated Balance Sheets as of December 31, 2024, our eligible receivables and inventory supported up to \$ 221.3 million availability under the line, of which \$ 3.7 million was utilized to issue letters of credit. We may, at our option, prepay any borrowings under the ABL Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty (except in certain circumstances). Borrowings under the ABL Credit Agreement are also subject to mandatory prepayment in certain circumstances, including in the event that borrowings exceed applicable borrowing base limits.

Under the ABL Credit Agreement, loans may bear interest based on SOFR (secured overnight financing rate) or an annual base rate, as applicable, plus, in each case, an applicable margin that is based on availability, as calculated under the ABL Credit Agreement that may vary from 1.25 % per annum to 1.75 % per annum in the case of SOFR loans and 0.25 % per annum to 0.75% per annum in the case of annual base rate loans. In addition, a commitment fee based on unused availability is also payable which may vary from 0.25 % per annum to 0.375 % per annum.

The ABL Credit Agreement contains certain customary representations, warranties, and affirmative and negative covenants of us and our subsidiaries that restrict us and our subsidiaries' ability to take certain actions, including, incurrence of indebtedness, creation of liens, mergers or consolidations, dispositions of assets, repurchase or redemption of capital stock and certain types of indebtedness, making certain investments, entering into certain transactions with affiliates or changing the nature of our business. The agreement also contains a financial covenant, which requires us to maintain a consolidated fixed charge coverage ratio of not less than 1.10 x to 1.00 x, provided that the financial covenant under the ABL Credit Agreement is only applicable during an event of default or if availability, as calculated under the ABL Credit Agreement, is at any time less than or equal to the greater of (i) 10% of the Line Cap and (ii) \$25 million. As of December 31, 2024, our fixed charge coverage ratio was approximately 2.0 x. Our ability to utilize our ABL Credit Agreement could be limited in the future by our bond indenture governing our 2020 Notes which has limitations on the incurrence of liens.

#### **2020 NOTES**

In 2020, we issued \$ 275 million aggregate principal amount of senior notes (2020 Notes) due August 15, 2028 with an interest rate of 4.75 %.

The 2020 Notes are unsecured and effectively subordinated to all of the Company's existing and future secured debt, including borrowings under its existing credit facilities. The 2020 Notes are guaranteed on an unsecured basis by each of the Company's existing direct and indirect domestic subsidiaries, and will be guaranteed by each of the Company's future direct and indirect domestic subsidiaries, subject to certain exceptions. If the Company is unable to make payments on the 2020 Notes when they are due, each Guarantor is obligated to make such payments.

The 2020 Notes indenture contains covenants that, among other things, limit our ability and the ability of any of our subsidiaries to (i) enter into sale leaseback transactions, (ii) incur liens and (iii) consolidate, merge or sell all or substantially all of our assets. In addition, the 2020 Notes indenture requires, among other things, we provide certain reports to holders of the 2020 Notes. These covenants are subject to a number of exceptions, limitations and qualifications as set forth in the 2020 Notes indenture..

We may redeem all or a portion of the 2020 Notes at specified redemption prices plus accrued and unpaid interest. In addition, we may be required to make an offer to purchase the 2020 Notes upon the sale of certain assets and upon a change in control.

#### SCHEDULED PAYMENTS

As of December 31, 2024, our future maturities of long term debt over the next five years are \$ 275 million due 2028.

#### NOTE 10 Other Operating Charges, net

The major components of "Other operating charges, net" in the Consolidated Statements of Operations are:

	Years Ended December 31,		
	2024	2023	2022
Acquisition related costs	\$ 14.1	\$ 1.9	\$ —
Integration costs	8.0	—	—
Loss on sale or impairment associated with assets	1.5	0.1	1.5
Directors' equity-based compensation expense	( 0.4 )	0.9	0.9
Other	0.8	0.3	0.7
	<u>\$ 24.0</u>	<u>\$ 3.2</u>	<u>\$ 3.2</u>

#### 2024

During 2024, we recorded \$ 24.0 million of expense in "Other operating charges, net." The main components of the expense include:

- expense of \$ 14.1 million associated with acquisition activities (primarily legal and professional services);
- expense of \$ 8.0 million associated with integration activities (primarily professional services);
- loss of \$ 1.5 million associated with the impairment of equipment and related spare parts no longer being used; and
- reversal of expense of \$ 0.4 million relating to directors' equity-based compensation which is remeasured each period based upon changes in our stock price.

#### 2023

During 2023, we recorded \$ 3.2 million expense in "Other operating charges, net." The components of the expense include:

- expense of \$ 1.9 million related to acquisition activities and other expenses including consulting and legal fees associated with our efforts to achieve long-term performance improvements;
- loss of \$ 0.1 million associated with the impairment of fixed assets; and
- expense of \$ 0.9 million relating to directors' equity-based compensation which is remeasured each period based upon changes in our stock price.

#### 2022

During 2022, we recorded \$ 3.2 million of expense in "Other operating charges, net." The components of the expense include:

- loss of \$ 1.5 million associated with the impairment of fixed assets; and
- expense of \$ 0.9 million relating to directors' equity-based compensation which is remeasured each period based upon changes in our stock price.

## NOTE 11 Non-Operating Expense

The major components of "Non-operating expense" in the Consolidated Statements of Operations are:

	Years Ended December 31,		
	2024	2023	2022
Interest expense	\$ ( 32.0 )	\$ ( 11.8 )	\$ ( 11.7 )
Capitalized interest	1.6	0.3	0.1
Amortization of debt issuance costs and accretion of debt discount	( 1.7 )	( 0.5 )	( 0.6 )
Interest income	2.9	2.4	1.0
Interest expense, net	( 29.2 )	( 9.5 )	( 11.2 )
Debt retirement costs	( 9.1 )	( 3.1 )	( 0.5 )
Non-operating pension and other postretirement employee benefits income (expense)	1.8	0.1	(5.7)
Total non-operating expense	\$ ( 36.6 )	\$ ( 12.5 )	\$ ( 17.4 )

During 2024, we repaid the outstanding term loans under the PCA Credit Agreement with proceeds from the sale of our tissue business. As a result of this repayment, we recognized a loss on debt extinguishment of \$ 9.1 million, consisting of unamortized deferred debt costs. During 2023, we redeemed our 2014 Notes in full. This redemption resulted in a loss on early debt extinguishment of \$ 3.1 million consisting of \$ 0.4 million related to the write off of unamortized deferred debt costs along with the premium on debt redemption of \$ 2.7 million.

## NOTE 12 Retirement Plans and Postretirement Benefits

Certain of our employees are eligible to participate in defined contribution savings and defined benefit postretirement plans. These include 401(k) savings plans, defined benefit pension plans including company-sponsored and multiemployer plans, and other postretirement employee benefit (OPEB) plans.

### 401(k) Savings Plans

Substantially all of our employees are eligible to participate in 401(k) savings plans, which include a company match component. As of December 31, 2024 our contributions may be up to 7.7 % for U.S. salaried and non-union hourly employees, consisting of a match of up to 4.2 % of allowable contributions and an automatic employer contribution of 3.5 %. Contributions associated with our union employees are based upon negotiated agreements. In 2024, 2023 and 2022, we recorded expense of \$ 18.9 million, \$ 16.7 million, and \$ 15.7 million related to employer contributions to the 401(k) plans, included in these amounts are \$ 7.6 million, \$ 8.2 million and \$ 7.9 million related to discontinued operations.

### Company-Sponsored Defined Benefit Pension and OPEB Plans

A portion of our salaried and hourly employees are covered by company-sponsored noncontributory defined benefit pension plans. We provide retiree health care and life insurance plans, which cover certain salaried and hourly employees. Retiree health care benefits for Medicare eligible participants over the age of 65 are provided through Health Reimbursement Accounts, or HRA's. Benefits for retirees under the age of 65 are provided under our company-sponsored health care plans, which require retiree contributions and contain other cost-sharing features. The retiree life insurance plans are primarily noncontributory.

We also maintain a Salaried Supplemental Benefit Plan, an unfunded, non-qualified defined benefit plan intended to provide supplemental retirement benefits to certain executives. Benefits in the Salaried Supplemental Benefit Plan are generally provided to restore benefits or company contributions that are reduced under the company sponsored qualified plans due to the limits of Section 401(a)(17) or 415 of the Code. The plan is composed of a defined benefit portion and a defined contribution portion. The defined benefit portion of the plan was frozen on December 31, 2011 (the date on which all benefit accruals under the Salaried Retirement Plan were frozen) and as of December 31, 2024, we had one active employee under this portion. We paid benefits of \$ 0.5 million associated with the defined benefit portion of the plan in 2024. The defined contribution portion of this liability totaled \$ 2.6 million and \$ 2.3 million at December 31, 2024 and 2023. The current and long-term portions of the liability are included in "Accounts payable and accrued liabilities" and "Deferred tax liabilities and other long-term obligations" on our Consolidated Balance Sheets. The defined benefit portion is included in the pension benefit plans tables below.

### Pension and Other Postretirement Employee Benefit Plans

The following table shows the changes in the benefit obligation, plan assets and funded status for 2024 and 2023 for both the pension benefit plans and the other postretirement employee benefit plans.

	Pension Benefit Plans		Other Postretirement Employee Benefit Plans	
	2024	2023	2024	2023
Change in projected benefit obligation:				
Benefit obligation at beginning of year	\$ 228.3	\$ 234.7	\$ 51.3	\$ 50.9
Service cost	2.5	3.5	0.2	0.2
Interest cost	11.9	12.5	2.5	2.8
Plan changes	—	—	0.2	—
Actuarial (gains) losses	( 4.2 )	0.1	( 4.1 )	2.2
Benefits paid	( 21.3 )	( 22.4 )	( 4.1 )	( 4.9 )
Benefit obligation at end of year	217.2	228.3	45.9	51.3
Changes in plan assets:				
Fair value of plan assets at beginning of year	231.1	231.7	—	—
Actual return on plan assets	3.5	21.2	—	—
Employer contributions	1.1	0.5	4.1	4.9
Benefits paid	( 21.3 )	( 22.4 )	( 4.1 )	( 4.9 )
Fair value of plan assets at end of year	214.4	231.1	—	—
Funded status at end of year	\$ ( 2.8 )	\$ 2.8	\$ ( 45.9 )	\$ ( 51.2 )
Amounts recognized in Consolidated Balance Sheets:				
Non-current assets	\$ 8.7	\$ 11.1	\$ —	\$ —
Current liabilities	( 0.5 )	( 0.5 )	( 4.4 )	( 4.6 )
Non-current liabilities	( 11.0 )	( 7.9 )	( 41.5 )	( 46.6 )
Net amount recognized	\$ ( 2.8 )	\$ 2.8	\$ ( 45.9 )	\$ ( 51.2 )
Amounts recognized in accumulated other comprehensive loss (pre-tax):				
Net actuarial loss (gain)	\$ 64.2	\$ 56.4	\$ ( 11.6 )	\$ ( 8.9 )

The benefit obligation for our pension benefits is the projected benefit obligation based upon credited service as of the measurement date.

The pension funded status at December 31, 2024 was unfavorably affected by an increase of plan liabilities, partially offset by an increase in the discount rate and plan asset returns. The OPEB benefit obligation decreased as of December 31, 2024 due to an increase in the discount rate, increase in claim costs assumptions, and the continued payment of benefits, partially offset by demographic changes.

Information as of December 31 for certain pension plans included above with accumulated benefit obligations in excess of plan assets were as follows:

	2024	2023
Projected benefit obligation	\$ 123.1	\$ 129.1
Accumulated benefit obligation	123.1	129.1
Fair value of plan assets	111.6	120.7

## Net Periodic Cost

Service cost is the actuarial present value of benefits attributed by the plans' benefit formula to services rendered by employees during the year. Interest cost represents the increase in the projected benefit obligation, which is a discounted amount, due to the passage of time. The expected return on plan assets reflects the computed amount of current-year earnings from the investment of plan assets using an estimated long-term rate of return.

	Pension Benefit Plans			Other Postretirement Employee Benefit Plans		
	2024	2023	2022	2024	2023	2022
Service cost	\$ 2.5	\$ 3.5	\$ 2.2	\$ 0.2	\$ 0.2	\$ 0.3
Interest cost	11.9	12.5	8.9	2.5	2.8	2.1
Expected return on plan assets	( 15.7 )	( 15.2 )	( 11.3 )	—	—	—
Amortization of actuarial loss (gain)	0.1	0.1	6.2	( 0.5 )	( 0.4 )	—
Net periodic cost (income) before curtailments	( 1.2 )	0.8	5.9	2.2	2.6	2.4
Curtailments	—	—	—	( 1.9 )	—	—
Net periodic cost (income)	\$ ( 1.2 )	\$ 0.8	\$ 5.9	\$ 0.3	\$ 2.6	\$ 2.4

The components of net periodic pension expense other than the Service cost component are included in "Other non-operating expense" in the Consolidated Statements of Operations. During 2024, 2023, and 2022, \$ 2.2 million, \$ 3.1 million and \$ 2.2 million of net periodic pension and OPEB costs were charged to "Cost of sales" and \$ 0.6 million, \$ 0.6 million and \$ 0.4 million were charged to "Selling, general and administrative expenses," in the accompanying Consolidated Statements of Operations.

Assumptions:

	Pension Benefit Plans			Other Postretirement Employee Benefit Plans		
	2024	2023	2022	2024	2023	2022
Actuarial assumption used to determine benefit obligation:						
Discount rate	5.7 %	5.5 %	5.6 %	5.7 %	5.3 %	5.6 %
Actuarial assumption used to determine net periodic pension costs:						
Discount rate	5.5 %	5.6 %	3.0 %	5.3 %	5.6 %	2.9 %
Expected return on plan assets	6.1 %	5.8 %	4.0 %	— %	— %	— %

The discount rate used in the determination of pension benefit and OPEB obligations and pension expense was determined based on a review of long-term, high-grade bonds.

The expected return on plan assets assumption is based upon an analysis of historical long-term returns for various investment categories, as measured by appropriate indices and forward-looking expectations of returns. These indices are weighted based upon the extent to which plan assets are invested in the particular categories in arriving at our determination of a composite expected return.

The assumed health care cost trend rate used to calculate 2024 OPEB cost was 7.1 % in 2024, grading to 3.7 % by 2074 , for participants whose benefits are not provided through HRAs, and 4.5 % in 2024 through 2031, then grading to 3.7 % after 2031 for participants whose benefits are provided through HRAs. The health care cost trend rate used to calculate December 31, 2024 OPEB obligations was 6.3 % in 2024, grading to 3.7 % by 2074 , for participants whose benefits are not provided through HRAs, and 4.50 % in 2024, grading to 3.7 % after 2031, for participants whose benefits are provided through HRAs.



The assumed health care cost trend rate used to calculate 2023 OPEB cost was 6.5 % in 2023, grading to 3.7 % by 2074 , for participants whose benefits are not provided through HRAs, and 4.5 % in 2023 through 2030, then grading to 3.7 % after 2030 for participants whose benefits are provided through HRAs. The health care cost trend rate used to calculate December 31, 2023 OPEB obligations was 6.9 % in 2024, grading to 3.7 % by 2074 , for participants whose benefits are not provided through HRAs, and 4.5 % in 2024, grading to 3.7 % after 2030, for participants whose benefits are provided through HRAs.

#### Plan Assets

There have been no changes in the methodologies used during 2024 and 2023. Investments in common and collective trust funds are generally valued based on their respective net asset value (or its equivalent), as a practical expedient to estimate fair value due to the absence of a readily determinable fair value.

The following tables set forth by level, within the fair value hierarchy, the investments at fair value for our company-sponsored pension benefit plans:

December 31, 2024				
	Level 1		Investments measured at net asset value	
			Total	
Cash and cash equivalents	\$	1.7	\$ —	\$ 1.7
Collective investment funds		—	212.7	212.7
Total investments at fair value	\$	1.7	\$ 212.7	\$ 214.4

December 31, 2023				
	Level 1		Investments measured at net asset value	
			Total	
Cash and cash equivalents	\$	1.9	\$ —	\$ 1.9
Collective investment funds		—	229.2	229.2
Total investments at fair value	\$	1.9	\$ 229.2	\$ 231.1

We have formal investment policy guidelines for our company-sponsored plans. These guidelines were set by our Benefits Committee, which is comprised of members of our management and has been assigned its fiduciary authority over management of the plan assets by our Board of Directors. The Committee's duties include periodically reviewing and modifying those investment policy guidelines as necessary and ensuring that the policy is adhered to and the investment objectives are met. The investment policy includes guidelines for specific categories of equity and fixed income securities. Assets are managed by professional investment managers who are expected to achieve a reasonable rate of return over a market cycle. Long-term performance is a fundamental tenet of the policy.

The general policy states that plan assets would be invested to seek the greatest return consistent with the fiduciary character of the pension funds and to allow the plans to meet the need for timely pension benefit payments. The specific investment guidelines stipulate that management is to maintain adequate liquidity for meeting expected benefit payments by reviewing, on a timely basis, contribution and benefit payment levels and appropriately revising long-term and short-term asset allocations. Management takes reasonable and prudent steps to preserve the value of pension fund assets, avoid the risk of large losses and also attempt to preserve the funded status of the plans. Major steps taken to provide this protection included:

- Assets are diversified among various asset classes, such as domestic equities, international equities, fixed income and cash. The long-term asset allocation ranges are as follows:

Domestic equities	5 %	- 10 %
International equities, including emerging markets	5 %	- 10 %
Corporate/Government bonds	80 %	- 90 %
Liquid reserves	— %	- 5 %

Periodically, we review the allocations within these ranges to determine what adjustments should be made based on changing economic and market conditions and specific liquidity requirements.

- Assets are managed by professional investment managers and could be invested in separately managed accounts or commingled funds.
- Assets are not invested in securities rated below BBB- by S&P or Baa3 by Moody's.

The investment guidelines also require that the individual investment managers be expected to achieve a reasonable rate of return over a market cycle. Emphasis is placed on long-term performance versus short-term market aberrations. Factors considered in determining reasonable rates of return include performance achieved by a diverse cross section of other investment managers, performance of commonly used benchmarks (e.g., Russell 3000 Index, MSCI World ex-U.S. Index, Barclays Capital Long Credit Index), actuarial assumptions for return on plan investments and specific performance guidelines given to individual investment managers.

As of December 31, 2024, eight investment options held substantially all of the pension funds. Plan assets were diversified among the various asset classes within the allocation ranges approved by the Benefits Committee.

In 2024, we contributed \$ 0.7 million to our qualified pension plans, we currently do not anticipate making any cash contributions to those pans in 2025. We do not anticipate funding our OPEB plans in 2025 except to pay benefit costs as incurred during the year by plan participants.

Estimated future benefit payments are as follows for the years indicated:

	Pension Benefit Plans	Other Postretirement Employee Benefit Plans
2025	\$ 19.9	\$ 4.4
2026	19.6	4.2
2027	19.4	4.1
2028	19.0	4.0
2029	18.6	3.9
2030-2034	86.7	17.6

#### **Multiemployer Defined Benefit Pension Plans**

Hourly employees at one of our manufacturing facilities participate in multiemployer defined benefit pension plans: the PACE Industry Union-Management Pension Fund (PIUMPF) which is managed by United Steelworkers (USW), Benefits; and the International Association of Machinist & Aerospace Workers National Pension Fund (IAM NPF). We make contributions to these plans, as well as make contributions to a trust fund established to provide retiree medical benefits for a portion of these employees, which is also managed by USW Benefits. The risks of participating in these multiemployer plans are different from single-employer plans in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. The number of employers participating in PIUMPF fell from 135 during 2012 to 42 during 2023. We are the largest contributing employer participating in PIUMPF in 2024.
- Under applicable federal law, any employer contributing to a multiemployer pension plan that completely ceases participating in the plan while it is underfunded is subject to an assessment of such employer's allocable share of the aggregate unfunded vested benefits of the plan, except when that plan is in "critical" or "critical and declining" status. In certain circumstances, an employer can also be assessed a statutory withdrawal liability for a partial withdrawal from a multiemployer pension plan. Based on information available to us as of December 31, 2024, as well as information provided by PIUMPF and IAM NPF and reviewed by our actuarial consultant, we estimate the aggregate pre-tax liability that we would have incurred if we had completely withdrawn from PIUMPF and IAM NPF in 2024 would have been in excess of \$ 75 million. However, the exact amount of potential exposure could be higher or lower than the estimate, depending on, among other things, the nature and timing of any triggering events and the funded status of PIUMPF and IAM NPF at that time. A

withdrawal liability is recorded for accounting purposes when withdrawal is probable and the amount of the withdrawal obligation is reasonably estimable.

Our participation in these plans for the annual period ended December 31, 2024, is outlined in the table below. The "EIN" and "Plan Number" columns provide the Employee Identification Number, or EIN, and the three-digit plan number. The most recent Pension Protection Act, or PPA, zone status available in 2024 and 2023 is for a plan's year-end as of December 31, 2024 and 2023. The zone status is set under the provisions of the Multiemployer Pension Plan Reform Act of 2014 and is based on information we received from the plans and is certified by each plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent but more than 65 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a Funding Improvement Plan, or FIP, or a Rehabilitation Plan, or RP, is either pending or has been implemented as required by the PPA as a measure to correct its underfunded status. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

In 2024, the contribution rate for the IAM NPF plan was \$ 4.00 per hour. In accordance with that plan's Rehabilitation Plan, we began making an additional contribution in June 2019. This additional contribution started at 2.5 % and will increase 2.5 % each year while the Rehabilitation Plan is in effect. Starting November 2024 our additional contribution increased to 18.0 % of our contractual contribution rate. This additional contribution is scheduled to continue and compound each year while the rehabilitation plan remains in effect. In 2024, the contribution rate for PIUMPF was \$ 2.79 per hour. Contribution rates for IAM NPF and PIUMPF were increased as part of their respective RPs in lieu of the legally required surcharge, paid by the employers, to assist the fund's financial status. We were listed in PIUMPF's Form 5500 report as providing more than five percent of the total contributions for the years 2023 and 2022. At the date of issuance of our consolidated financial statements, Form 5500 reports for these plans were not available for the 2024 plan year.

Pension Fund	EIN	Plan Number	PPA Zone Status		FIP/RP Status Pending/Implemented	Contributions (in millions)			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
			2024	2023		2024	2023	2022		
IAM NPF	51-6031295	002	Red	Red	Implemented	\$ 0.2	\$ 0.2	\$ 0.3	No	5/31/2026
PIUMPF	11-6166763	001	Red	Red	Implemented	5.7	5.6	5.5	No	8/31/2025
Total Contributions:						\$ 5.8	\$ 5.8	\$ 5.7		

#### Other Benefit Plans

We maintain the Clearwater Paper Corporation Management Deferred Compensation Plan. Pursuant to this plan, certain management employees are eligible to defer up to 50% of their regular salary and up to 10% of their annual incentives. Each plan participant is fully vested in these contributions. The liability under this plan totaled \$ 6.0 million and \$ 5.7 million at December 31, 2024 and 2023. The current and long-term portions of the liability are included in "Accounts payable and accrued liabilities" and "Deferred tax liabilities and other long-term obligations" on our Consolidated Balance Sheets.

**NOTE 13 Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive loss at the balance sheet dates is comprised of the following:

	Other Postretirement Employee Benefit Plan		
	Pension Plan Adjustments	Adjustments	Total
Balance at December 31, 2022	\$ ( 46.5 )	\$ 13.3	\$ ( 33.3 )
Other comprehensive income (loss) before reclassifications	4.5	( 1.7 )	2.8
Amounts reclassified from accumulated other comprehensive loss	0.1	( 0.3 )	( 0.2 )
Other comprehensive income (loss), net of tax	4.6	( 2.0 )	2.6
Balance at December 31, 2023	( 42.0 )	11.3	( 30.7 )
Other comprehensive income (loss) before reclassifications	( 6.0 )	2.4	( 3.6 )
Amounts reclassified from accumulated other comprehensive loss	0.1	( 0.4 )	( 0.3 )
Other comprehensive income (loss), net of tax	( 5.9 )	2.1	( 3.8 )
Balance at December 31, 2024	\$ ( 47.8 )	\$ 13.4	\$ ( 34.5 )

**NOTE 14 Earnings Per Share**

Basic earnings per share are based on the weighted average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted average number of shares of common stock outstanding plus all potentially dilutive securities that were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents be excluded from the calculation of diluted earnings per share for the periods in which net losses are reported because the effect is anti-dilutive.

The following table reconciles the number of common shares used in calculating the basic and diluted net earnings per share:

(In thousands - except per share data)	December 31,		
	2024	2023	2022
Basic average common shares outstanding	16,781	16,863	16,985
Incremental shares due to:			
Stock-based awards	—	148	196
Performance Shares	—	80	—
Diluted average common shares outstanding	16,781	17,091	17,181

Anti-dilutive shares excluded from the calculation were 0.3 million, for each of the years ended December 31, 2024, 2023 and 2022.

## NOTE 15 Stockholders' Equity

### PREFERRED STOCK

We are authorized to issue up to 5,000,000 shares of preferred stock at \$ 0.0001 par value. At December 31, 2024, no shares of preferred stock have been issued.

### COMMON STOCK PLANS

We have stock-based compensation plans under which stock options and restricted units are granted. At December 31, 2024, approximately 0.6 million shares were available for future issuance under our stock incentive plan.

	For The Years Ended December 31,		
	2024	2023	2022
Total stock-based compensation expense	\$ 5.6	\$ 9.9	\$ 12.7
Income tax benefit related to stock-based compensation	0.9	1.3	3.3
Impact on cash flow due to taxes paid related to net share settlement of equity awards	4.1	4.7	2.5
Intrinsic value of options exercised, equity-based liabilities paid, and the fair value of restricted stock units vested	12.9	14.7	9.5

We recognize the compensation costs on a straight-line basis over the requisite service period of the award, which is generally the vesting term of three years . Forfeitures are recognized as they occur. During 2024, 2023, and 2022, \$ 0.3 million of stock-based compensation expense was charged to "Cost of sales," \$ 4.9 million, \$ 8.0 million and \$ 9.5 million was charged to "Selling, general and administrative expenses," \$ 0.9 million, \$ 0.7 million and \$ 1.9 million charged to Discontinued Operations, and \$ 0.4 million of income, \$ 0.9 million of expense, and \$ 0.9 million of expense was charged to "Other operating charges, net" in the accompanying Consolidated Statements of Operations.

#### Restricted Stock Units (Time and Performance Vesting)

We grant restricted awards to certain employees. The awards can either be time vested or vested based upon the attainment of certain performance metrics over a certain time period. Performance conditions generally are tied to attainment of certain financial targets such as return on invested capital, free cash flow or other similar measures. Awards granted under our stock incentive plan generally have a performance or vesting period of three years from the grant date. These awards are eligible to receive dividend equivalent shares. The market value of these grants approximates the fair value. The performance-based restricted stock units were valued using a Monte Carlo simulation. For awards based upon the achievement of performance goals, the award could range from 0 % to 200 %. A summary of the status of outstanding restricted stock units as of December 31, 2024, and changes during the year, is presented below:

	Time Vested		Performance-based	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Restricted stock units outstanding at December 31, 2023	402,407	\$ 32.97	225,104	\$ 36.54
Granted	221,319	38.18	163,310	40.17
Vested	( 206,810 )	30.94	( 107,558 )	39.84
Forfeited	( 108,761 )	36.73	—	—
Restricted stock units outstanding at December 31, 2024	308,155	\$ 36.75	280,856	\$ 37.33

The weighted average grant date fair value for restricted stock units (time-vested) granted during the years ended December 31, 2024, 2023 and 2022 was \$ 38.18 , \$ 37.66 and \$ 29.52 . The weighted average grant date fair value for restricted stock units (performance-based) granted during the years ended December 31, 2024, 2023 and 2022 was \$ 40.17 , \$ 40.47 and \$ 30.55 .

As of December 31, 2024, there was \$ 7.1 million of total unrecognized compensation cost related to outstanding restricted stock unit awards. Restricted stock unit cost is expected to be recognized over a weighted average period of 1.9 years for time vested awards and 0 years for performance-based awards.

### Stock Repurchases and Treasury Stock

Our Board of Directors approved a new stock repurchase program on October 31, 2024 authorizing the repurchase of up to \$ 100 million of our common stock. As of December 31, 2024, we had up to \$ 96.7 million of authorization remaining. The repurchase program authorizes purchases of our common stock from time to time through open market purchases, negotiated transactions or other means, including accelerated stock repurchases and 10b-5-1 trading plans in accordance with applicable securities laws and other restrictions. We have no obligation to repurchase stock under this program and may suspend or terminate the program at any time. The authorization has no expiration date.

### Stock Options

Prior to January 1, 2019, we granted options to certain employees. The options were granted at market price at the date of grant and the fair value of the options was estimated using the Black-Scholes option-pricing model (dividend yield ignored). As of December 31, 2024 all outstanding options are fully vested with a contractual term of ten years after the date of grant. A summary of the status of outstanding stock option awards as of December 31, 2024, and changes during the year, is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding options at December 31, 2023	285,682	\$ 50.53	2.3	\$ —
Exercised	( 34,430 )	38.24	—	—
Expired	( 62,638 )	63.40	—	—
Outstanding and exercisable options at December 31, 2024	188,614	\$ 48.49	1.7	\$ —

### Director Awards

Our Board of Directors are eligible to receive awards of phantom common stock units. Annually our outside directors receive phantom stock units as part of their compensation which vest ratably over a one-year period and accrue dividend equivalent shares for any dividends paid to shareholders of our common stock. The vested portion of a director's phantom share balance is converted to cash using a twenty-day average price of common stock and paid to the director after their separation from service as a director.

Due to its cash-settlement feature, we account for these awards as liabilities and recognize the equity-based compensation expense or income at the end of each reporting period based on the portion of the award that is vested and the increase or decrease in the value of our common stock. We recorded director equity-based compensation benefit for the year ended December 31, 2024 of \$ 0.4 million. For the years ended December 31, 2023 and 2022, we recorded expense of \$ 0.9 million. These amounts are included in "Other operating charges, net" in the Consolidated Statements of Operations.

At December 31, 2024 and 2023, the liability amounts associated with director equity-based compensation included in "Deferred tax liabilities and other long-term obligations" and "Accounts payable and accrued liabilities" on our Consolidated Balance Sheets were \$ 4.7 million, \$ 0.8 million, \$ 5.9 million and \$ 0.2 million.

## NOTE 16 Commitments and Contingencies

### SELF INSURANCE

We are primarily self-insured for workers' compensation and employee health care liability costs. Self-insurance liabilities for workers' compensation are determined based upon a valuation performed by an actuarial firm. The estimate of future workers' compensation liabilities incorporates loss development and an estimate associated with incurred but not yet reported claims. These claims are discounted. Self-insurance liabilities for employee health costs are determined actuarially based upon claims filed and estimated claims incurred but not yet reported. These claims are not discounted.

### PURCHASE OBLIGATIONS

To help mitigate our exposure to market risk for changes in utility commodity pricing, we use firm price contracts to supply a portion of the natural gas and electricity requirements of our manufacturing facilities, which were reported through "Cost of sales" on our Consolidated Statements of Operations. As of December 31, 2024, these contracts cover approximately 44 % of our expected average monthly natural gas and electricity needs at the respective manufacturing

facilities through 2025. These contracts qualify for treatment as "normal purchases or normal sales" under authoritative guidance and require no mark-to-market adjustment.

We enter into third-party contracts for certain raw materials, including pulp, logs and chemicals, which may extend beyond one year. Such contracts are typically negotiated to ensure availability of certain product specifications at market prices that adjust regularly within reasonable commercial terms. Such agreements may include minimum quantities, but reductions are permitted when economic or business conditions require reduced production containing the respective raw material.

#### **NOTE 17 Insurance Recovery**

During 2024, we experienced a natural gas disruption due to an extreme weather event that resulted in damage at our Lewiston, Idaho facility. We received \$ 10.5 million in insurance proceeds, of which \$ 4.7 million was related to business interruption insurance and \$ 5.8 million was related to reimbursable costs. Proceeds of \$ 9.3 million, associated with continuing operations, were recorded within "Cost of sales" in the Consolidated Statements of Operations and \$ 0.3 million related to property, plant and equipment. Proceeds associated with discontinued operations were \$ 0.9 million.

#### **NOTE 18 Segment Disclosure**

Our CEO is our CODM. Our CODM evaluates performance and makes operating decisions about allocating resources based on financial data presented on a consolidated basis. Because our CODM evaluates financial performance on a consolidated basis, we have determined that we have a single operating segment composed of the consolidated financial results of Clearwater Paper.

The measure used by our CODM to assess performance and make operating decisions is net income (loss) as reported on our consolidated statements of operations. This, in connection with other metrics, is used by our CODM to identify underlying trends in the performance of our business and make comparisons with the financial performance of our competitors. Our CODM also reviews total assets, as reported on our consolidated balance sheets, and purchases of property and equipment, as reported on our consolidated statements of cash flows.

Our CODM utilizes other key operating metrics, including disaggregated measures of net sales by product line, disaggregation of significant segment expenses and Adjusted EBITDA in order to assess our financial performance. Operating expenses are broken into categories for input costs (including raw materials and energy), supply chain costs (principally freight and outside warehouse costs) and labor and overhead related to our production facilities.

Our manufacturing facilities and all other assets are located within the continental United States. The CODM does not review assets on a more disaggregated basis than what is presented on the Consolidated Balance Sheets. We sell and ship our products to customers in several foreign countries. Net sales based on continuing operations, classified by major product lines and the major geographic areas in which our customers are located are reflected in the following table:

	December 31,		
	2024	2023	2022
Net Sales by product line:			
Food Service	\$ 540.4	\$ 404.8	\$ 405.2
Folding carton	580.2	437.5	470.7
Sheeting and distribution	160.1	157.8	186.0
Pulp and other	102.9	135.9	133.1
Total Sales	\$ 1,383.6	\$ 1,136.0	\$ 1,195.0
Input cost (raw materials and energy)	615.0	494.5	515.7
Labor and overhead	482.2	302.7	298.7
Supply chain costs (principally freight)	140.1	105.3	119.5
Selling, general and administrative expenses	112.7	114.7	105.0
Depreciation and amortization	69.8	40.7	40.6
Interest expense, net	29.2	9.5	11.2
Non-significant expenses	35.7	2.9	22.3
Income tax provision (benefit)	( 27.1 )	16.9	29.2
Income (loss) from continuing operations	\$ ( 74.0 )	\$ 48.7	\$ 52.7

Non-significant expenses is primarily made up of other operating charges, net, changes in inventory and debt retirement charges.

Net sales, classified by major geographic area in which our customers are located, were as follows:

	December 31,		
	2024	2023	2022
Net Sales by geographical market:			
United States	\$ 1,252.5	\$ 1,028.4	\$ 1,097.7
Rest of World	131.2	107.6	97.3
	\$ 1,383.6	\$ 1,136.0	\$ 1,195.0

For the years ended December 31, 2024, 2023 and 2022, one customer was 10% , 13% and 10% of our total consolidated net sales.

#### NOTE 19 Subsequent Event

In January of 2025, we implemented plans to reduce our cost structure across operations and selling, general and administrative expenses. We are targeting \$ 30 million to \$ 40 million in cost savings in 2025. In connection with these activities, we expect to record severance cost of \$ 5.0 million to \$ 7.0 million over the next 12 months.



## Financial Results by Quarter (Unaudited)

(In millions - except per-share amounts)	Three Months Ended							
	March 31,		June 30,		September 30,		December 31,	
	2024	2023	2024	2023	2024	2023	2024	2023
Net Sales	\$ 258.8	\$ 297.2	\$ 344.4	\$ 291.3	\$ 393.3	\$ 278.9	\$ 387.1	\$ 268.6
Gross profit	33.3	64.2	( 2.0 )	49.9	30.1	50.7	14.7	35.9
Income (loss) from continuing operations	( 2.1 )	24.5	( 41.6 )	11.9	( 10.7 )	14.9	( 19.6 )	( 2.5 )
Net income (loss)	17.2	23.8	( 25.8 )	29.7	5.8	36.6	199.1	17.6
<b>Net income (loss) per common share:</b>								
Income (loss) from continuing operations	\$ ( 0.12 )	\$ 1.46	\$ ( 2.50 )	\$ 0.71	\$ ( 0.64 )	\$ 0.89	\$ ( 1.17 )	\$ ( 0.15 )
Income (loss) from discontinued operations	1.16	( 0.05 )	0.95	1.05	1.00	1.31	13.08	1.21
Total basic earnings per share	1.03	1.41	( 1.55 )	1.76	0.35	2.20	11.91	1.06
<b>Diluted net income (loss) per share:</b>								
Income (loss) from continuing operations	( 0.12 )	1.44	( 2.50 )	0.70	( 0.64 )	0.88	( 1.17 )	( 0.15 )
Income (loss) from discontinued operations	1.16	( 0.04 )	0.95	1.05	1.00	1.29	13.08	1.21
Total diluted earnings per share	\$ 1.03	\$ 1.40	\$ ( 1.55 )	\$ 1.75	\$ 0.35	\$ 2.17	\$ 11.91	\$ 1.06
<b>Shares used in per share computation</b>								
Basic	16,607	16,834	16,661	16,865	16,620	16,682	16,724	16,638
Diluted	16,607	17,036	16,661	16,958	16,620	16,895	16,724	16,638
<b>Adjusted EBITDA Reconciliation</b>								
Net income (loss)	\$ 17.2	\$ 23.8	\$ ( 25.8 )	\$ 29.7	\$ 5.8	\$ 36.6	\$ 199.1	\$ 17.6
Add (deduct):								
Income from discontinued operations, net of tax	19.3	( 0.8 )	15.7	17.8	16.6	21.8	218.8	20.2
Income (loss) from continuing operations	( 2.1 )	24.5	( 41.6 )	11.9	( 10.7 )	14.9	( 19.6 )	( 2.5 )
Income tax provision (benefit)	0.5	8.7	( 14.6 )	4.3	( 3.3 )	3.7	( 9.7 )	0.2
Interest expense, net	1.2	2.8	9.6	2.9	13.1	2.2	5.3	1.6
Depreciation and amortization	9.0	10.0	17.0	10.2	22.4	10.1	21.5	10.3
Inventory revaluation on acquired business	—	—	6.8	—	—	—	—	—
Debt extinguishment costs	—	—	—	—	—	—	9.1	3.1
Other operating charges, net	6.0	( 0.4 )	14.6	( 0.1 )	( 0.3 )	1.6	3.7	2.1
Other non-operating income	( 0.3 )	( 0.1 )	( 0.3 )	( 0.1 )	( 0.3 )	( 0.1 )	( 0.7 )	0.2
Adjusted EBITDA from continuing operations	\$ 14.2	\$ 45.6	\$ ( 8.5 )	\$ 29.0	\$ 20.9	\$ 32.5	\$ 9.5	\$ 14.9

## ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

### ITEM 9A. Controls and Procedures

#### *Evaluation of disclosure controls and procedures*

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

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

#### *Management's Annual Report on Internal Control Over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of our management, including our CEO and CFO and with the oversight of the Audit Committee of the Board of Directors, our management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on our evaluation under the 2013 Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2024.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report included in this Annual Report on Form 10-K.

The financial controls for Augusta Pulp and Paperboard operations (acquired in May 2024) were eligible for a one-year exemption from the requirements of Section 404 and had been excluded from this report as of December 31, 2024. There was no exemption available for internal controls over financial reporting of the Company's processes and systems as they relate to our oversight and consolidation of the Augusta Pulp and Paperboard operations into the consolidated financial results. The purchase of the Augusta operation represents 42% of our total assets as reported on the December 31, 2024 Consolidated Balance Sheet and 25% of our Net sales as reported on our Consolidated Statement of Operations for the year ended December 31, 2024.

#### *Changes in internal control over financial reporting*

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors  
Clearwater Paper Corporation:

### *Opinion on Internal Control Over Financial Reporting*

We have audited Clearwater Paper Corporation and subsidiaries' (the Company) internal control over financial reporting as of December 31, 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 Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated February 24, 2025 expressed an unqualified opinion on those consolidated financial statements.

The Company acquired Augusta Mill during 2024, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, Augusta Mill's internal control over financial reporting associated with 42% of total assets and 25% Net sales included in the consolidated financial statements of the Company as of and for the year ended December 31, 2024. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Augusta Mill.

### *Basis for Opinion*

The Company's management is responsible 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 internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. 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 audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *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.



## ITEM 9B. Other Information

### ***Rule 10b5-1 Trading Arrangements***

During the quarter ended December 31, 2024, the following director and officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted a Rule 10b5-1 trading arrangement, as defined in Item 408 of Regulation S-K, for the sale of our common stock. Shares in the 10b5-1 trading arrangement that are subject to restricted stock units ("RSUs") and stock options may only be traded following satisfaction of applicable vesting requirements. In addition, because of pricing (such as future share price targets) and timing conditions in the 10b5-1 trading arrangement, it is not yet determinable how many shares actually will be sold under the plan prior to its expiration date.

On November 27, 2024 , Kari Moyes , our Senior Vice President, HR , entered into a Rule 10b5-1 trading arrangement that provides for the sale of up to 37,076 shares of our common stock. This trading arrangement is scheduled to expire on March 31, 2026 .

This Rule 10b5-1 trading arrangement was entered into in writing during an open trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act and our policies regarding transactions in our securities.

During the quarter ended December 31, 2024, no other directors or officers adopted , modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement", as defined in Item 408 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

The following table details the executive officers of the Company as of February 1, 2025:

Name	Age	Title / Position Held
Arsen S. Kitch	43	President and Chief Executive Officer
Sherri J. Baker	52	Senior Vice President, Chief Financial Officer
Steve M. Bowden	61	Senior Vice President, Operations
Michael S. Gadd	60	Senior Vice President and General Counsel and Assistant Corporate Secretary
Kari G. Moyes	57	Senior Vice President, Human Resources
Matthew Passarello	33	Senior Vice President, Supply Chain and Corporate Development
Michael J. Urlick	38	Senior Vice President, Commercial

Arsen S. Kitch has served as President and Chief Executive Officer, as well as a director, since April 2020. Mr. Kitch served in various roles with the Company since 2013 including as Senior Vice President, General Manager, CPD from May 2018 to April 2020 and served as Vice President, General Manager, CPD from January 2018 to May 2018. He served as Vice President, Finance and Vice President Financial Planning and Analysis from January 2015 through December 2017, and served as Senior Director, Strategy and Planning from August 2013 through December 2014.

Sherri J. Baker has served as Senior Vice President, Chief Financial Officer since August 2023. From February 2021 to September 2022, Ms. Baker was Chief Financial Officer of Hyllion Holdings (NYSE:HYLN), a manufacturer of electrified powertrains for Class 8 semi-trucks and from April 2019 to February 2021, she was Senior Vice President and Chief Financial Officer of PGT Innovations, Inc. (NYSE:PGTI), a manufacturer of premium windows and doors. From 2010 to 2019, Ms. Baker was employed by Dean Foods, including from October 2018 to March 2019 as Vice President of Commercial Finance and from January 2016 to September 2018 as Vice President Investor Relations, Strategy and Corporate Finance. From 1997 to 2010 Ms. Baker was employed by Frito-Lay where she held several finance leadership roles.

Steve M. Bowden has served as Senior Vice President, Operations since January 1, 2025. Mr. Bowen served as the Senior Vice President, General Manager, Pulp and Paperboard from October 2018 through December 2024. Prior to joining the Company, from September 2016 to November 2017, Mr. Bowden was the North American Region Vice President - Labels for Constantia Flexibles, which was subsequently acquired by the Multi-Color Corporation at which he served as President, North America Food and Beverage Division from November 2017 to September 2018. From March 2013 to September 2016, Mr. Bowden was President and COO of Quality Associates, a contract packager.

Michael S. Gadd has served as Senior Vice President, General Counsel since October 2024. He served the Company as Senior Vice President, General Counsel and Corporate secretary from May 2011 through September 2024 and served as Vice President, General Counsel and Corporate Secretary from December 2008 to May 2011.

Kari G. Moyes has served as Senior Vice President, Human Resources since February 2015, and served as Vice President, Labor Relations from July 2013 through January 2015.

Michael J. Urlick has served as Senior Vice President, Commercial since January 1, 2025. Mr. Urlick served as Senior Vice President, General Manager, Consumer Products from December 2021 through December 2024. Mr. Urlick served as Vice President, Sales & Marketing, Consumer Products Division for the Company from June 2020 through December 2021, and as Senior Director of Sales, Consumer Products from January 2017 to June 2020. He joined the Company in November 2013 as Senior Manager of Business Development.

Matthew Passarello has served as Senior Vice President, Supply Chain and Corporate Development since January 1, 2025. Mr. Passarello served as Vice President of Corporate Strategy and Integration for the Company from April 2024 through January 2025. Mr. Passarello was partner at McKinsey & Company, a private strategy and management consulting firm, from January 2024 to April 2024. He served as Associate Partner from January 2021 through December 2023 and as Engagement Manager from May 2017 through December 2020 at McKinsey.

Information regarding our directors is set forth under the heading "Board of Directors" in our definitive proxy statement

for the 2025 Annual Meeting of Stockholders to be held on May 8, 2025, referred to in this report as the 2025 Proxy Statement, which information is incorporated herein by reference. Information regarding reporting compliance with Section 16(a) for directors, officers or other parties is set forth under the heading "Delinquent Section 16(a) Reports" in the 2025 Proxy Statement and is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to all directors and employees and a Code of Ethics for Senior Officers that applies to our CEO, CFO, the President, the Controller and other senior officers identified by our Board of Directors. You can find each code on our website by going to the following address: [www.clearwaterpaper.com](http://www.clearwaterpaper.com), selecting "Investors" and "Governance," then selecting the link for "Code of Business Conduct and Ethics" or "Code of Ethics for Senior Officers." We will post any amendments, as well as any waivers that are required to be disclosed by the rules of either the SEC or the New York Stock Exchange, on our website. To date, no waivers of the Code of Ethics for Senior Financial Officers have been considered or granted.

Our Board of Directors has adopted corporate governance guidelines and charters for the Board of Directors' Audit Committee, Compensation Committee, and Nominating and Governance Committee. You can find these documents on our website by going to the following address: [www.clearwaterpaper.com](http://www.clearwaterpaper.com), selecting "Investors" and "Governance," then selecting the appropriate link.

The Company has an insider trading policy governing the purchase, sale and other dispositions of the Company's securities that applies to all Company personnel, including directors, officers, employees and other covered persons. The Company also follows procedures for the repurchase of its securities. The Company believes that its insider trading policy and repurchase procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the Company's insider trading policy is filed as Exhibit 19.1 to this Form 10-K.



ITEM 11. Executive Compensation

Information required by Item 11 of Part III is included under the heading "Executive Compensation Discussion and Analysis" in our 2025 Proxy Statement and is incorporated herein by reference.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by Item 12 of Part III is included in our 2025 Proxy Statement and is incorporated herein by reference.

The following table provides certain information as of December 31, 2024, with respect to our equity compensation plans:

Plan Category	Number Of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights <sup>1</sup>	Weighted Average Exercise Price Of Outstanding Options, Warrants And Rights <sup>2</sup>	Number of Securities Remaining Available For Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	1,058,481 \$	48.49	569,947
Equity compensation plans not approved by security holders	—	—	—
Total	1,058,481 \$	48.49	569,947

<sup>1</sup> Includes 308,155 time vested restricted stock units (RSUs), 561,712 performance-based RSUs and 188,614 stock options, which are the maximum number of shares that could be awarded under the common stock plans, not including future dividend equivalents, if any are paid.

<sup>2</sup> Performance shares and RSUs do not have exercise prices. During 2024, no stock option awards vested.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Information required by Item 13 of Part III is included under the heading "Transactions with Related Persons" in our 2025 Proxy Statement and is incorporated herein by reference.

ITEM 14. Principal Accounting Fees and Services

Information required by Item 14 of Part III is included under the heading "Fees Paid to Independent Registered Public Accounting Firm" in our 2025 Proxy Statement and is incorporated herein by reference.

## PART IV

### ITEM 15. Exhibits, Financial Statement Schedules

#### FINANCIAL STATEMENTS

The following financial statements of Clearwater Paper are included in this report:

Consolidated Balance Sheets - December 31, 2024, and 2023.

Consolidated Statements of Operations - years ended December 31, 2024, 2023, and 2022.

Consolidated Statements of Comprehensive Income - years ended December 31, 2024, 2023 and 2022.

Consolidated Statements of Cash Flows - years ended December 31, 2024, 2023 and 2022.

Consolidated Statements of Stockholders' Equity - years ended December 31, 2024, 2023 and 2022.

Notes to the Financial Statements.

Report of Independent Registered Public Accounting Firm (PCAOB Firm ID 185 ).

No other financial statement schedules are required to be filed.

EXHIBIT	EXHIBIT DESCRIPTION	Filed Herewith?	Incorporated by Reference		
			Form	Exhibit No.	Date Filed
3.1	<a href="#">Restated Certificate of Incorporation of Clearwater Paper Corporation effective as of May 10, 2024.</a>		8-K	3.1	May 15, 2024
3.2	<a href="#">Amended and Restated Bylaws of the Company, effective as of May 9, 2024.</a>		8-K	3.2	May 15, 2024
4.1	<a href="#">Description of Capital Stock of Clearwater Paper Corporation.</a>	X			
4.2	<a href="#">Indenture, dated as of August 18, 2020, by and among Clearwater Paper Corporation, the Guarantors,(as defined therein) and U.S. Bank National Association, as trustee.</a>		8-K	4.1	August 18, 2020
4.2(i)	<a href="#">Form of 4.750% Senior Notes due 2028 (included as Exhibit A to the Indenture filed as Exhibit 4.1).</a>		8-K	4.2	August 18, 2020
10.1	<a href="#">ABL Credit Agreement, dated as of July 26, 2019, by and among JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, and Clearwater Paper Corporation.</a>		8-K	10.2	July 31, 2019
10.1(i)	<a href="#">Amendment to ABL Credit Agreement, dated as of January 29, 2020, by and among JPMorgan Chase Bank, N.A., as administrative agent and Clearwater Paper Corporation.</a>		10-Q	10.2	May 5, 2020
10.1(ii)	<a href="#">First Amendment to the ABL Credit Agreement, dated as of August 7, 2020, by and among JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, and Clearwater Paper Corporation.</a>		10-Q	10.1	November 3, 2020
10.1(iii)	<a href="#">Second Amendment to the ABL Credit Agreement, dated as of April 1, 2022, by and among JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto, and Clearwater Paper Corporation.</a>	X			
10.1(iv)	<a href="#">Third Amendment to the ABL Credit Agreement, dated November 7, 2022, by and among JPMorgan Chase Bank, N.A., as administrative agent and the lender parties thereto and Clearwater Paper Corporation.</a>		8-K	10.1	November 9, 2022
10.1(v)	<a href="#">Fourth Amendment to the ABL Credit Agreement dated October 27, 2023, by and among Clearwater Paper Corporation, JPMorgan Chase bank, N.A., as administrative agent and the lender parties thereto.</a>		8-K	10.2	October 27, 2023
10.1(vi)	<a href="#">Fifth Amendment to ABL Credit Agreement and Omnibus Amendment, dated May 1, 2024, by and among Clearwater Paper Corporation, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.</a>		8-K	10.2	May 1, 2024
10.1(vii )	<a href="#">Sixth Amendment to ABL Credit Agreement and Omnibus Agreement, dated October 29, 2024, by and among Clearwater Paper Corporation, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.</a>	X			

10.2	<a href="#">Credit Agreement, dated October 27, 2023, by and among Clearwater Paper Corporation, AgWest Farm Credit, PCA, as administrative agent, and the lender parties thereto.</a>		8-K	10.1	October 27, 2023
10.2(i)	<a href="#">Amended and Restated Credit Agreement, dated May 1, 2024, by and among Clearwater Paper Corporation, AgWest Farm Credit, PCA, as administrative agent, and the lenders party thereto.</a>		8-K	10.1	May 1, 2024
10.2(ii)	<a href="#">First Amendment to the Amended and Restated Credit Agreement, dated November 4, 2024, by and among Clearwater Paper Corporation, AgWest Farm Credit, PCA, as administrative agent, and the lenders party thereto.</a>	X			
10.3	<a href="#">Commitment Letter, dated February 20, 2024, among Clearwater Paper Corporation, AgWest Farm Credit, PCA, CoBank, FCB, Coöperatieve Rabobank U.A., New York Branch and any other financial institutions from time to time party thereto.</a>		8-K	10.1	February 20, 2024
10.4 <sup>1</sup>	<a href="#">Form of Indemnification Agreement entered into between the Company and each of its directors and executive officers.</a>		12B/A	10.15	November 19, 2008
10.5 <sup>1</sup>	<a href="#">Employment Agreement between Arsen S. Kitch and the Company, dated effective April 1, 2020.</a>		8-K	10.1	January 31, 2020
10.6 <sup>1</sup>	<a href="#">Offer letter, dated July 28, 2023, between Sherri J. Baker and the Company.</a>		10-Q	10.1 <sup>1</sup>	October 30, 2023
10.7 <sup>1</sup>	<a href="#">Clearwater Paper Corporation Amended and Restated 2008 Stock Incentive Plan.</a>		8-K	10.1	May 8, 2015
10.7(i) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation Amended and Restated 2008 Stock Incentive Plan, effective January 1, 2017.</a>		10-K	10.5(i)	February 22, 2017
10.7(ii) <sup>1</sup>	<a href="#">Clearwater Paper Corporation 2017 Stock Incentive Plan.</a>		8-K	10.1	May 11, 2017
10.7(iii) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation 2017 Stock Incentive Plan.</a>		8-K	10.1	May 19, 2020
10.7(iv) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation 2017 Stock Incentive Plan.</a>		8-K	10.1	May 15, 2023
10.8 <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Performance Share Agreement to be used for annual performance share awards approved subsequent to December 31, 2018.</a>		8-K	10.1	February 14, 2019
10.8(i) <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Performance Share Agreement, to be used for annual performance share awards approved subsequent to December 31, 2023.</a>		10-K	10.8(i) <sup>1</sup>	February 20, 2024
10.9 <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Restricted Stock Unit Agreement, as amended and restated, to be used for special restricted stock unit awards approved subsequent to December 31, 2019.</a>		10-K	10.20 <sup>1</sup>	March 9, 2020
10.9(i) <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Restricted Stock Unit Agreement, to be used for annual restricted stock unit awards approved subsequent to December 31, 2022.</a>		10-K	10.9(ii) <sup>1</sup>	February 14, 2023
10.9(ii) <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Restricted Stock Unit Agreement, to be used for annual restricted stock unit awards approved subsequent to December 31, 2023.</a>		10-K	10.9(iii) <sup>1</sup>	February 20, 2024

10.9(iii) <sup>1</sup>	<a href="#">Clearwater Paper Corporation-Form of Restricted Stock Unit Agreement, as amended and restated, to be used for special restricted stock unit awards approved subsequent to December 31, 2023.</a>		10-K	10.9(iv) <sup>1</sup>	February 20, 2024
10.10 <sup>1</sup>	<a href="#">Clearwater Paper Corporation 2008 Stock Incentive Plan—Form of Stock Option Agreement.</a>		8-K	10.3	February 18, 2014
10.10(i) <sup>1</sup>	<a href="#">Clearwater Paper Corporation 2008 Stock Incentive Plan—Form of Amendment of Stock Option Agreement, effective as of January 1, 2015.</a>		10-K	10.7(i)	February 26, 2015
10.10(ii) <sup>1</sup>	<a href="#">Clearwater Paper Corporation 2008 Stock Incentive Plan—Form of Stock Option Agreement, to be used for annual restricted stock unit awards approved subsequent to December 31, 2014.</a>		10-K	10.7(ii)	February 26, 2015
10.10(iii) <sup>1</sup>	<a href="#">Clearwater Paper Corporation Amended and Restated 2008 Stock Incentive Plan—Form of Stock Option Agreement, to be used for annual restricted stock unit awards approved subsequent to December 31, 2015.</a>		10-K	10.8(iii)	February 22, 2016
10.10(iv) <sup>1</sup>	<a href="#">Clearwater Paper Corporation—Form of Stock Option Agreement, as amended and restated February 6, 2017, to be used for annual restricted stock unit awards approved subsequent to December 31, 2016.</a>		8-K	10.3	February 10, 2017
10.10(v) <sup>1</sup>	<a href="#">Clearwater Paper Corporation- Form of Stock Option Agreement, as amended and restated, to be used for annual restricted stock unit awards approved subsequent to December 31, 2017.</a>		10-K	10.8(v)	February 21, 2018
10.11 <sup>1</sup>	<a href="#">Clearwater Paper Corporation Annual Incentive Plan .</a>		8-K	10.1	May 9, 2014
10.11(i) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation Annual Incentive Plan, effective as of January 1, 2016.</a>		10-Q	10.1	July 27, 2016
10.11 (ii) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation Annual Incentive Plan, effective as of September 27, 2021.</a>		10-Q	10.1	November 2, 2021
10.11 (iii) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation Annual Incentive Plan, effective as of January 1, 2024.</a>		10-K	10.11(iii) <sup>1</sup>	February 20, 2024
10.12 <sup>1</sup>	<a href="#">Amended and Restated Clearwater Paper Corporation Management Deferred Compensation Plan.</a>		10-K	10.10	February 22, 2017
10.12(i) <sup>1</sup>	<a href="#">Amendment to the Amended and Restated Clearwater Paper Corporation Management Deferred Compensation Plan, effective May 1, 2020.</a>		10-Q	10.2	August 4, 2020
10.12(ii)	<a href="#">Second Amendment to the Amended and Restated Clearwater Paper Corporation Management Deferred Compensation Plan, effective October 11, 2021.</a>		10-K	10.12(ii) <sup>1</sup>	February 15, 2022
10.13 <sup>1</sup>	<a href="#">Clearwater Paper Executive Severance Plan.</a>		8-K	10(i)	March 9, 2018
10.14 <sup>1</sup>	<a href="#">Amended and Restated Clearwater Paper Corporation Salaried Supplemental Benefit Plan.</a>		10-K	10.12	February 22, 2017
10.14(i) <sup>1</sup>	<a href="#">Amendment to the Amended and Restated Clearwater Paper Corporation Salaried Supplemental Benefit Plan, effective May 1, 2020.</a>		10-Q	10.3	August 4, 2020
10.14(ii) <sup>1</sup>	<a href="#">Second Amendment to the Amended and Restated Clearwater Paper Corporation Salaried Supplemental Benefit Plan, effective October 11, 2021.</a>		10-K	10.14(ii) <sup>1</sup>	February 15, 2022

10.15 <sup>1</sup>	<a href="#">Clearwater Paper Corporation Benefits Protection Trust Agreement.</a>		10-K	10.18	March 18, 2009
10.15(i) <sup>1</sup>	<a href="#">Amendment to the Clearwater Paper Corporation Benefits Protection Trust Agreement.</a>		10-Q	10.16(i)	October 31, 2013
10.16 <sup>1</sup>	<a href="#">Clearwater Paper Corporation Deferred Compensation Plan for Directors.</a>		8-K	10.10	December 19, 2008
10.16(i) <sup>1</sup>	<a href="#">Amended and Restated Clearwater Paper Corporation Deferred Compensation Plan for Directors.</a>		8-K	99.1	December 7, 2017
10.16(ii) <sup>1</sup>	<a href="#">Amended and Restated Clearwater Paper Corporation Deferred Compensation Plan for Directors, effective as of January 1, 2018.</a>		10-Q	10(i)	August 7, 2018
10.16(iii) <sup>1</sup>	<a href="#">Amended and Restated Clearwater Paper Corporation Deferred Compensation Plan for Directors, effective as of December 6, 2019.</a>	X			
10.17 <sup>1</sup>	<a href="#">Clearwater Paper Change of Control Plan.</a>		10-K	10.16	February 20, 2014
(21)	<a href="#">Clearwater Paper Corporation Subsidiaries.</a>	X			
(23)	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>	X			
(24)	<a href="#">Powers of Attorney.</a>	X			
(31)	<a href="#">Rule 13a-14(a)/15d-14(a) Certifications.</a>	X			
(32)	<a href="#">Furnished statements of the Chief Executive Officer and Chief Financial Officer under 18 U.S.C. Section 1350.</a>	X			
(97)	<a href="#">Policy Relating to Recovery of Erroneously Awarded Compensation.</a>		10-K	97	February 20, 2024
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	Inline XBRL Taxonomy Extension Schema.				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.				
101.DEF	Inline XBRL Taxonomy Extension Definition Label Linkbase.				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

<sup>1</sup> Management contract or compensatory plan, contract or arrangement.

**ITEM 16.**                    **FORM 10-K Summary**

Not applicable.

## 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.

CLEARWATER PAPER CORPORATION

(Registrant)

By /s/ Arsen S. Kitch

**Arsen S. Kitch**

**President, Chief Executive Officer and Director (Principal Executive Officer)**

Date: February 24, 2025

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 and on the dates indicated.

			Date
By	<u>/s/ Arsen S. Kitch</u> <b>Arsen S. Kitch</b>	President, Chief Executive Officer and Director (Principal Executive Officer)	February 24, 2025
By	<u>/s/ Sherri J. Baker</u> <b>Sherri J. Baker</b>	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	February 24, 2025
By	<u>/s/ Rebecca A. Barckley</u> <b>Rebecca A Barckley</b>	Vice President, Corporate Controller (Principal Accounting Officer)	February 24, 2025
	<u>*</u> <b>Alexander Toeldte</b>	Director and Chair of the Board	February 24, 2025
	<u>*</u> <b>John J. Corkrean</b>	Director	February 24, 2025
	<u>*</u> <b>Jeanne M. Hillman</b>	Director	February 24, 2025
	<u>*</u> <b>Kevin J. Hunt</b>	Director	February 24, 2025
	<u>*</u> <b>Joe W. Laymon</b>	Director	February 24, 2025
	<u>*</u> <b>Ann C. Nelson</b>	Director	February 24, 2025
	<u>*</u> <b>John P. O'Donnell</b>	Director	February 24, 2025
	<u>*</u> <b>Christine M. Vickers Tucker</b>	Director	February 24, 2025

\*By /s/ Michael S. Gadd

Michael S. Gadd

(Attorney-in-fact)



### Description of Capital Stock

The following is a description of the capital stock of Clearwater Paper Corporation, a Delaware corporation (the "Company," "we," "our," or "us"). The following summary description is based on the provisions of our Restated Certificate of Incorporation (the "Certificate of Incorporation"), our Amended and Restated Bylaws, (the "Bylaws"), and the applicable provisions of the Delaware General Corporation Law (the "DGCL"). This information may not be complete in all respects and is qualified entirely by reference to the provisions of our Certificate of Incorporation, our Bylaws and the DGCL. Our Certificate of Incorporation and our Bylaws are filed as exhibits to our Annual Report on Form 10-K to which this description is filed as Exhibit 4.3.

#### General

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$0.0001 per share (the "Common Stock") and 5,000,000 shares of preferred stock, par value \$0.0001 per share (the "Preferred Stock") of which 250,000 shares are designated as "Series A Participating Preferred Stock".

#### Common Stock

##### *Voting Rights*

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders. Holders of our common stock will not be entitled to cumulative voting in the election of directors.

The affirmative vote of holders of 66 2/3% of the voting power of all of the then-outstanding shares of capital stock, voting as a single class, will be required to amend or repeal certain provisions of the Certificate of Incorporation, including provisions relating to the remaining classified board, removal of directors, director liability, vacancies on our board, special meetings and actions by written consent.

The affirmative vote of holders of 66 2/3% of the voting power of all of the then-outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class, is required for our stockholders to adopt, amend or repeal any provision of the Bylaws.

##### *Dividends*

Subject to preferences that may apply to any outstanding preferred stock, holders of our common stock are entitled to receive ratably any dividends that our board of directors may declare out of funds legally available for that purpose.

##### *Liquidation*

In the event of our dissolution, liquidation or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preferences of any outstanding preferred stock.

##### *Rights and Preferences*

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject and subordinate to those that may be fixed with respect to any shares of our preferred stock and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

## **Preferred Stock**

Our board of directors has the authority, without further action by our stockholders, to issue up to 5,000,000 shares of preferred stock in one or more series and to fix the number, rights, preferences, qualifications, limitations and restrictions thereof.

These rights and preferences could include, but are not limited to, dividend rights, conversion rights, voting rights, terms of redemption, and liquidation preferences, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control or other corporate action.

### **Series A Participating Preferred Stock**

#### *Voting Rights*

Each holder of our Series A Participating Preferred Stock is entitled to 1,000 votes for each share on all matters submitted to a vote of the stockholders. The affirmative vote of the holder of 66 2/3% of the outstanding shares of Series A Participating Preferred Stock, voting as a separate class, will be required to amend the Certificate of Incorporation or the Bylaws in any manner which materially alters or changes the powers, preferences or special rights of the holders of Series A Participating Preferred Stock.

#### *Dividends*

Subject to prior and superior preferences that may apply to any outstanding series of our preferred stock ranking prior and superior to the Series A Participating Preferred Stock, holders of our Series A Participating Preferred Stock, are entitled to receive quarterly, any dividends that our board of directors may declare out of funds legally available for that purpose, payable in cash on the first day of March, June, September and December in each year on a cumulative basis.

The quarterly dividend amount per share of Series A Participating Preferred Stock will equal the greater of (a) \$25.00 or, (b) subject to adjustment as set forth in the Certificate of Incorporation, 1,000 times the aggregate per share amount of all cash dividends, and 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of our common stock as may be declared on our common stock.

#### *Liquidation*

In the event of our liquidation, dissolution or winding up, holders of our Series A Participating Preferred Stock are entitled to receive the greater of \$1,000 or 1,000 times the payment made per share of our common stock, plus an amount equal to the accrued and unpaid dividends and distributions thereon (whether or not declared) prior to any distribution to holders of our capital stock ranking junior to our Series A Participating Preferred Stock.

#### *Certain Restrictions; Redemption*

Whenever any dividends or distributions payable on our Series A Participating Preferred Stock are in arrears, until all such accrued and unpaid dividends and distributions are paid in full, we will be unable to do any of the following:

- Redeem or purchase or otherwise acquire for consideration any shares of capital stock ranking on par with our Series A Participating Preferred Stock, provided that we may at any time redeem, purchase or otherwise acquire such shares in exchange for shares of any of our capital stock ranking junior to our Series A Participating Preferred Stock; or

- Purchase or otherwise acquire for consideration any shares of our Series A Participating Preferred Stock or any shares of our capital stock ranking on par with our Series A Participating Preferred Stock except in accordance with a purchase offer made in writing or by publication to all holders of such shares upon terms that our board of directors shall determine in good faith will result in fair and equitable treatment among our stockholders across all series of our capital stock.

We will not allow any of our subsidiaries to purchase or otherwise acquire for consideration any shares of our capital stock unless we, ourselves, can purchase or otherwise acquire such shares at such time and in such manner.

Any shares of our Series A Participating Preferred Stock purchased or otherwise acquired by us in any manner whatsoever will be retired and canceled promptly after such acquisition.

#### *Rights and Preferences*

Holders of our Series A Participating Preferred Stock rank junior to all other series of our preferred stock with respect to the payment of dividends and distributions of assets. The rights, preferences and privileges of the holders of our Series A Participating Preferred Stock are subject and subordinate to those that may be fixed with respect to any shares of our preferred stock that rank senior to our Series A Participating Preferred Stock and may be adversely affected by the rights of the holders of shares of any such series of our preferred stock that we may designate in the future.

#### **Anti-Takeover Provisions**

##### ***Delaware Law***

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, those provisions prohibit a publicly-held Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Section 203 defines "business combination" to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;

- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person who, together with its affiliates and associates, beneficially owns, or within three years prior to the time of determination of the interested stockholder did own, 15% or more of the outstanding voting stock of the corporation.

A Delaware corporation may opt out of these provisions either with an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or bylaws approved by its stockholders. We have not opted out of these provisions. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price.

#### ***Our Certificate of Incorporation and Bylaws***

Among other things, our Certificate of Incorporation and Bylaws provide that:

- our bylaws may be amended or repealed only by a two-thirds vote of our board of directors or a two-thirds stockholder vote of the then outstanding shares of the stock of the corporation entitled to vote generally in the election of directors, voting together as a single class;
- no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our bylaws, and stockholders may not act by written consent;
- the approval of holders of two-thirds of the shares entitled to vote at an election of directors is required to adopt, amend or repeal our bylaws or amend or repeal the provisions of our certificate of incorporation regarding the election and removal of directors and the ability of stockholders to take action by written consent or call a special meeting;
- our board of directors is expressly authorized to make, alter or repeal our bylaws;
- newly created vacancies on the board are filled by the board rather than the stockholders;
- special meetings of stockholders may be called only by the chair or vice chair of the board, a majority of the board or the holders of a majority of the outstanding shares entitled to vote;
- stockholders must provide notice of nominations of directors or the proposal of business to be voted on at an annual meeting;
- to be elected, a nominee for director in an uncontested election must receive a majority of the voting power of the outstanding shares entitled to vote, and, in a contested election, a plurality of the votes cast;
- our board of directors is authorized to issue preferred stock without stockholder approval; and

- we will indemnify officers and directors against losses that they may incur in investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

#### *Classified Board*

Our Certificate of Incorporation provides that our board of directors were initially divided into three classes, with the directors of each class initially elected for staggered three-year terms. In accordance with our Certificate of Incorporation, (i) commencing with the class of directors standing for election at our 2025 annual meeting of stockholders, the Class II directors' term will expire and their successors will be elected for a term expiring at the next annual meeting of stockholders and at each succeeding annual meeting of stockholders thereafter; (ii) commencing with our 2026 annual meeting of stockholders, the Class III directors' term will expire and their successors will be elected for a term expiring at the next annual meeting of stockholders and at each succeeding annual meeting of stockholders thereafter; and (iii) commencing with our 2027 annual meeting of stockholders, the Class I directors' term will expire and at each annual meeting thereafter, all directors will stand for election for on-year terms. Until the board is declassified, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of the Company.

#### **Transfer Agent**

The transfer agent and registrar for our common stock is Computershare.

#### **Listing**

Our common stock is listed on The New York Stock Exchange under the symbol "CLW."

## **SIXTH AMENDMENT TO ABL CREDIT AGREEMENT**

THIS **SIXTH AMENDMENT TO ABL CREDIT AGREEMENT** (this “Amendment”) is entered into as of October 29, 2024 by CLEARWATER PAPER CORPORATION, a Delaware corporation (the “Borrower”), the undersigned Subsidiary Guarantors (the “Guarantors” and, together with the Borrower, the “Loan Parties”), each of the undersigned Lenders and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (the “Administrative Agent”).

### **RECITALS**

A. The Borrower, the Administrative Agent and the Lenders party thereto from time to time are parties to that certain ABL Credit Agreement, dated as of July 26, 2019 (as amended, supplemented or otherwise modified prior to the date hereof, including by (i) the First Amendment to ABL Credit Agreement dated as of August 7, 2020, (ii) the Second Amendment to ABL Credit Agreement dated as of April 21, 2022, (iii) the Third Amendment to ABL Credit Agreement dated as of November 7, 2022, (iv) the Fourth Amendment to ABL Credit Agreement dated as of October 27, 2023 and (v) the Fifth Amendment to ABL Credit Agreement and Omnibus Amendment dated as of May 1, 2024, the “Existing Credit Agreement”), pursuant to which the Lenders have agreed to make, and have made, certain credit available to and on behalf of the Borrower.

B. The Borrower has requested certain modifications to the Borrowing Base and certain other amendments and modifications to the Existing Credit Agreement, and the Agent and the Lenders have agreed to such amendments and modifications on the terms and subject to the conditions set forth herein.

C. NOW, THEREFORE, to induce the Administrative Agent and the Lenders to enter into this Amendment and in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term used herein but not otherwise defined herein has the meaning given such term in the Existing Credit Agreement, as amended by this Amendment (as so amended and as the same may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”). Unless otherwise indicated, all article, exhibit, section and schedule references in this Amendment refer to articles, exhibits, sections and schedules of the Credit Agreement.

Section 2. Amendments to Credit Agreement. Each of the parties hereto agrees that, effective as of the Sixth Amendment Effective Date (as defined below), the Existing Credit Agreement shall be amended as follows:

2.1. Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following new definitions in appropriate alphabetical order:

“Augusta Mill Assets” means the assets acquired by the Loan Parties in the Augusta Mill Acquisition.

“Sixth Amendment” means that certain Sixth Amendment to ABL Credit Agreement dated as of October 29, 2024, by and among the Administrative Agent, the Loan Parties party thereto and the Lenders party thereto.

2.2. The definition of Borrowing Base in Section 1.01 of the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~), to move certain text (indicated textually in the same manner as the following examples: moved-text and moved-text) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined-text) as set forth below:

“Borrowing Base” means at any time, the sum of:

(a) (i) 85% of the book value of the Loan Parties’ Non-Investment Grade Eligible Accounts at such time and (ii) 90% of the book value of the Loan Parties’ Investment Grade Eligible Accounts, plus

(b) the lesser of (i) the amount equal to 85% multiplied by the Net Orderly Liquidation Value percentage identified in the most recent Inventory appraisal ordered by the Administrative Agent multiplied by the book value of the Loan Parties’ Eligible Finished Goods and (ii) 70% multiplied by the cost of the Loan Parties’ Eligible Finished Goods valued on a first-in-first-out basis, plus

(c) the lesser of (i) the amount equal to 85% multiplied by the Net Orderly Liquidation Value percentage identified in the most recent Inventory appraisal ordered by the Administrative Agent multiplied by the book value of the Loan Parties’ Eligible Raw Materials and (ii) 60% multiplied by the cost of the Loan Parties’ Eligible Raw Materials valued on a first-in-first-out basis, plus

(d) solely during the period of time commencing as of the Sixth Amendment Effective Date and until the completion of the initial field examination and initial Inventory appraisal with respect to the Accounts or Inventory included in or related to the Augusta Mill Assets, without duplication of Accounts or Inventory included in the Borrowing Base pursuant to the foregoing clauses (a) – (c), ~~for a period of 90 days after the acquisition of any Accounts or Inventory that would otherwise constitute Eligible Accounts or Eligible Inventory pursuant to a Permitted Acquisition but prior to the completion of a field examination and Inventory appraisal with respect to such Accounts or Inventory (or such longer period of time as the Administrative Agent may agree in its Permitted Discretion, not to exceed 90 additional days without the consent of the Required Lenders), the lesser of (i) the sum of (x) 70% of the sum of (i) (A) 80% or (B) following the delivery to the Administrative Agent of satisfactory rollforward statistics covering the month of November 2024 in respect of the Loan Parties’ Eligible Accounts, 85%, in each case, of the book value of Eligible Accounts acquired by the Loan Parties pursuant to such Permitted Acquisition and (y) 50% of included in or related to the Augusta Mill Assets and (ii) the lesser of (x) the amount equal to 75% multiplied by the Net Orderly Liquidation Value percentage identified in the most recent Inventory appraisal ordered by the Administrative Agent multiplied by the book value of the Eligible Inventory and Eligible Raw Materials acquired by the Loan Parties pursuant to such Permitted Acquisition (it being understood and agreed that no Collateral Access Agreement, nor any appraisal or field exam shall be required with respect to any such Eligible Accounts or included in or related to the Augusta Mill Assets and (y) 60%, multiplied by the cost of such Eligible Inventory included in the Borrowing Base pursuant to this clause (d)) and (ii) \$50,000,000~~ and Eligible Raw Materials, in each case, valued on a first-in-first-out basis; minus

(e) Reserves;

provided that in determining the Net Orderly Liquidation Value with respect to Inventory, the Administrative Agent may determine such value on a blended, product-line or other basis as it



determines in its Permitted Discretion; provided, further, that, for so long as any Augusta Mill Assets are included in the Borrowing Base pursuant to clause (d) above, and notwithstanding anything to the contrary contained herein, (x) the Borrowing Base value attributable to such Augusta Mill Assets (prior to giving effect to any Reserves) shall in no event exceed \$100,000,000 (or up to \$125,000,000 for a period no longer than 60 days following notice by the Borrower to the Administrative Agent at least five (5) Business Days in advance of the delivery of the required Borrowing Base reporting) and for the avoidance of doubt, the Borrowing Base value attributable to the Augusta Mill Assets if and to the extent included in the Borrowing Base pursuant to clauses (a)–(c) above shall be uncapped and (y) it is understood and agreed that the lack of any field examination or appraisal shall not affect the eligibility of any Augusta Mill Assets included in the Borrowing Base pursuant to clause (d) above.

The Administrative Agent may, in its Permitted Discretion reduce the advance rates set forth above or (following (to the extent practicable) reasonable prior notice to, and consultation with, the Borrower) adjust Reserves or reduce one or more of the other elements used in computing the Borrowing Base, with any such changes to be effective three days after delivery of notice thereof to the Borrower and the Lenders; provided that if consultation with the Borrower and/or notice to the Borrower and the Lenders is not practicable or if failure to implement any such change within a shorter time period would, in the good faith judgment of the Administrative Agent, reasonably be expected to result in a Material Adverse Effect or materially and adversely affect the Collateral or the rights of the Lenders under the Loan Documents, such change may be implemented within a shorter time as determined by the Administrative Agent in its Permitted Discretion. The 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 6.2(g) of this Agreement.

Section 3. Conditions Precedent. This Amendment shall be deemed effective upon the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.1 of the Credit Agreement) (such date, the “Sixth Amendment Effective Date”):

3.1. Execution and Delivery. The Administrative Agent shall have received, from the Loan Parties and Lenders constituting at least the Supermajority Lenders, counterparts (in such number as may be requested by the Administrative Agent) of this Amendment signed on behalf of such Person.

3.2. Payment of Fees and Expenses. The Administrative Agent and the Lenders shall have received all amounts due and payable on or prior to the Sixth Amendment Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Sixth Amendment Effective Date, reimbursement or payment of all documented out-of-pocket expenses required to be reimbursed or paid by the Borrower under the Credit Agreement.

3.3. Representations and Warranties; No Default or Event of Default. In each case as of the Sixth Amendment Effective Date: (a) no Default or Event of Default shall have occurred and be continuing and (b) all of the representations and warranties contained in each Loan Document to which any Loan Party is a party shall be true and correct in all material respects, except to the extent any such representations and warranties are stated to relate solely to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier date (provided that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in the Credit Agreement).

3.4. Closing Certificate. The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower, dated the Sixth Amendment Effective Date, certifying as to the satisfaction of the conditions contained in Section 3.3.



The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 3 or the waiver of such conditions as permitted by Section 10.1 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes. For purposes of the foregoing, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Sixth Amendment Effective Date specifying its objection thereto.

Section 4. Miscellaneous.

4.1. Confirmation. The provisions of the Credit Agreement, as amended by this Amendment, shall remain in full force and effect following the effectiveness of this Amendment.

4.2. Ratification and Affirmation; Representations and Warranties. Each Loan Party hereby (a) acknowledges the terms of this Amendment; (b) ratifies and affirms (i) its obligations under, and acknowledges, renews and extends its continued liability under, each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect, except as expressly amended hereby and (ii) that the Liens created by the Loan Documents to which it is a party are valid and continuing and secure the Obligations in accordance with the terms thereof, in each case, notwithstanding the amendments contained herein; (c) agrees that its guarantee under the Guarantee and Collateral Agreement remains in full force and effect with respect to the Obligations; (d) agrees that from and after the Sixth Amendment Effective Date (i) each reference to the Credit Agreement in the other Loan Documents shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment and (ii) this Amendment does not constitute a novation of the Credit Agreement or any other Loan Document; and (e) represents and warrants to the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects, except to the extent any such representations and warranties are stated to relate solely to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier date (provided that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in such Loan Document) and (ii) no Default or Event of Default has occurred and is continuing.

4.3. No Waiver; Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. This Amendment shall for all purposes constitute a Loan Document.

4.4. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment that is an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record (an "Electronic Signature") transmitted by telecopy, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf

or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that, without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart (in such number as may be reasonably requested by the Administrative Agent).

4.5. NO ORAL AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith AND THEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR UNWRITTEN ORAL AGREEMENTS OF THE PARTIES. AS OF THE DATE OF THIS AMENDMENT, THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

4.6. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVERS. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 10.12 AND 10.16 OF THE CREDIT AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE *MUTATIS MUTANDIS*.

[SIGNATURES BEGIN NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

**BORROWER:**

**CLEARWATER PAPER CORPORATION**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**GUARANTORS:**

**CLEARWATER FIBER, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CLEARWATER PAPER TISSUE, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CELLU TISSUE HOLDINGS, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CELLU TISSUE NEENAH, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CELLU TISSUE OKLAHOMA CITY, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CLEARWATER PAPER SHELBY, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CLEARWATER PAPER LAS VEGAS, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CLEARWATER PAPER ELWOOD, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**MANCHESTER INDUSTRIES INC. OF VIRGINIA**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**ADMINISTRATIVE AGENT AND  
LENDER:**

**JPMORGAN CHASE BANK N.A.**

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Sixth Amendment to  
ABL Credit Agreement

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**LENDER:**

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION**

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Sixth Amendment to  
ABL Credit Agreement

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**LENDER:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Sixth Amendment to  
ABL Credit Agreement

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**LENDER:**

**COOPORATIEVE RABOBANK U.A., NEW  
YORK BRANCH**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**LENDER:**

**TD BANK, N.A.**

By: \_\_\_\_\_  
Name:  
Title:

t

**LENDER:**

**KEYBANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Name:  
Title:

Signature Page to Sixth Amendment to  
ABL Credit Agreement

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## FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

This FIRST AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of November 4, 2024, is entered into by and among CLEARWATER PAPER CORPORATION, a Delaware corporation (the "Borrower"); the Subsidiary Guarantors party hereto; the Lenders and Voting Participants party hereto; and AGWEST FARM CREDIT, PCA, as administrative agent for the Lenders (in such capacity, the "Administrative Agent");

**WHEREAS** the Borrower, the lenders from time to time party thereto (the "Lenders") and the Administrative Agent have previously entered into that certain Amended and Restated Credit Agreement, dated as of May 1, 2024 (as amended and in effect immediately prior to the date hereof, the "Existing Credit Agreement" and as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time, including, but not limited to, by this Amendment, the "Credit Agreement");

**WHEREAS** on or before the Amendment Effective Date and immediately prior to the effectiveness of this Amendment, the Borrower has fully prepaid in cash all outstanding obligations (other than contingent indemnification obligations not then due) under both the Commercial Bank Term Loan and the Farm Credit Term Loan (each as defined in the Existing Credit Agreement), and, as a result of such prepayment, each Commercial Bank Lender (as defined in the Existing Credit Agreement) and each Farm Credit Lender and Voting Participant solely in their capacity as a Lender or Voting Participant under the Farm Credit Term Loan Facility Lender (as defined in the Existing Credit Agreement) is, as of the Amendment Effective Date, no longer a party to the Credit Agreement;

**WHEREAS** the Borrower has requested that the Administrative Agent and the Lenders and Voting Participants make amendments to the Existing Credit Agreement as set forth in this Amendment; and

**WHEREAS** the Administrative Agent and the Lenders and Voting Participants that are signatories hereto are willing to grant such request on the terms and subject to the conditions set forth in this Amendment;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Definitions.** Capitalized terms are used in this Amendment as defined in the Credit Agreement unless otherwise defined herein.
2. **Amendments to the Existing Credit Agreement** On the terms of this Amendment and subject to the satisfaction of the conditions precedent set forth in Section 3 below:
  - (a) The Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken-text~~), to move certain text (indicated textually in the same manner as the following examples: moved text and moved text) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Annex A attached hereto.
  - (b) Exhibits B, D, E, F and G to the Existing Credit Agreement are each hereby amended to read in the forms attached hereto as Exhibit B [Form of Notice of Borrowing], Exhibit D [Form of Notice of Prepayment], Exhibit E [Form of Notice of Conversion/Continuation], Exhibit F [Form of Officer's Compliance Certificate] and Exhibit G [Form of Assignment and Assumption].

(c) Schedules 1.1(a), 1.1(b) and Schedule 10.8(d) to the Existing Credit Agreement are each hereby amended to read in the forms attached hereto as Schedule 1.1(a) [Fixed Rate Schedule], Schedule 1.1(b) [Commitments and Commitment Percentages] and Schedule 10.8(d) [Voting Participant Schedule].

(d) As a result of the repayment in full of the Commercial Bank Term Loan and the Farm Credit Term Loan on or before the Amendment Effective Date and immediately prior to the effectiveness of this Amendment, the Credit Agreement and each other Loan Document have terminated with respect to each (i) Commercial Bank Lender and (ii) each Farm Credit Lender and Voting Participant solely in their capacity as a Lender or Voting Participant under the Farm Credit Term Loan Facility, except with respect to any terms or provisions therein which by their terms survive the termination thereof.

3. **Conditions Precedent to the Effectiveness of this Amendment.** The provisions of Section 2 of this Amendment are conditioned upon, and such provisions shall not be effective until, satisfaction of the following conditions (the first date on which all of the following conditions have been satisfied being referred to herein as the "Amendment Effective Date"):

(a) The Administrative Agent shall have received, on behalf of the Lenders, this Amendment, duly executed and delivered by the Borrower, the Subsidiary Guarantors, each Lender, each Voting Participant and the Administrative Agent;

(b) The Administrative Agent and the Lenders shall have received all amounts due and payable on or prior to the Amendment Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Amendment Effective Date, reimbursement or payment of all documented out- of-pocket expenses required to be reimbursed or paid by the Borrower under the Credit Agreement;

(c) The Borrower shall have fully prepaid in cash all outstanding obligations (other than contingent indemnification obligations not then due) under both the Commercial Bank Term Loan and the Farm Credit Term Loan utilizing the proceeds received from the Sofidel Disposition;

(d) No Default or Event of Default shall have occurred and be continuing; and

(e) The representations and warranties set forth in this Amendment shall be true and correct in all material respects as of the Amendment Effective Date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of the Amendment Effective Date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date).

#### 4. **Miscellaneous.**

(a) **Confirmation.** The provisions of the Credit Agreement and the other Loan Documents shall remain in full force and effect following the effectiveness of this Amendment.

(b) **Ratification and Affirmation: Representations and Warranties.** Each Credit Party hereby (a) acknowledges the terms of this Amendment; (b) ratifies and affirms (i) its obligations under, and acknowledges, renews and extends its continued liability under, each Loan Document to which it is a party

and agrees that each Loan Document to which it is a party remains in full force and effect, except as expressly amended hereby and (ii) that the Liens created by the Loan Documents to which it is a party are valid and continuing and secure the Obligations in accordance with the terms thereof, in each case, notwithstanding the amendments contained herein; (c) agrees that its guarantee under the Guarantee and Collateral Agreement remains in full force and effect with respect to the Obligations as amended hereby;

(d) agrees that from and after the Amendment Effective Date (i) each reference to the Credit Agreement in the other Loan Documents shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment and (ii) this Amendment does not constitute a novation of the Credit Agreement, the Guarantee and Collateral Agreement or any other Loan Document; and (e) represents and warrants to the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: i) all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects, except to the extent any such representations and warranties are stated to relate solely to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier date (provided that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in such Loan Document) and (ii) no Default or Event of Default has occurred and is continuing.

(c) No Waiver; Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. This Amendment shall for all purposes constitute a Loan Document.

(d) Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment that is an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record (an "Electronic Signature") transmitted by telecopy, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that, without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart (in such number as may be reasonably requested by the Administrative Agent).

(e) NO ORAL AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith AND THEREwith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR UNWRITTEN ORAL AGREEMENTS OF THE PARTIES. AS OF THE DATE OF THIS AMENDMENT, THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

(f) GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVERS. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS

AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 10.12 AND 10.16

OF THE CREDIT AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE MUTATIS MUTANDIS.

(g) Reallocation. Each Lender and Voting Participant party hereto hereby agrees that, upon giving effect to this Amendment, its "Resulting Term Revolver Commitment/ Participation" and its "Resulting Commitment Percentage of Term Revolver Facility" are as set forth opposite its name on Schedule 10.8(d) attached hereto. On the date hereof, upon giving effect to this Amendment, the Borrower, each Lender and each Voting Participant shall be deemed to have effected such assignments, participations, prepayments, borrowings and reallocations as are necessary to effectuate the modifications to Schedule 10.8(d) hereto contemplated in this Amendment, in each case such that, after giving effect thereto, each Lender and Voting Participant will hold its respective "Resulting Commitment Percentage of Term Revolver Facility" are as set forth opposite its name on Schedule 10.8(d) attached hereto.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

**BORROWER:**

**CLEARWATER PAPER CORPORATION,**  
a Delaware corporation

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**SUBSIDIARY GUARANTORS:**

**CELLU TISSUE HOLDINGS, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CELLU TISSUE NEENAH, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CELLU TISSUE OKLAHOMA CITY, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**CLEARWATER FIBER, LLC**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

**MANCHESTER INDUSTRIES INC. OF VIRGINIA**

By: \_\_\_\_\_  
Name: Sherri J. Baker  
Title: Senior Vice President, Chief Financial Officer

[Signature Page to First Amendment to Amended and Restated Credit Agreement Clearwater]

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**AGWEST FARM CREDIT, PCA,  
as Administrative Agent and a Lender**

By: \_\_\_\_

Name:

Title:

[Signature Page to First Amendment to Amended and Restated Credit Agreement- Clearwater]

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**VOTING PARTICIPANTS:  
COBANK, FCB**

By: \_\_\_\_

Name:

Title:

[Signature Page to First Amendment to Amended and Restated Credit Agreement – Clearwater]

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**AGFIRST, FCB**

By: \_\_\_\_

Name:

Title:

[Signature Page to First Amendment to Amended and Restated Credit Agreement- Clearwater]

---

**FARM CREDIT EAST, ACA**

By: \_\_\_\_

Name:

Title:

[Signature Page to First Amendment to Amended and Restated Credit Agreement – Clearwater]

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ANNEX A TO FIRST AMENDMENT TO  
AMENDED AND RESTATED CREDIT AGREEMENT, DATED AS OF NOVEMBER 4, 2024

~~\$760,000,000~~270.000.000

AMENDED AND RESTATED CREDIT AGREEMENT

dated as of May 1, 2024, by and among

CLEARWATER PAPER CORPORATION,  
as Borrower,

the Lenders referred to herein,

AGWEST FARM CREDIT, PCA,  
as Administrative Agent,  
and ~~Farm Credit Facilities~~Sole Lead Arranger,

and

GOÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH,  
as Syndication Agent;  
and Commercial Bank Term Loan Facility Lead Arranger

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AMENDED AND RESTATED CREDIT AGREEMENT, dated as of May 1, 2024, by and among CLEARWATER PAPER CORPORATION, a Delaware corporation, as Borrower, the lenders who are party to this Agreement and the lenders who may become a party to this Agreement pursuant to the terms hereof, as Lenders, and AGWEST FARM CREDIT, PCA, a federally chartered production credit association, as Administrative Agent for the Lenders.

#### STATEMENT OF PURPOSE

WHEREAS, the Borrower is party to that certain Credit Agreement dated as of October 27, 2023, by and among the Borrower, the lenders from time to time party thereto, and AgWest, as administrative agent (as amended, restated or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent amend and restate the Existing Credit Agreement in its entirety on the terms and conditions set forth herein and that the Lenders, pursuant to this Agreement, provide a term revolver credit facility, a farm credit term loan facility and a commercial bank term loan credit facility (which farm credit term loan facility and commercial bank term loan credit facility have, as of the First Amendment Effective Date, been prepaid in full in cash and are no longer outstanding) to the Borrower; and

WHEREAS, subject to the terms and conditions of this Agreement, the Lenders and the Administrative Agent are willing to amend and restate the Existing Credit Agreement in its entirety on the terms and conditions set forth herein, and the Lenders, to the extent of their respective Commitment as defined herein, are willing to provide the credit facilities contemplated herein to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

#### **ARTICLE I. DEFINITIONS**

**Section 1.1 Definitions.** The following terms when used in this Agreement shall have the meanings assigned to them below:

"2028 Notes" means the Borrower's 4.750% senior notes due 2028 issued pursuant to the 2028 Notes Indenture.

"2028 Notes Indenture" means the Indenture, dated as of August 18, 2020 by and among the Borrower, as issuer, certain Subsidiaries of the Borrower party thereto as guarantors and U.S. Bank National Association, as trustee.

"ABL Agent" means the "Administrative Agent" as defined in the ABL Facility.

"ABL Facility" means the ABL Credit Agreement dated as of July 26, 2019 among the Borrower, JP Morgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto, as amended through the date hereof or as further amended, restated, supplemented or otherwise modified from time to time in accordance with the terms of the Intercreditor Agreement.

"ABL Priority Collateral" has the meaning specified in the Intercreditor Agreement.

"Accordion Increase" has the meaning assigned thereto in Section 2.1(d).

"Acquisition" means the purchase or other acquisition by the Borrower or any Subsidiary of all or a majority of the Capital Stock of, or all or substantially all of the property of, any Person, or of any business or division of any Person.

~~"Acquisition Leverage Restricted Period"~~  
~~means the period commencing on the Closing Date and ending on the date the Borrower delivers financial statements pursuant to Section 6.1 and an Officer's Compliance Certificate pursuant to Section 6.2(a) evidencing that both (a) the Consolidated Leverage Ratio is less than or equal to 3.25 to 1.00 as of the most recently ended fiscal quarter for the fourth (4th) consecutive fiscal quarter and (b) the Debt to Capitalization Ratio is less than or equal to 60% as of the most recently ended fiscal quarter for the fourth (4th) consecutive fiscal quarter; provided, that, if a Disposition or other divestiture is consummated which results in Indebtedness of the Credit Parties or their Subsidiaries being reduced by at least \$200,000,000 in the aggregate, the Acquisition Leverage Restricted Period shall end as of the last day of the fiscal quarter in which such Indebtedness reduction amount is achieved.~~

"Administrative Agent" means AgWest, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 10.6.

"Administrative Agent's Office" means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 10.1(c).

"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 UK Financial Institution.

"Affiliate" means as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agent Parties" has the meaning assigned thereto in Section 10.1(e).

"Aggregate Commitments" means the aggregate Commitments of all the Lenders in effect at such time.

“Agreement” means this Credit Agreement.

“AgWest” means AgWest Farm Credit, PCA, a federally chartered production credit association. “Anti-Corruption Laws” means all laws, rules and regulations of any jurisdiction applicable to

the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption, money-laundering, or any financial record keeping and reporting requirements related thereto.

“Applicable Law” means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities and all orders and decrees of all courts and arbitrators.

"Applicable Margin" means ~~(a) the following percentages per annum, based on the Consolidated Leverage Ratio as set forth in the most recent Officer's Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(a):~~ 3.65% per annum.

Pricing Level	Consolidated Leverage Ratio	Applicable Margin for Farm Credit Facilities	Applicable Margin for Commercial Bank Term Loan Facility	
			Term SOFR Rate Loans	Base Rate Loans
-	< 2.00 to 1.00	2.25%	1.75%	0.75%
II	≥ 2.00 to 1.00 but < 2.50 to 1.00	2.50%	2.00%	1.00%
III	≥ 2.50 to 1.00 but < 3.25 to 1.00	3.00%	2.50%	1.50%
IV	≥ 3.25 to 1.00 but < 4.00 to 1.00	3.75%	3.25%	2.25%
V	≥ 4.00 to 1.00	4.75%	4.25%	3.25%

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Any increase or decrease in the Applicable Margin resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first (1st) Business Day immediately following the date an Officer's Compliance Certificate is delivered pursuant to Section 6.2(a); provided, that, if an Officer's Compliance Certificate is not delivered when due in accordance with Section 6.2(a), then Pricing Level V shall apply as of the first (1st) Business Day after the date on which such Officer's Compliance Certificate was required to have been delivered and shall remain in effect until the first (1st) Business Day immediately following the date on which such Officer's Compliance Certificate is delivered in accordance with Section 6.2(a), whereupon the Applicable Margin shall be adjusted based upon the calculation of the Consolidated Leverage Ratio contained in such Officer's Compliance Certificate.

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Notwithstanding anything to the contrary contained in this definition, (a) the Applicable Margin in effect from the Closing Date to the first (1st) Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.2(a) for the fiscal quarter ending June 30, 2024 shall be determined based upon Pricing Level IV, and (b) if, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under Debtor Relief Laws, automatically and without further action by the Administrative Agent or any Lender), an amount equal to the excess of the amount of interest

that should have been paid for such period over the amount of interest actually paid for such period; and

(b) following the repayment in full of the Term Loan Facilities (including contingent reimbursement obligations and indemnity obligations), 3.65% per annum.

"Applicable Reference Period" means as of any date of determination, the most recently ended period of four consecutive fiscal quarters of the Borrower (the "Reference Period") for which financial statements with respect to each fiscal quarter included in such Reference Period have been delivered pursuant to Section 6.1(a) or 6.1(b) (or, prior to the delivery of any such financial statements, the Reference Period ended March 31, 2024).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means ~~(a) the Farm Credit Facilities Lead Arranger and/or (b) the Commercial Bank Term Loan Facility Lead Arranger, as the context may require~~ AgWest, in its capacity as sole lead arranger and sole bookrunner.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.8), and accepted by the Administrative Agent, in substantially the form attached as **Exhibit G** or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means in respect of any sale and leaseback transaction, as at the time of determination, the present value (discounted at the implied interest rate in such transaction compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended). For the avoidance of doubt, notwithstanding anything to the contrary contained in this Agreement, obligations for rental payments with respect to a lease arising in connection with a Tax Incentive Transaction shall not constitute Attributable Indebtedness.

"Augusta Acquisition Agreement" means that certain Asset Purchase Agreement dated as of February 20, 2024, by and between the Borrower and the Seller, as amended, restated, supplemented or otherwise modified from time to time.

"Augusta Mill Acquisition" means the Acquisition by the Borrower, directly or indirectly, of assets from the Seller pursuant to the Augusta Acquisition Agreement and the other Transaction Agreements (as defined in the Augusta Acquisition Agreement).

"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.

"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).

~~"Base Rate" means, for any day, a rate per annum equal to the highest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Rate in effect on such day plus one half of one percent (0.50%) and (iii) one percent greater than the Term SOFR Rate for an Interest Period of one-month effective on such date; provided, that, in no event shall the Base Rate be less than 1.00%. For purposes of this definition of "Base Rate," "Prime Rate" shall mean a variable rate of interest per annum equal to the rate of interest publicly announced from time to time by Citibank, N.A. in New York City, New York, as its "prime rate". If Citibank ceases to quote such rate, the "Prime Rate" shall be the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15(519)(Select Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein or any similar release by the Federal Reserve Board (in each case, as determined by the Administrative Agent). Any change in the prime rate shall take effect at the opening of business on the day specified in the public announcement of such change.~~

~~"Base Rate Loan" means any Loan bearing interest at a rate based upon the Base Rate as provided in Section 3.1(a).~~

"Benchmark" means, initially, Term SOFR or the SOFR Monthly Variable Base Rate, as applicable; provided, that, if a Benchmark Transition Event has occurred with respect to any initial Benchmark or any then-current Benchmark, then "Benchmark" means the applicable Successor Rate for such initial or then-current Benchmark to the extent that such Successor Rate has replaced such prior benchmark rate pursuant to Section 3.8(b). Any reference to a "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement" means for any Available Tenor, the sum of (i) the alternate benchmark rate and (ii) 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 Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time in the United States; provided, that, if the Benchmark Replacement as determined above would be

less than the 0.0%, the Benchmark Replacement will be deemed to be 0.0% for the purposes of this Agreement and the other Loan Documents.

“Benchmark Transition Event” means with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Board" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Borrower" means Clearwater Paper Corporation, a Delaware corporation. "Borrower Materials" has the meaning

assigned thereto in Section 6.1. "Budget" has the meaning assigned thereto in Section 6.1(c).

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Applicable Laws of, or are in fact closed in, New York and in the state where the Administrative Agent's Office is located (if different) and, if such day relates to any Term SOFR Loan, SOFR Monthly Variable Base Rate Loan or Daily Simple SOFR Loan, means any such day that is also a U.S. Government Securities Business Day.

"Capital Expenditures" means for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that is required to be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries.

"Capital Lease Obligations" means as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP; provided, that any lease (or other arrangement) of such Person that is or would have been treated as an operating lease as determined in accordance with GAAP immediately prior to the issuance of the Accounting Standards Update 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board shall not be treated as a Capital Lease Obligation under this Agreement and the other Loan Documents, whether or not such obligations were in effect as of the date such update was issued and regardless of whether GAAP requires such obligations to be treated as capitalized lease obligations in the financial statements of such Person.

"Capital Stock" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing, but excluding any debt securities convertible into any of the foregoing.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within two years from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$250,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within nine months from the date of acquisition; (d) repurchase obligations of any Lender or of any

commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000.

"CFC" means (a) each Person that is a "controlled foreign corporation" for purposes of the Code and (b) each Subsidiary of any such Person.

"CFC Holding Company" means each Domestic Subsidiary substantially all of the assets of which consist of Capital Stock of one or more (a) CFCs or (b) Persons described in this definition.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a "person" or "group" shall be deemed to have "beneficial ownership" of all Capital Stock that such "person" or "group" has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of more than 40% of the Capital Stock of the Borrower entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Borrower or (b) the occurrence of any "change in control" (or similar event, however denominated) with respect to the Borrower under and as defined in any indenture or other agreement or instrument evidencing or governing the rights of the holders of any Material Indebtedness of the Borrower or any of its Subsidiaries.

"Closing Date" means May 1, 2024.

"Closing Date Cost of Funds" has the meaning set forth in Section 3.1(e). "Code" means the Internal Revenue

Code of 1986.

"Collateral" means the collateral security for the Obligations pledged or granted pursuant to the Security Documents (for the avoidance of doubt, excluding in all cases, the Excluded Assets (as defined in the Guarantee and Collateral Agreement)).

~~"Commercial Bank Lender" means each Person executing this Agreement as a Commercial Bank Lender on the Closing Date.~~

~~"Commercial Bank Term Loan" has the meaning assigned thereto in Section 2.1(b).~~

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~~"Commercial Bank Term Loan Commitment" means, as to each Commercial Bank Lender, its obligation to make its portion of the Commercial Bank Term Loan to the Borrower pursuant to Section 2.1(b), in the principal amount set forth opposite such Commercial Bank Lender's name on Schedule 1.1(b). The aggregate principal amount of the Commercial Bank Term Loan Commitment of all of the Commercial Bank Lenders as in effect on the Closing Date is \$90,000,000.~~

~~"Commercial Bank Term Loan Facility" means the commercial bank term loan credit facility established pursuant to Article II.~~

~~"Commercial Bank Term Loan Facility Lead Arranger" means Rabobank, in its capacity as sole lead arranger and sole bookrunner with respect to the Commercial Bank Term Loan Facility.~~

~~"Commitment" means as to any Lender, the Term Revolver Commitment, the Farm Credit Term Loan Commitment and/or the Commercial Bank Term Loan Commitment of such Lender, as the context may require.~~

~~"Commitment Fee" has the meaning assigned thereto in Section 3.3(a).~~

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.). “Conforming Changes” means, with respect to the use, administration of or any conventions

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Period", the 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", the timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, in consultation with the 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 (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated" means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

~~"Consolidated Capitalization" means (a) Consolidated Total Debt plus (b) consolidated shareholders' equity of the Borrower and its Subsidiaries (excluding non-cash write-downs of goodwill associated with the acquisition and exclusion of the impacts of other comprehensive income).~~

~~"Consolidated Current Assets" means at any date, all amounts (other than cash and Cash Equivalents) that would, in conformity with GAAP, be reflected in "total current assets" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date.~~

"Consolidated Current Liabilities" means at any date, all amounts that would, in conformity with GAAP, be reflected in "total current liabilities" (or any like caption) on a consolidated balance sheet of the Borrower and its Subsidiaries at such date, but excluding (a) the current portion of any Funded Debt of the Borrower and its Subsidiaries and (b) without duplication of clause (a) above, all Indebtedness consisting of Term Revolver Loans and loans under the ABL Facility to the extent otherwise included therein.

"Consolidated EBITDA" means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP:

(a) Consolidated Net Income for such period plus (b) the sum of the following, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period: (i) income and franchise tax expense, (ii) interest expense (including interest expense attributable to Capital Lease Obligations and all net payment obligations pursuant to Swap Agreements), amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with all Indebtedness permitted hereunder, (iii) depreciation and amortization expense, (iv) non-cash charges, losses, expenses, accruals and provisions, including stock-based compensation or awards and sale of assets not in the ordinary course of business (but excluding any such non-cash charge to the extent that it represents an accrual or reserve for cash expenses in any future period), (v) amortization of intangibles (including, but not limited to, impairment of goodwill) and organization costs,

(vi) any extraordinary, unusual or non-recurring expenses or losses, (vii) any fees and expenses incurred during such period in connection with any Investment (including any Acquisition permitted hereunder), Disposition, issuance of all Indebtedness or Capital Stock, or amendment or modification of any debt instrument, in each case permitted under this Agreement, including (A) any such transactions undertaken but not completed and any transactions consummated prior to the Closing Date and (B) any financial



advisory fees, accounting fees, legal fees and other similar advisory and consulting fees, in each case paid in cash during such period (collectively, "Advisory Fees"), (viii) any fees and expenses incurred in connection with the Transactions, including Advisory Fees and (solely for purposes of this clause (viii)) cash charges in respect of strategic market reviews, stay or sign-on bonuses, integration-related bonuses, restructuring, consolidation, severance or discontinuance of any portion of operations, employees and/or management, (ix) the amount of "run-rate" cost savings, operating expense reductions, operating improvements and synergies that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to be realized as a result of mergers and other business combinations, Acquisitions permitted hereunder, divestitures, insourcing initiatives, cost savings initiatives, plant consolidations, openings and closings, product rationalization and other similar initiatives taken or initiated before, on or after the Closing Date, in each case to the extent not prohibited by this Agreement (collectively, "Initiatives") (calculated on a pro forma basis as though such cost savings, operating expense reductions, operating improvements and synergies had been realized on the first day of the relevant Reference Period), net of the amount of actual benefits realized in respect thereof; provided that

(A) actions in respect of such cost-savings, operating expense reductions, operating improvements and synergies have been, or will be, taken within 24 months of the applicable Initiative, (B) no cost savings, operating expense reductions, operating improvements or synergies shall be added pursuant to this clause

(ix) to the extent duplicative of any expenses or charges otherwise added to (or excluded from) Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period, (C) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (ix) to the extent occurring more than eight full fiscal quarters after the applicable Initiative, (D) the Borrower must deliver to the Administrative Agent (I) a certificate of a Responsible Officer setting forth such estimated cost savings, operating expense reductions, operating improvements and synergies and (II) information and calculations supporting in reasonable detail such estimated cost savings, operating expense reductions, operating improvements and synergies and (E) with respect to any Reference Period, the aggregate amount added back in the calculation of Consolidated EBITDA for such Reference Period pursuant to this clause (ix) and clause (xi) below shall not exceed 25% of Consolidated EBITDA (calculated prior to giving effect to any add-backs pursuant to this clause (ix) and clause (xi) below), (x) non-recurring cash expenses recognized for restructuring costs, integration costs and business optimization expenses in connection with any Initiative, (xi) recurring cash charges from discontinued operations; provided that, with respect to any Reference Period, the aggregate amount added back in the calculation of Consolidated EBITDA for such Reference Period pursuant to this clause (xi) and clause

(ix) above shall not exceed 25% of Consolidated EBITDA (calculated prior to giving effect to any add-backs pursuant to this clause (xi) and clause (ix) above) and (xii) any one-time charges related to a Material Pension Event (including for the avoidance of doubt any such charges in the nature of a true-up taken in a subsequent quarter), less (c) to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) interest income, (ii) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business), (iii) income tax credits (to the extent not netted from income tax expense), (iv) any other non-cash income (other than normal accruals in the ordinary course of business for non-cash income that represents an accrual for cash income in a future period) and (v) all net gains pursuant to Swap Agreements and (d) any cash payments made during such period in respect of items described in clause (b)(iv) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis. For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of the Consolidated Leverage Ratio, (i) if at any time during such Reference Period the Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such

Reference Period and (ii) if during such Reference Period the Borrower or any Subsidiary shall have made an Acquisition permitted hereunder, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Acquisition occurred on the first day of such Reference Period. For purposes of this Agreement, Consolidated EBITDA shall be adjusted on a Pro Forma Basis.

“Consolidated Leverage Ratio” means as at the last day of any Reference Period, the ratio of (a)(i) Consolidated Total Debt on such day less (ii) the aggregate Unrestricted Cash of the Group Members on such day to (b) Consolidated EBITDA for such period.

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded: (a) The income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, except to the extent calculated on a Pro Forma Basis; (b) The income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions; (c) The undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary; (d) Any income (or loss) for such period attributable to the early extinguishment of Indebtedness or Swap Obligations; (e) The cumulative effect of a change in accounting principles and changes as a result of the adoption or modification of accounting policies during such period; and (f) All net after-tax gains, losses, expenses and charges attributable to business dispositions and asset dispositions, including the sale or other disposition of any Capital Stock of any Person, other than in the ordinary course of business.

“Consolidated Net Tangible Assets” means, with respect to any specified Person as of any date of determination, the sum of the amounts that would appear on a Consolidated balance sheet of such Person and its Consolidated Subsidiaries as the total assets (less accumulated depreciation and amortization, allowances for doubtful receivables, other applicable reserves and other properly deductible items) of such Person and its Subsidiaries, after giving effect to purchase accounting and after deducting therefrom Consolidated Current Liabilities and, to the extent otherwise included, the amounts of (without duplication):

- (a) the excess of cost over fair market value of assets or businesses acquired;
- (b) any revaluation or other write-up in book value of assets subsequent to the last day of the fiscal quarter of such Person immediately preceding the Closing Date as a result of a change in the method of valuation in accordance with GAAP;
- (c) unamortized debt discount and expenses and other unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, licenses, organization or developmental expenses and other intangible items;
- (d) minority interests in consolidated Subsidiaries held by Persons other than the specified Person or any Subsidiary;
- (e) treasury stock; and

(f) cash or securities set aside and held in a sinking or other analogous fund established for the purpose of redemption or other retirement of capital stock to the extent such obligation is not reflected in Consolidated Current Liabilities.

"Consolidated Total Debt" means at any date (without duplication), all Capital Lease Obligations, purchase money Indebtedness, Indebtedness for borrowed money and letters of credit (but only to the extent drawn and not reimbursed), in each case of the Borrower and its Subsidiaries at such date, determined on a Consolidated basis in accordance with GAAP.

~~"Consolidated Working Capital" means at any date, the excess of Consolidated Current Assets on such date over Consolidated Current Liabilities on such date.~~

"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.

~~"Credit Facility" means the Term Revolver Facility, the Farm Credit Term Loan Facility and/or the Commercial Bank Term Loan Facility established pursuant to Article II, as the context may require.~~

"Credit Parties" means, collectively, the Borrower and the Subsidiary Guarantors.

~~"Current Ratio" means, as of any date of determination, the ratio of (a) assets that would be classified as current assets on the Consolidated balance sheet of the Borrower and its Subsidiaries to (b) liabilities that would be classified as current liabilities on the Consolidated balance sheet of the Borrower and its Subsidiaries, as of such date, in each case as determined in accordance with GAAP.~~

"Daily Simple SOFR Loan" means a Loan that bears interest at the Daily Simple SOFR Rate plus the Applicable Margin.

"Daily Simple SOFR Rate" means, for any day (a "Daily Simple SOFR Rate Day"), a rate per annum equal to the greater of (a) SOFR for the day (such day, a "Daily Simple SOFR Determination Date") that is five U.S. Government Securities Business Days prior to (i) if such Daily Simple SOFR Rate Day is a U.S. Government Securities Business Day, such Daily Simple SOFR Rate Day or (ii) if such Daily Simple SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such Daily Simple SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's website, and (b) zero. If, by 5:00 p.m. on the second U.S. Government Securities Business Day immediately following any Daily Simple SOFR Determination Date, SOFR in respect of such Daily Simple SOFR Determination Date has not been published on the SOFR Administrator's website and a Benchmark Transition Event with respect to the Daily Simple SOFR Rate has not occurred, then the SOFR for such Daily Simple SOFR Determination Date will be the SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator's website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of the calculation of the Daily Simple SOFR Rate for no more than three consecutive Daily Simple SOFR Rate Days.

"Debt to Capitalization Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated Capitalization as of such date.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium,

rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any of the events specified in Section 8.1 which with the passage of time, the giving of notice or both, would constitute an Event of Default.

“Defaulting Lender” means, subject to Section 3.14(b), any Lender that (a) has failed to (i) fund all or any portion of the Loans required to be funded by it hereunder within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), (d) has become the subject of a Bail-in Action or has a direct or indirect parent company that has become the subject of a Bail-in Action or (e) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (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 FDIC or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 3.14(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Defaulting Voting Participant” means any Participant who would be a Defaulting Lender but for such Participant’s status as a Participant, including, by way of example, in the event a Participant failed to fund any of its participation obligations or pay any amount required to be paid by it in connection with such participation obligation, in each such example with respect to amounts owed by the Lender that sold the participation pursuant to the Loan Documents.

“Designated Non-Cash Consideration” means the fair market value of non-cash consideration received by the Borrower or one of its Subsidiaries in connection with a Disposition that is so designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer, setting forth the basis of such valuation, less the amount of cash and Cash Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration within 180 days of receipt thereof.

"Disposition" means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition (in one transaction or in a series of transactions) of any property by any Person (including any sale and leaseback transaction and any issuance of Capital Stock by a Subsidiary of such 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. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Capital Stock" means with respect to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

- (a) matures or is mandatorily redeemable (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock) whether pursuant to a sinking fund obligation or otherwise;
- (b) is convertible or exchangeable, either mandatorily or at the option of the holder thereof, for Indebtedness or Capital Stock (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock); or
- (c) is redeemable (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock) or is required to be repurchased by the Borrower or any Subsidiary, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Maturity Date (determined as of the date of issuance thereof or, in the case of any such Capital Stock outstanding on the Closing Date, the Closing Date); provided, however, that (i) Capital Stock of any Person that would not constitute Disqualified Capital Stock but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Capital Stock upon the occurrence of an "asset sale" or a "change of control" (or similar event, however denominated) shall not constitute Disqualified Capital Stock if any such requirement becomes operative only after repayment in full of all the Loans and all other Obligations that are accrued and payable and (ii) Capital Stock of any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Disqualified Lenders" means (a) certain banks, financial institutions, other institutional lenders and other Persons that have been specified in writing to the Administrative Agent by the Borrower prior to the Closing Date, (b) competitors of the Borrower and its Subsidiaries and any affiliate of such competitor, in each case, that is identified in writing to the Administrative Agent by the Borrower from time to time and (c) any affiliates of the entities described in the foregoing clauses (a) or (b) that are clearly identifiable as affiliates of such entities solely on the basis of the similarity of their names (other than affiliates that constitute bona fide debt funds primarily investing in loans). In no event shall the designation of any Person as a Disqualified Lender apply (x) to disqualify any Person until three Business Days after such Person shall have been identified in writing to the Administrative Agent via electronic mail submitted to forestproducts@agwestfc.com (or to such other address as the Administrative Agent may designate to the Borrower from time to time). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Lender after the applicable Trade Date

(including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, this definition) or is otherwise party to a pending trade as of the date of such notice, (x) such assignee shall not retroactively be disqualified from becoming a Lender and (y) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender.

"Dollars" or "\$" means, unless otherwise qualified, dollars in lawful currency of the United States.

"Domestic Subsidiary" means any Subsidiary organized under the laws of any political subdivision of the United States.

"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 institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

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

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.8(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.8(b)(iii)).

"Environmental Claims" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, accusations, allegations, notices of noncompliance or violation, investigations (other than internal reports prepared by any Person in the ordinary course of business and not in response to any third party action or request of any kind) or proceedings relating in any way to any actual or alleged violation of or liability under any Environmental Law or relating to any permit issued, or any approval given, under any such Environmental Law, including any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to public health or the environment.

"Environmental Laws" means any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"Environmental Permits" means any and all permits, licenses, approvals, registrations, notifications, exemptions and any other authorization required under any Environmental Law.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(a)(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414(m) or (o) of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the failure to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV 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.

"Event of Default" means any of the events specified in Section 8.1; provided that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.

~~"Excess Cash Flow" means for the applicable period, an amount equal to the sum of the following:~~

~~(a) — the sum of the following for such period, without duplication, for the Borrower and its Subsidiaries:~~

~~(i) — Consolidated Net Income for such period;~~

~~(ii) — the amount of all non-cash charges (including depreciation and amortization) deducted in arriving at such Consolidated Net Income;~~

~~(iii) — decreases in Consolidated Working Capital for such period;~~

~~(iv) — the aggregate net amount of non-cash loss on the Disposition of property by the Borrower and its Subsidiaries during such period (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income; and~~



(v) cash gains in respect of Swap Obligations during such period to the extent not included in arriving at Consolidated Net Income, minus

(b) ~~the sum of the following for such period, without duplication, for the Borrower and its Subsidiaries:~~

(i) ~~the amount of all non-cash income included in arriving at such Consolidated Net Income;~~

( ~~i i~~ )

~~without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such period on account of Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount or the proceeds of any issuance of Capital Stock of the Borrower);~~

( ~~i i i~~ )

~~without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate amount of Restricted Payments made by the Borrower in cash during such period permitted pursuant to Section 7.5(b), (d), (g) and (h) (excluding the principal amount of Indebtedness (other than extensions of credit under the Term Revolver Facility, the ABL Facility or any other revolving credit or similar facility) incurred in connection with such Restricted Payments and any Restricted Payments made with proceeds of any issuance of Capital Stock of the Borrower);~~

(iv) ~~the aggregate amount of all voluntary prepayments of Funded Debt (other than~~

~~(A) the Loans, (B) the ABL Facility, (C) any other revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereof and (D) any Permitted Pari Passu Indebtedness) of the Borrower and its Subsidiaries made during such period (excluding any such prepayments financed with the proceeds of any issuance of Capital Stock of the Borrower or the issuance of any Indebtedness);~~

the aggregate amount of all regularly scheduled principal payments of Funded Debt (including the Term Loan Facilities) of the Borrower and its Subsidiaries made during such period (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder);

Flow in prior periods, the aggregate amount of cash consideration paid by the Borrower and its Subsidiaries during such period to make Investments permitted by Section 7.6 (excluding any such Investments (1) financed with the proceeds of any Reinvestment Deferred Amount or the

proceeds or any issuance of Capital Stock of the  
Borrower or the issuance of any Indebtedness or  
(2) that constitute intercompany investments);

(xi) — cash charges included in clauses (a) through (f) of the definition of "Consolidated Net Income,"

( — x i i — ) —

without duplication of amounts deducted from  
Excess Cash Flow in prior periods and, at the option of the Borrower, the aggregate cash consideration (x) required to be paid by the  
Borrower and its Subsidiaries pursuant to binding contracts (the "Contract Consideration") entered into prior to or during such period  
relating to Investments anticipated to be consummated that are permitted pursuant to Section 7.6 (other than any intercompany  
Investments), (y) expected to be paid in connection with Restricted Payments permitted pursuant to Section 7.5(b), (d), (g) and (h)  
("Planned Distributions") or (z) expected to be paid in connection with planned Capital Expenditures of the Borrower and its  
Subsidiaries (the "Planned Expenditures"), in each case during the next fiscal quarter of the Borrower following the end of the  
applicable fiscal quarter for which Excess Cash Flow is being calculated (except to the extent financed with the proceeds of  
Indebtedness, the proceeds of any Reinvestment Deferred Amount or the proceeds of any issuance of Capital Stock of the Borrower);  
provided, that, to the extent the aggregate amount of cash actually utilized to finance such Investments, Restricted Payments or  
Capital Expenditures during such subsequent period is less than the Contract Consideration, Planned Distributions and the Planned  
Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such subsequent  
period;

(xiii) — cash expenditures in respect of Swap Obligations during such period to the extent not deducted in arriving at such Consolidated  
Net Income; and

( x i v )

~~any payment of cash to be amortized or expensed over a future period and~~ recorded as a long-term asset (so long as any such amortization or expense in such future period is added back to Excess Cash Flow in such future period) (excluding the principal amount of Indebtedness incurred in connection with such payment and any such payment financed with the proceeds of any Reinvestment Deferred Amount or the proceeds of any issuance of Capital Stock of the Borrower).

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

"Excluded Account" has the meaning set forth in the Guarantee and Collateral Agreement. "Excluded Subsidiary" means (a) any

Immaterial Subsidiary, (b) any non-Wholly-Owned

Subsidiary to the extent the organizational documents thereof prohibit it from guaranteeing the Obligations, (c) any Subsidiary that is prohibited or restricted by applicable law, rule or regulation or by any contractual obligation existing on the Closing Date or on the date such Subsidiary was acquired (so long as such contractual obligation was not entered into in contemplation of such acquisition) from guaranteeing the Obligations or which would require a non-ministerial governmental (including regulatory) consent, approval, license or authorization to provide a guarantee unless such consent, approval, licensor authorization has been received (the Credit Parties being under no obligation to obtain such consent, approval or licensor authorization), (d) any CFC or CFC Holding Company, (e) any Domestic Subsidiary of a Foreign Subsidiary, (f) not-for-profit Subsidiaries and captive insurance companies, (g) any Subsidiary whose provision of a guarantee would have a cost (including tax cost), burden, difficulty or consequence that is excessive in relation to the value afforded thereby as agreed between the Borrower and Administrative Agent, and (h) any Subsidiary acquired pursuant to an Acquisition permitted hereunder with Indebtedness permitted to be incurred pursuant to the Loan

Documents as assumed Indebtedness and any Subsidiary thereof that guarantees such assumed Indebtedness, in each case to the extent such secured Indebtedness prohibits such Subsidiary from becoming a Subsidiary Guarantor. Each Excluded Subsidiary as of the Closing Date is set forth on Schedule 6.2.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Note or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in a Loan, Note or Commitment (other than pursuant to an assignment request by the Borrower under Section 3.12(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 3.11(g) and (d) any United States federal withholding Taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning assigned to it in the recitals.

~~"Existing Fixed Rate Loan" means the Fixed Rate Loan borrowed pursuant to the Existing Credit Agreement. The principal amount of the Existing Fixed Rate Loan on the Closing Date is \$150,000,000.~~

~~"Existing Fixed Rate Loan Prepayment Exception" has the meaning assigned thereto in Section 2.3(d).~~

"Farm Credit Administration" means that certain agency known as the Farm Credit Administration that derives its authority from the Farm Credit Act of 1971.

"Farm Credit Equities" has the meaning assigned thereto in Section 6.11.

~~"Farm Credit Facilities" means the Term Revolver Facility and the Farm Credit Term Loan Facility.~~

~~"Farm Credit Facilities Lead Arranger" means AgWest, in its capacity as sole lead arranger and sole bookrunner with respect to the Farm Credit Facilities.~~

~~"Farm Credit Facilities Loans" means (a) the Term Revolver Loans and/or (b) the Farm Credit Term Loans, as the context may require.~~

"Farm Credit Lender" means a lending institution (including any wholly-owned subsidiaries) organized and existing pursuant to the provisions of the Farm Credit Act of 1971 and under the regulation of the Farm Credit Administration.

~~"Farm Credit Term Loan" has the meaning assigned thereto in Section 2.1(a).~~

~~"Farm Credit Term Loan Commitment" means, as to each Farm Credit Lender that is a Lender, its obligation to make its portion of the Farm Credit Term Loan to the Borrower pursuant to Section 2.1(a) in the principal amount set forth opposite such Farm Credit Lender's name on Schedule 1.1(b).~~

~~The aggregate principal amount of the Farm Credit Term Loan Commitments of all such Farm Credit Lenders as in effect on the Closing Date is \$400,000,000.~~

~~"Farm Credit Term Loan Facility" means the farm credit term loan credit facility established pursuant to Article II.~~

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FDIC" means the Federal Deposit Insurance Corporation or any successor thereto.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System on such day (or, if such day is not a Business Day, for the immediately preceding Business Day), as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that if such rate is not so published for any day which is a Business Day, the average of the quotation for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by the Administrative Agent. Notwithstanding the foregoing, if the Federal Funds Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

"Fee Letter" means each of (a) the separate fee letter agreement dated February 20, 2024 between the Borrower, AgWest, CoBank, FCB and Rabobank Coöperatieve Rabobank U.A., New York Branch and (b) the separate fee letter agreement dated as of the First Amendment Effective Date between the Borrower and AgWest.

"First Amendment" means the First Amendment to Amended and Restated Credit Agreement, dated as of the First Amendment Effective Date, by and among the Borrower, the Subsidiary Guarantors, each Lender, each Voting Participant and the Administrative Agent.

"First Amendment Effective Date" means November 4, 2024; provided, that, for the avoidance of doubt, the First Amendment Effective Date shall be after the consummation of the Sofidel Disposition and the Borrower's prepayment in full in cash of all obligations (other than contingent indemnification



obligations not then due) under both of the Term Loan Facilities (as defined in this Agreement immediately before giving effect to the First Amendment).

"First Tier Foreign Subsidiary" means any Foreign Subsidiary the Capital Stock of which is owned directly by any Credit Party.

"Fiscal Year" means the fiscal year of the Borrower and its Subsidiaries ending on December 31. "Fixed Rate" means, for any Fixed

Rate Loan and for the applicable Interest Period, a rate equal

to the applicable Rate Pricing Index, as made available by AgWest pursuant to procedures and documentation set forth on Schedule 1.1(a) hereto.

"Fixed Rate Loan" means any Loan bearing interest at a rate based upon a Fixed Rate as provided in Section 3.1(a).

"Foreign Benefit Arrangement" means any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Group Member, any ERISA Affiliate or any other entity related to a Group Member on a controlled group basis.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Plan" means each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to ERISA) that is not subject to US law and is maintained or contributed to by any Group Member, or ERISA Affiliate or any other entity related to a Group Member on a controlled group basis.

"Foreign Plan Event" means with respect to any Foreign Benefit Arrangement or Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Benefit Arrangement or Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Benefit Arrangement or Foreign Plan required to be registered; or (c) the failure of any Foreign Benefit Arrangement or Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Benefit Arrangement or Foreign Plan.

"Foreign Subsidiary" means any Subsidiary of the Borrower that is not a Domestic Subsidiary. "Fund" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"Funded Debt" means as to any Person, all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar facility that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans and the ABL Facility.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Approvals" means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing,

regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Group Members" means the collective reference to the Borrower and its Subsidiaries. "Guarantee and Collateral Agreement" means the Amended and Restated Guarantee and

Collateral Agreement, dated as of the Closing Date, executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit J.

"Guarantee Obligation" means as to any Person (the "guaranteeing person"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Hazardous Materials" means any substances or materials (a) which are defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) the presence of which require investigation or remediation under any Environmental Law or common law or (c) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Approval.

"Immaterial Subsidiary" means any Subsidiary that is not a Material Subsidiary and that is designated by the Borrower in writing to the Administrative Agent as an "Immaterial Subsidiary"; provided that if (i) as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 6.1(a) or (b), the aggregate Consolidated Net Tangible Assets of all Immaterial Subsidiaries, as of the last day of such fiscal quarter, exceeds 5% of Consolidated Net Tangible Assets of the Borrower and its Subsidiaries or (ii) the aggregate contribution of Consolidated EBITDA of all Immaterial Subsidiaries to Consolidated EBITDA for the Applicable Reference Period exceeds 7.5% of Consolidated EBITDA of the Borrower and its Subsidiaries for such Applicable Reference Period, then one or more Subsidiaries that are not Material Subsidiaries shall promptly be designated by the Borrower in writing to the Administrative Agent as a "Material Subsidiary" until such excess has been eliminated. Each Immaterial Subsidiary as of the Closing Date is set forth on Schedule 6.2.

"Indebtedness" means of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than (i) trade payables incurred in the ordinary course of such Person's business or consistent with industry or past practice, (ii) deferred compensation payable to directors, officers or employees of any Group Member, (iii) any purchase price adjustment or earnout obligation until such adjustment or obligation becomes a liability on the balance sheet of such Person in accordance with GAAP, (iv) accrued expenses and liabilities and intercompany liabilities arising in the ordinary course of such Person's business, and (v) prepaid or deferred revenue arising in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Disqualified Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (but only to the extent of the lesser of (i) the amount of such Indebtedness and (ii) the fair market value of such property), and (j) for the purposes of Section 8.1(f) only, after taking into account the effect of any legally enforceable netting agreement relating to Swap Agreements, (i) for any date on or after the date such Swap Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in the immediately preceding clause (i), the amount(s) determined as the mark-to-market value(s) for such Swap Agreements, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Lender or any Affiliate of a Lender). The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor. For the avoidance of doubt, notwithstanding anything to the contrary contained in this Agreement, neither a Tax Incentive Transaction nor any obligations arising in connection therewith shall constitute Indebtedness.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and

(b) to the extent not otherwise described in clause (a), Other Taxes. "Indemnitee" has the meaning assigned

thereto in Section 10.3(b).

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, all registrations and applications therefor, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Intercreditor Agreement" means that certain amended and restated intercreditor agreement, dated as of the date hereof, between the Administrative Agent and the ABL Agent, and acknowledged by

the Credit Parties, as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Interest Period" means, (a) as to a Fixed Rate Loan, the period of (or approximately) one, three or five years commencing on the date such Fixed Rate Loan is disbursed or converted to or continued as a Fixed Rate Loan in accordance with the procedures set forth on Schedule 1.1(a) and ending on End Date (as defined in Schedule 1.1(a)) and (b) as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one or three months thereafter, in each case, as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation and subject to availability; provided that:

(x) in the case of any Interest Period for a Term SOFR Loan:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date;

(iv) there shall be no more than five Interest Periods in effect at any time with respect to ~~each~~the Credit Facility; and

(y) in the case of any Interest Period for a Fixed Rate Loan:

(i) such Interest Period shall end on the corresponding 1-, 3- or 5-year anniversary of the first day of the month following the Effective Date (as defined in Schedule 1.1(a)) if the Effective Date is not the first day of a month or the corresponding anniversary of the Effective Date if such Effective Date is the first day of a month;

(ii) no Interest Period shall extend beyond Maturity Date;

(iii) there shall be no more than five Interest Periods in effect at any time;

and

(iv) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day.

"Investment" has the meaning assigned thereto in Section 7.6. For the avoidance of doubt, notwithstanding anything to the contrary contained in this Agreement, a Tax Incentive Transaction shall not constitute an Investment.

"IRS" means the United States Internal Revenue Service.

"Joint Venture" means a joint venture, partnership or other similar arrangement entered into by the Borrower or any Subsidiary, whether in corporate, partnership or other legal form; provided that in no event shall any Subsidiary be considered a Joint Venture.

"Lender" means each of the ~~Farm Credit Lenders and the Commercial Bank~~ Lenders identified on the signature pages hereto and any other Person that shall have become a party to this Agreement as a Lender pursuant to an Assignment and Assumption or pursuant to Section 3.13, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption.

"Lien" means, any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Limited Condition Transaction" means any Investment that the Borrower or a Subsidiary is contractually committed to consummate (it being understood that such commitment may be subject to conditions precedent, which conditions precedent may be amended, satisfied or waived in accordance with the applicable agreement) within 365 days and whose consummation is not conditioned on the availability or, on obtaining, third party financing.

"Loan Documents" means, collectively, this Agreement, each Note, the Security Documents, the Intercreditor Agreement, and ~~the~~each Fee Letter and any amendment, waiver, supplement or other modification to any of the foregoing.

"Loans" means any loan made to the Borrower pursuant to Section 2.1 (including as may be converted or continued in accordance with Article 3), and all such loans collectively as the context requires.

"Margin Stock" means margin stock within the meaning of Regulations T, U and X, as applicable.

"Material Adverse Effect" means a material adverse change in, or a material adverse effect on,  
(a) the business, property, assets, or liabilities (actual or contingent), operations or financial condition of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Credit Parties (taken as a whole) to perform the obligations under the Loan Documents to which they are a party or (c) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

"Material Disposition" means any Disposition of property or series of related Dispositions (other than Dispositions permitted pursuant to Section 7.4(m)) of property that yields gross proceeds to the Credit Parties in excess of \$65,000,000.

"Material Indebtedness" means Indebtedness (other than the Loans) of any one or more of the Credit Parties in an aggregate principal amount of \$75,000,000 or more; provided that any loans under the ABL Facility shall be deemed to be Material Indebtedness. For purposes of determining Material Indebtedness, the "principal amount" of any Swap Obligation at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower and/or any Credit Party would be required to pay if the applicable Swap Agreement were terminated at such time.

"Material Pension Event" means a withdrawal during the term of this Agreement by the Borrower from a single Multiemployer Plan requiring cash payments by the Borrower or its Subsidiaries which Multiemployer Plan is identified in writing to the Administrative Agent in the Officer's Compliance Certificate required to be delivered for the fiscal quarter ending after the occurrence thereof.

"Material Subsidiary" means, as of any date of determination, each Subsidiary (a) with tangible assets (including the value of Capital Stock of its subsidiaries) on such date of determination equal to or greater than 5.0% of Consolidated Net Tangible Assets, (b) whose contribution to Consolidated EBITDA for the Applicable Reference Period exceeds 7.5% of Consolidated EBITDA for the Applicable Reference Period or (c) that is designated as a "Material Subsidiary" pursuant to the definition of Immaterial Subsidiary.

"Materials of Environmental Concern" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, radioactivity, and any other substances, materials or wastes, that are regulated pursuant to or that could give rise to liability under any Environmental Law.

"Maturity Date" means the earliest to occur of (a) ~~(i) in the case of the Term Revolver Facility and the Commercial Bank Term Loan Facility, May 1, 2029 and (ii) in the case of the Farm Credit Term Loan Facility, May 1, 2031 (each, at the~~ "Scheduled Maturity Date"), (b) ~~in the case of the Term Revolver Facility,~~ the date of termination of the Term Revolver Facility and the aggregate Term Revolver Commitments by the Borrower pursuant to Section 2.4, (c) the date of termination of the Aggregate Commitments pursuant to Section 8.2(a) and (d) 91 days prior to the maturity date in respect of the 2028 Notes unless as of such 91st day and at all times thereafter (i) (A) the sum of (1) Availability (as defined in the ABL Facility) (2) amounts available to be borrowed under the Credit Facilities Facility and (3) Unrestricted Cash exceeds (B) the sum of \$50,000,000 and the outstanding principal amount of 2028 Notes (or any indebtedness that refinanced the 2028 Notes with a maturity that is earlier than 91 days after the applicable Scheduled Maturity Date) or (ii) the Borrower has received a binding commitment to refinance the outstanding 2028 Notes on or prior to the maturity date of the 2028 Notes (subject only to reasonable and customary conditions acceptable to the Administrative Agent).

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Group Member or any ERISA Affiliate (i) makes or is obligated to make contributions, (ii) during the preceding five plan years, has made or been obligated to make contributions or (iii) has any actual or contingent liability.

"Multiple Employer Plan" means a Plan which has two or more contributing sponsors (including any Group Member or any ERISA Affiliate) at least two of whom are not under common control, as such a Plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" means in connection with any ~~issuance of indebtedness, any~~ Disposition or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of the direct costs relating to such ~~issuance of indebtedness,~~ Disposition or Recovery Event including attorneys' fees, accountants' fees, investment banking fees, sales commissions, amounts required to be applied to the

repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Disposition or Recovery Event and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof



(after taking into account any available tax credits or deductions and any tax sharing arrangements) and any (i) reasonable reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP; provided that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds and (ii) any reasonable reserve or payment with respect to any liabilities associated with such asset or assets and retained by the Borrower after such sale or other disposition thereof, including, severance costs, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction; provided that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds; and provided, further that upon reinvestment of any such proceeds in accordance with Section 2.3(b), such proceeds so reinvested shall cease to constitute Net Cash Proceeds hereunder.

"New Lender" has the meaning assigned thereto in Section 2.01(a)(ii)(C).

"Non-ABL Priority Collateral" has the meaning specified in the Intercreditor Agreement.

"Non-Consenting Lender" means any Lender or Voting Participant that does not approve any consent, waiver, amendment, modification or termination that (a) requires the approval of all Lenders and Voting Participants or all affected Lenders and Voting Participants in accordance with the terms of Section 10.2 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note" means a promissory note made by the Borrower in favor of a Lender evidencing the Loans made by such Lender, substantially in the form attached as **Exhibit A**, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

"Notice of Account Designation" has the meaning assigned thereto in Section 2.2(b). "Notice of Borrowing" has the meaning assigned thereto in Section 2.2(a).

"Notice of Conversion/Continuation" has the meaning assigned thereto in Section 3.2. "Notice of Prepayment" has the meaning assigned thereto in Section 2.3(d).

"Obligations" means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest accruing after the filing of any bankruptcy or similar petition) the Loans and (b) all other fees and commissions (including reasonable and documented attorneys' fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Credit Parties to the Lenders or the Administrative Agent, in each case under any Loan Document, with respect to any Loan of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Credit Party of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Officer's Compliance Certificate" means a certificate of the chief financial officer or the treasurer of the Borrower substantially in the form attached as **Exhibit F**.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than

connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court, documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.12).

"Participant" has the meaning assigned thereto in Section 10.8(d). "Participant Register" has the meaning assigned thereto in Section 10.8(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

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

"Pension Plan" means any employee benefit plan (including a Multiple Employer Plan, but not including a Multiemployer Plan) that is subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA (i) which is or was sponsored, maintained or contributed to by, or required to be contributed to by, any Group Member or any ERISA Affiliate or (ii) with respect to which any Group Member or any ERISA Affiliate has any actual or contingent liability.

"Permitted A/R Finance Transaction" means the bona fide sale for cash by the Borrower or its Subsidiaries to an unaffiliated third party on an arm's length and non-recourse basis (except for customary representations, warranties, commercial disputes and other standard recourse or repurchase obligations in customary transactions of this type) of Receivables and Related Assets pursuant to (i) the Supplier Agreement, and (ii) such other agreements which meet the foregoing criteria in an aggregate amount not to exceed \$30,000,000 in face value per fiscal quarter.

"Permitted Liens" means the Liens permitted pursuant to Section 7.2.

"Permitted Pari Passu Indebtedness" has the meaning assigned thereto in Section 7.1(q). "Permitted Refinancing Indebtedness"

means with respect to any Indebtedness of any Person (the

"Original Indebtedness"), any modification, refinancing, refunding, replacement, renewal or extension of such Indebtedness, in whole or in part; provided, that (i) no Person that is not an obligor with respect to the Original Indebtedness shall be an obligor with respect to such Permitted Refinancing Indebtedness,

(ii) the final maturity of such Indebtedness is no sooner and weighted average life to maturity of such Indebtedness is no shorter than such Original Indebtedness, (iii) in the case of any modification, refinancing, refunding, replacement, renewal or extension of Indebtedness incurred pursuant to Section 7.1(b), the other material terms and conditions of such Indebtedness after giving effect to such modification, refinancing, refunding, replacement, renewal or extension, taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), either (x) reflect market terms at the time of issuance thereof, as reasonably determined by the Borrower in good faith, or (y) shall, taken as a whole, not be more favorable to the lenders providing such Indebtedness than the terms and conditions applicable to the Original Indebtedness, (iv) (x) in the case of any Original Indebtedness consisting of a revolving credit facility, the committed amount in respect of the Permitted Refinancing

Indebtedness does not exceed the committed amount in respect of the Original Indebtedness and (y) otherwise, the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Original Indebtedness, except in each case by an amount (such amount, the "Additional Permitted Amount") equal to unpaid accrued interest and premium thereon at such time plus reasonable fees and expenses incurred in connection with such modification, refinancing, refunding, replacement, renewal or extension, (v) for the avoidance of doubt, the Original Indebtedness is paid down (or, with respect to revolving credit facilities, commitments in respect thereof are reduced (together with, if applicable, payments of principal)) on a dollar-for-dollar basis by such Permitted Refinancing Indebtedness (other than by the Additional Permitted Amount), (vi) if the Original Indebtedness shall have been subordinated to the Obligations, such Permitted Refinancing Indebtedness shall also be subordinated to the Obligations on terms not less favorable in any material respect to the Lenders and (vii) such Permitted Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent.

"Permitted Supply Chain Financing" means transactions related to accounts payable of the Credit Parties with respect to their supply chain (a)(i) in the ordinary course of business of the Credit Parties or (ii) consistent with past practices of the Credit Parties on the Closing Date and (b) that do not constitute or would not have constituted Indebtedness as of the Closing Date.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan Asset Regulations" means 29 CFR § 2510.3-101 et seq., as modified by Section 3(42) of ERISA.

"Platform" means Debt Domain, Intralinks, SyndTrak or a substantially similar electronic transmission system.

- "Pro Forma Basis" means with respect to the calculation of any ratio, test or covenant hereunder ~~(including, without limitation, the calculation of the Consolidated Leverage Ratio for purposes of determining the Applicable Margin)~~, such ratio, test or covenant being calculated after giving effect to

(a) any Investment permitted hereunder (including, for the avoidance of doubt, the Augusta Mill Acquisition), (b) any Material Disposition, and (c) any assumption, incurrence, repayment or other Disposition of Indebtedness (all of the foregoing, including, for the avoidance of doubt, the Augusta Mill Acquisition, "Applicable Transactions") using, for purposes of determining such compliance, the historical financial statements of all entities or assets so designated, acquired or sold (to the extent available) and the consolidated financial statements of the Borrower and its Subsidiaries, which shall be reformulated as if all Applicable Transactions during the Applicable Reference Period, or subsequent to the Applicable Reference Period and on or prior to the date of such calculation, had been consummated at the beginning of such period (and shall include, with respect to any Acquisition permitted hereunder or Material Disposition, any adjustments calculated in accordance with (and subject to the requirements and

limitations of clause (i) of the last sentence of the definition of "Consolidated EBITDA");*provided* that with respect to any assumption, incurrence, repayment or other Disposition of Indebtedness (i) if such

Indebtedness has a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of calculation had been the applicable rate for the entire period (taking into account any Swap Obligations applicable to such Indebtedness if such Swap Obligation has a remaining term as at the date of calculation in excess of 12 months), (ii) interest on Capital Lease Obligations shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP, (iii) interest on any Indebtedness under a revolving credit facility shall be based upon the average daily balance of such Indebtedness during the applicable period and (iv) interest on Indebtedness that may be optionally determined at an interest rate based upon a factor of a prime or similar rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate as the Borrower may designate.

"Prohibited Transaction" has the meaning set forth in Section 406 of ERISA and Section 4975(c) of the Code.

"Qualified Capital Stock" means Capital Stock of the Borrower other than Disqualified Capital Stock.

~~"Rabobank" means Coöperatieve Rabobank U.A., New York Branch.~~

"Rate Pricing Index" has the meaning set forth in Schedule 1.1(a).

~~"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Credit Party (other than, while loans under the ABL Facility are outstanding, assets that constitute ABL Priority Collateral).~~

"Receivables and Related Assets" means (a) accounts receivable (including all rights to payment created by or arising from the sales of goods, leases of goods or the rendition of services, no matter how evidenced (including in the form of chattel paper) and whether or not earned by performance), (b) any interest in such accounts receivable and all collateral securing such accounts receivable, all contracts and contract rights, purchase orders, security interests, financing statements or other documentation in respect of such accounts receivable, any guarantees, indemnities, warranties or other obligations in respect of such accounts receivable, any other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with receivable purchase arrangements involving receivables similar to such accounts receivable and any collections or proceeds of any of the foregoing and (c) bank account or lock box maintained primarily for the purpose of receiving collections of accounts receivables subject to a Permitted A/R Finance Transaction.

"Recipient" means (a) the Administrative Agent and (b) any Lender, as applicable.

~~"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Credit Party (other than, while loans under the ABL Facility are outstanding, assets that constitute ABL Priority Collateral).~~

"Register" has the meaning assigned thereto in Section 10.8(c).

~~"Reinvestment Deferred Amount" means, with respect to any Specified Disposition or Recovery Event, the aggregate Net Cash Proceeds received by any Credit Party in connection therewith that are not applied to prepay the Loans pursuant to Section 2.11(b) and/or (c) as a result of the Borrower's~~

Proceeds in the business of the Borrower or any of its Subsidiaries.

determination to reinvest such Net Cash

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board and/or the Federal Reserve Bank of New York or any successor thereto.

"Removal Effective Date" has the meaning assigned thereto in Section 9.6(b).

~~"Required Commercial Bank Term Loan Facility Lenders" means, at any time, Lenders having outstanding Loans and outstanding participations under the Commercial Bank Term Loan Facility representing more than 50% of the aggregate outstanding Loans under the Commercial Bank Term Loan Facility of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Commercial Bank Term Loan Facility Lenders at any time. Notwithstanding the foregoing, "Required Commercial Bank Term Loan Facility Lenders" shall comprise no fewer than two Lenders that are not Affiliates of one another, unless (a) all Lenders that are not Defaulting Lenders are Affiliates of one another or (b) there is only one Lender that is not a Defaulting Lender.~~

"Required Commitment Reduction" has the meaning assigned thereto in Section 2.4(a). "Required Farm Credit Facilities Lenders"

means, at any time, Lenders and, subject to Section

10.8(d), Voting Participants having aggregate Commitments representing more than 50% of the

aggregate Term Revolver Commitments ~~and outstanding Loans under the Farm Credit Term Loan Facility or outstanding participations under the Farm Credit Term Loan Facility of all Lenders and Voting Participants~~ (in each case, without duplication, and, for the avoidance of doubt, after taking into account any reductions in any selling Lender's or Voting Participant's voting rights in accordance with Section 10.8(d)). The Total Credit Exposure of any Defaulting Lender (or any Defaulting Voting Participant) shall be disregarded in determining Required ~~Farm Credit Facilities~~ Lenders at any time. Notwithstanding the foregoing, "Required ~~Farm Credit Facilities~~ Lenders" shall comprise no fewer than two Lenders that are not Affiliates of one another, unless (a) all Lenders or Voting Participants that are not Defaulting Lenders (or Defaulting Voting Participants) are Affiliates of one another or (b) there is





any matter requiring the approval of Required Lenders, it is understood that Voting Participants shall have the voting rights specified in Section 10.8(d) as to such matter.

"Required Term Loan Facilities Lenders"  
means, at any time, Lenders and, subject to Section 10.8(d), Voting Participants having outstanding Loans and outstanding participations under the Term Loan Facilities representing more than 50% of the aggregate outstanding Loans or outstanding participations under the Term Loan Facilities of all Lenders and Voting Participants (in each case, without duplication, and, for the avoidance of doubt, after taking into account any reductions in any selling Lender's or Voting Participant's voting rights in accordance with Section 10.8(d)). The Total Credit Exposure of any Defaulting Lender (or any Defaulting Voting Participant) shall be disregarded in determining Required Term Loan Facilities Lenders at any time. Notwithstanding the foregoing, "Required Term Loan Facilities Lenders" shall comprise no fewer than two Lenders that are not Affiliates of one another, unless (a) all Lenders or Voting Participants that are not Defaulting Lenders (or Defaulting Voting Participants) are Affiliates of one another or (b) there is only one Lender that is not a Defaulting Lender, and no Voting Participants at such time. With respect to any matter requiring the approval of Required Term Loan Facilities Lenders, it is understood that Voting Participants shall have the voting rights specified in Section 10.8(d) as to such matter.

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~~"Required Term Revolver Lenders" means, at any time, Lenders and, subject to Section 10.8(d), Voting Participants having aggregate Term Revolver Commitments representing more than 50% of the aggregate Term Revolver Commitments (in each case, without duplication, and, for the avoidance of doubt, after taking into account any reductions in any selling Lender's or Voting Participant's voting rights in accordance with Section 10.8(d)). The Total Credit Exposure of any Defaulting Lender (or any Defaulting Voting Participant) shall be disregarded in determining Required Term Revolver Lenders at any time. Notwithstanding the foregoing, "Required Term Revolver Lenders" shall comprise no fewer than two Lenders that are not Affiliates of one another, unless (a) all Lenders or Voting Participants that are not Defaulting Lenders (or Defaulting Voting Participants) are Affiliates of one another or (b) there is only one Lender that is not a Defaulting Lender, and no Voting Participants at such time. With respect to any matter requiring the approval of Required Term Revolver Lenders, it is understood that Voting Participants shall have the voting rights specified in Section 10.8(d) as to such matter.~~

"Requirement of Law" means as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitor or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Rescindable Amount" has the meaning assigned thereto in Section 9.10. "Reset Reference Point" has the meaning assigned thereto in Section 3.1(e). "Resignation Effective Date" has the meaning assigned thereto in Section 9.6(a).

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

"Responsible Officer" means, as to any Person, the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer of such Person or any other officer of such Person designated in writing by the Borrower and reasonably acceptable to the Administrative Agent; provided that, to the extent requested thereby, the Administrative Agent shall have received a certificate of such Person certifying as to the incumbency and genuineness of the signature of each such officer. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible

Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

"Restricted Payment" has the meaning assigned thereto in Section 7.5.

"Restricted Period" means the period commencing on the date of delivery of financial statements and a compliance certificate pursuant to Sections 6.1(a) and (b) and Section 6.2(a) for any fiscal quarter ~~ending on or after December 31, 2024~~ or fiscal year end evidencing a Consolidated Leverage Ratio of greater than 3.50 to 1.00 and ending on the date the Borrower delivers financial statements and a compliance certificate pursuant to Sections 6.1(a) and (b) and Section 6.2(a) evidencing that the Consolidated Leverage Ratio is less than or equal to 3.50 to 1.00 as of the most recently ended fiscal quarter or fiscal year; provided that, in no event shall a Restricted Period be less than the period of two consecutive fiscal quarters covered by such financial statements and compliance certificates.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc., and any successor thereto.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

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

"Sanctions" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or by the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.5, any other holder from time to time of any of any Obligations and, in each case, their respective successors and permitted assigns.

"Security Documents" means the collective reference to the Guarantee and Collateral Agreement and each other agreement or writing pursuant to which any Credit Party pledges or grants a security interest in any property or assets securing the Obligations.

"Seller" means Graphic Packaging International, LLC, a Delaware limited liability company. "Sofidel" means Sofidel America Corp., a Florida corporation.

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"Sofidel Disposition" means the Dispositions contemplated by (a) that certain Membership Interest Purchase Agreement, dated as of July 21, 2024, by and between the Borrower, as seller, and Sofidel, as buyer, and (b) that certain Asset Purchase Agreement, dated as of July 21, 2024, by and between the Borrower, as seller, and Sofidel, as buyer.

"SOFR" means the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator) on the Federal Reserve Bank of New York's website.

"SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of Term SOFR selected by the Administrative Agent in its reasonable discretion).

"SOFR Monthly Variable Base Rate" means, for any day during a given month, the interest rate calculated based on clause (b) of the definition of Term SOFR, rounded up to the nearest .05 percent; provided that the calculation of the SOFR Monthly Variable Base Rate shall be made on the first day of each month and remain constant for such month.

"SOFR Monthly Variable Base Rate Loan" means any Loan bearing interest at the SOFR Monthly Variable Base Rate as provided in Section 3.1(a).

"Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

~~"Specified Disposition" means any Disposition pursuant to Sections 7.4(g), 7.4(n) or 7.4(o) (other than to the extent such Dispositions constitute ABL Priority Collateral).~~

"Specified Acquisition Agreement Representations" means the representations and warranties made by the Seller with respect to the Seller, the Transferred Assets (as defined in the Augusta Acquisition Agreement) or the Transferred Business (as defined in the Augusta Acquisition Agreement) in the Augusta Acquisition Agreement, but only to the extent that the Borrower (or its Subsidiaries) have the right to terminate the Borrower's (or such Subsidiaries') obligations under the Augusta Acquisition Agreement or decline to consummate the Augusta Mill Acquisition as a result of a breach of any such representation or warranty in the Augusta Acquisition Agreement.

"Specified Disposition" means any Disposition pursuant to Sections 7.4(g), 7.4(n) or 7.4(o) (other than to the extent such Dispositions constitute ABL Priority Collateral).

"Specified Representations" means the representations and warranties of the Credit Parties in Sections 5.3(a), Section 5.4(a), Section 5.5 (as to Requirements of Law and organizational documents

only), Section 5.11, Section 5.14, Section 5.19 (subject to Section 4.1(d)), Section 5.20 and the last sentence of Section 5.21.

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“Specified Share Repurchases” means Restricted Payments by the Borrower in the form of repurchases of its Capital Stock from its shareholders, as authorized by the Borrower’s board of directors on October 31, 2024.

“Subordinated Indebtedness” means the collective reference to any Indebtedness incurred by the Borrower or any of its Subsidiaries that is subordinated in right and time of payment and with respect to lien priority to the Obligations on terms and conditions satisfactory to the Administrative Agent.

“Subsidiary” means as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, references to “Subsidiary” or “Subsidiaries” herein shall refer to those of the Borrower.

“Subsidiary Guarantors” means, collectively, all direct and indirect Subsidiaries of the Borrower (other than Foreign Subsidiaries and Excluded Subsidiaries) in existence on the Closing Date or which become a party to the Guarantee and Collateral Agreement pursuant to Section 6.9.

“Successor Rate” means initially the Daily Simple SOFR Rate or, if a Benchmark Transition Event has occurred with respect thereto, the Benchmark Replacement.

“Supplier Agreement” means that certain Supplier Agreement dated as of June 11, 2019 between the Borrower and Citibank, N.A and any branch, subsidiary, or affiliate of Citibank acting as a purchaser thereunder, solely with respect to the Buyer identified on the pricing schedule thereto on the Closing Date.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a “Swap Agreement”.

“Swap Obligation” means, with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“Tax Incentive Transaction” means any arrangement between any Credit Party and a Governmental Authority or entity (including any development authority) for the purpose of providing

property tax incentives to such Credit Party structured as a Sale-Leaseback Transaction whereby such Governmental Authority or entity (a) acquires property from or on behalf of such Credit Party, (ii) leases such property back to a Credit Party (and such leasehold interest is pledged to the Administrative Agent pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent), (iii) if and to the extent such Governmental Authority issues the bonds to finance such acquisition, 100% of such bonds are purchased and held by a Credit Party, (iv) the rental payments on the lease (disregarding any amount that is concurrently repaid to a Credit Party in the form of debt service on any bonds or otherwise) does not exceed amounts such Credit Party would have paid in taxes and other amounts had the Sale-Leaseback Transaction not occurred, (v) the use of any assets by the Borrower or any of its Subsidiaries is not limited in any material respect in connection with such transaction, (vi) the aggregate amount of all such bonds and other obligations of the Borrower and its Subsidiaries shall not exceed \$350,000,000 at any one time outstanding and (vii) such Credit Party has the option to terminate its lease and reacquire the property for nominal consideration (disregarding any additional consideration that is concurrently repaid to a Credit Party in the form of repayment of any bonds or otherwise) at any time; provided, that, if at any time any of the foregoing conditions shall cease to be satisfied, such transaction shall cease to be a Tax Incentive Transaction. For purposes of this definition, "Sale-Leaseback Transaction" means any arrangements with any Person providing for the leasing by a Credit Party or subsidiary of real or personal property which has been or is to be sold or transferred by such Credit Party or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such person in connection therewith. For the avoidance of doubt, the transactions contemplated by the Augusta Mill Bond Documents (as defined in the Augusta Acquisition Agreement) shall constitute a Tax Incentive Transaction.

~~"Term Loan Commitments" means the aggregate Farm Credit Term Loan Commitments and Commercial Bank Term Loan Commitments of all the Lenders in effect at such time.~~

~~"Term Loan Facility" means the Farm Credit Term Loan Facility and/or the Commercial Bank Term Loan Facility, as the context requires.~~

"Term Revolver Commitment" means, as to each Farm Credit Lender that is a Lender, its obligation to make Term Revolver Loans to the Borrower pursuant to Section 2.1(c), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Farm Credit Lender's name on Schedule 1.1(b) or in the Assignment and Assumption pursuant to which such Farm Credit Lender becomes a party hereto or in any documentation executed by such Farm Credit Lender pursuant to Section 3.13, as applicable, in each case, as such amount may be adjusted from time to time in accordance with this Agreement, including as may be reduced pursuant to Section 2.4. The aggregate Term Revolver Commitments as of the Closing Date are \$270,000,000, and, for the avoidance of doubt, as of the First Amendment Effective Date, the aggregate Term Revolver Commitments remain \$270,000,000.

"Term Revolver Credit Facility Outstandings" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Term Revolver Facility" means the term revolver credit facility established pursuant to Article

II.



"Term Revolver Loan" has the meaning assigned thereto in Section 2.1(c). "Term SOFR" means:

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided, that, if the rate is not published prior to 11:00 a.m. on such determination date and a Benchmark Transition Event has not occurred with respect thereto, then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto; and

(b) for any interest calculation with respect to a SOFR Monthly Variable Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing on that day; provided, that, if the rate is not published prior to 11:00 a.m. on such determination date and a Benchmark Transition Event has not occurred with respect thereto, then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto;

provided that if the Term SOFR determined in accordance with either of the foregoing provisions

(a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

"Term SOFR Loan" means a Loan that bears interest based on the Term SOFR Rate as provided in Section 3.1(a).

"Term SOFR Rate" means the interest rate calculated based on clause (a) of the definition of Term SOFR.

"Term SOFR Screen Rate" means the forward-looking SOFR term rate administered by the SOFR Administrator and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

"Total Credit Exposure" means, as to any Lender at any time, sum of the unused Commitment and the aggregate principal amount of outstanding Loans of such Lender at such time.

"Total Term Revolver Credit Exposure" means, as to any Lender at any time, sum of the unused Term Revolver Commitment and the aggregate principal amount of outstanding Term Revolver Loans of such Lender at such time.

"Transactions" means, collectively, (a) the consummation of the Augusta Mill Acquisition, (b) the entry into an amendment to the ABL Facility, (c) the entry into this Agreement, (d) the Loans made or continued on the Closing Date and (e) the payment of costs, fees, expenses, charges and other amounts incurred in connection with the foregoing.

"Transfer Certificate" means a certificate executed by an officer of AgWest setting forth the name of the proposed assignee, the amount of the assignment, and any other material terms relating to the proposed assignment not otherwise set forth in the documentation required by this Agreement to be submitted to the Borrower in connection therewith and certifying to the Borrower that, after reasonable investigation and due diligence, AgWest has used its commercially reasonable efforts to identify a Farm Credit Lender and consummate the relevant assignment with a Farm Credit Lender; provided, that, AgWest shall be deemed to have undertaken a reasonable investigation and due diligence and used its

commercially reasonable efforts to comply with the above if AgWest shall have drawn upon its existing Farm Credit Lender relationships based upon its customary practices in place at such time.

“UCC” means the Uniform Commercial Code as in effect in the State of New York, as amended or modified from time to time, unless the context suggests the application of the Uniform Commercial Code of a different state.

“UK 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.

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

“United States” means the United States of America.

“Unrestricted Cash” means unrestricted cash and Cash Equivalents owned by any Group Member and not controlled by or subject to any Lien or other preferential arrangement in favor of any creditor (other than Liens created under the Security Documents or permitted by Section 7.2(h)(iii) and (u)).

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned thereto in Section 3.11(g). “Voting Participant” has the meaning specified in Section 10.8(d).

“Voting Participant Notice” has the meaning specified in Section 10.8(d).

“Wholly-Owned Subsidiary” means as to any Person, any other Person that all of the Capital Stock of such Person (except for directors’ qualifying shares or other shares required by Applicable Law to be owned by a Person other than the other Person and/or one or more of its Wholly-Owned Subsidiaries) is, directly or indirectly, owned or controlled by the other Person and/or one or more of its Wholly-Owned Subsidiaries.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means any Credit Party and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers

are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**Section 1.2 Other Definitions and Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined,

(b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms, (c) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (d) the word "will" shall be construed to have the same meaning and effect as the word "shall", (e) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns, (f) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (h) 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 and

(i) 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". For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if 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 (b) if 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 Capital Stock at such time.

**Section 1.3 Accounting Terms.** As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (x) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at "fair value", as defined therein and (y) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof), (ii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (iii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iv) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to agreements or other Contractual Obligations shall, unless

otherwise specified, be deemed to refer to such agreements or other Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time and (vi) the concept of "letters of credit" shall be construed to include banker's acceptances. Each Applicable Transaction by the Borrower and its Subsidiaries that is consummated during any Reference Period shall, for purposes of ~~determining compliance with the financial covenants set forth in Section 7.17, for purposes of determining the Applicable Margin and for purposes of any other~~any calculation of any other ratio or test hereunder (including the Consolidated Leverage Ratio), be given effect on a Pro Forma Basis as of the first day of such Reference Period.

**Section 1.4 UCC Terms.** Terms defined in the UCC in effect on the Closing Date and not otherwise defined herein shall, unless the context otherwise indicates, have the meanings provided by those definitions. Subject to the foregoing, the term "UCC" refers, as of any date of determination, to the UCC then in effect.

**Section 1.5 Rounding.** Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio or percentage 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 1.6 References to Agreement and Laws.** Unless otherwise expressly provided herein, (a) any definition or reference to formation documents, governing documents, agreements (including the Loan Documents) and other contractual documents or instruments shall be deemed to include 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 not prohibited by any Loan Document; and (b) any definition or reference to any Applicable Law, including the Code, the Commodity Exchange Act, ERISA, the Exchange Act, the PATRIOT Act, the Securities Act of 1933, the UCC, the Investment Company Act of 1940, the Interstate Commerce Act, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

**Section 1.7 Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

**Section 1.8 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 any reference rate referred to herein or with respect to any rate used to calculate interest pursuant to Section 3.1(a) for purposes of a ~~Base Rate Loan~~; Term SOFR Loan, a SOFR Monthly Variable Base Rate Loan or Daily Simple SOFR Loan (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 Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any 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 Borrower. 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 Borrower, any Lender or any other person or

entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or 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. For the avoidance of doubt, this [Section 1.8](#) does not alter or impair the rights and obligations of the Administrative Agent otherwise expressly set forth in this Agreement.

**Section 1.9 Guarantees.** Unless otherwise specified, the amount of any Guarantee [Obligation](#) shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee [Obligation](#).

**Section 1.10 Covenant Compliance Generally.** For purposes of determining compliance under [Article VII](#), any amount in a currency other than Dollars will be converted to Dollars in a manner consistent with that used in calculating Consolidated Net Income in the most recent annual financial statements of the Borrower and its Subsidiaries delivered pursuant to [Section 6.1\(a\)](#). Notwithstanding the foregoing, for purposes of determining compliance with [Article VII](#), with respect to any amount in a currency other than Dollars, no breach of any basket contained in such sections shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time of such applicable incurrence; provided that for the avoidance of doubt, the foregoing provisions of this [Section 1.10](#) shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred at any time under such Sections.

**Section 1.11 Conforming Changes Relating to Term SOFR.** In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary contained herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

**Section 1.12 Limited Condition Transactions.** Notwithstanding anything in this Agreement or any Loan Document to the contrary, when determining the accuracy of any representation or warranty in connection with a Limited Condition Transaction or whether any Default or Event of Default has occurred, is continuing or would result from any action, the date of determination of the accuracy of such representation or warranty (but taking into account any earlier date specified therein) or whether any Default or Event of Default has occurred, is continuing or would result therefrom shall, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition ~~Acquisition~~ [Transaction](#), an "LCT Election"), be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered into (the "LCT Test Date"). Upon such LCT Election, such representations and warranties and absence of defaults shall be calculated as if such Limited Condition Transaction or other transactions had occurred at the beginning of the most recent Applicable Reference Period ending prior to the LCT Test Date for which financial statements are available and, 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), the Borrower could have taken such action on the relevant LCT Test Date in compliance with the applicable provisions, such provisions shall be deemed to have been complied with. For the avoidance of doubt, (i) if any of such representations and warranties or absence of defaults are breached as a result of a change in facts and circumstances or other provisions at or prior to the consummation of the relevant Limited Condition Transaction, such representations and warranties and absence of defaults will not be deemed to have been breached, or otherwise failed, as a result of such changed circumstances

solely for purposes of determining whether the Limited Condition Transaction and any related transactions is permitted hereunder and (ii) compliance with such conditions shall not be tested at the time of consummation of such Limited Condition Transaction.

## ARTICLE II. CREDIT FACILITIES

### Section 2.1 The Credit Facilities.

(a) [Reserved].

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(b) [Reserved].

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~~\_\_\_\_\_ **Farm Credit Term Loan Facility.** Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, each applicable Lender severally agrees to make its portion of a term loan (the "Farm Credit Term Loan") to the Borrower in Dollars on the Closing Date, in an aggregate amount not to exceed the amount of such Lender's Commitment Percentage of the aggregate principal amount of the Farm Credit Term Loan. Amounts borrowed under this Section 2.1(a) and repaid or prepaid may not be reborrowed. The Farm Credit Term Loan Commitments shall automatically terminate upon the making of the Farm Credit Term Loan on the Closing Date.~~

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~~\_\_\_\_\_ **Commercial Bank Term Loan Facility.** Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth~~



in this Agreement and the other Loan Documents, each applicable Lender severally agrees to make its portion of a term loan (the "Commercial Bank Term Loan") to the Borrower in Dollars on the Closing Date, in an aggregate amount not to exceed the amount of such Lender's Commitment Percentage of the aggregate principal amount of the Commercial Bank Term Loan. Amounts borrowed under this Section 2.1(b) and repaid or prepaid may not be reborrowed. The Commercial Bank Term Loan Commitments shall automatically terminate ~~upon the making of the Commercial Bank Term Loan on the Closing Date.~~

~~(c)~~—**Term Revolver Loans.** Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, each applicable Lender severally agrees to make loans (each such loan, a "Term Revolver Loan") to the Borrower in Dollars from time to time from the Closing Date to the Maturity Date as requested by the Borrower in accordance with the terms of Section 2.2; provided that the Term Revolver Credit Facility Outstandings shall not exceed the aggregate amount of the Term Revolver Commitments of all Lenders and the Total Term Revolver Credit Exposure of any Lender shall not at any time exceed such Lender's Term Revolver Commitment. Each Term Revolver Loan by a Lender shall be in a principal amount equal to such Lender's Commitment Percentage of the aggregate principal amount of Term Revolver Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Term Revolver Loans hereunder until the Maturity Date.

~~(d)~~—**Accordion Option.** (i) The Borrower may from time to time request an increase in the aggregate amount of the Term Revolver Facility (each such increase, an "Accordion Increase"), in each case in accordance with this Section 2.1(d); provided, that, (x) the aggregate

principal amount of all Accordion Increases made pursuant to this Section 2.1(d) shall not exceed \$60,000,000 (the "Maximum Aggregate Increase Amount"), (y) each requested Accordion Increase shall not be less than \$20,000,000 or a whole multiple of \$1,000,000 in excess thereof or, if less, the entire remaining unused accordion amount and (z) the aggregate Term Revolver Commitments after giving effect to any Accordion Increase hereunder shall not exceed \$330,000,000.

(ii) Increasing Lenders; New Lenders.

(A) Offer to Lenders or New Lenders. The Borrower may offer to one or more Farm Credit Lenders that are Lenders and Voting Participants, without duplication, or new lenders that would be Eligible Assignees, the opportunity (but not the obligation), in such amounts as the Borrower may determine, to participate in the Accordion Increase by increasing such Farm Credit Lender's Commitment or, in the case of a new lender, by issuing a Commitment under the Term Revolver Facility. The Borrower shall first offer such Farm Credit Lenders and Voting Participants, without duplication, the opportunity to participate in any Accordion Increase prior to making such offer to new lenders, but no such Farm Credit Lender and Voting Participants, without duplication, shall be obligated to participate in any such Accordion Increase.

(B) Increasing Lenders. Each of the current Lenders increasing its Term Revolver Commitment in connection with an Accordion Increase (each an "Increasing Lender") shall confirm such agreement pursuant to an acknowledgement in a form reasonably acceptable to the Administrative Agent, signed by it and the Borrower and delivered to the Administrative Agent.

(C) New Lenders. Each new lender (if any) joining this Agreement to provide a Term Revolver Commitment in connection with an Accordion Increase (each a "New Lender") shall be subject to the approval of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld).

(D) New Lender Joinder. Each New Lender shall execute a lender joinder in a form reasonably acceptable to the Administrative Agent.

(iii) Facility Increase Notice. If one or more subscriptions to participate in a requested Accordion Increase are obtained, the Administrative Agent shall provide to each applicable Lender a notice setting forth (i) the amount and terms of the Accordion Increase and, after giving effect thereto, the aggregate Commitments and (ii) the effective date of the Accordion Increase.

(iv) Conditions to and Implementation of an Accordion Increase. On the effective date of an Accordion Increase:

(A) Notes; Corporate Authorization; Payment of Fees. The Borrower shall (x) execute and deliver a replacement promissory note for any Increasing Lender that may require one, and (y) pay to the Administrative Agent (and, if applicable, the ~~Farm Credit Facilities Lead~~ Arranger) such fees as may be described in any applicable fee letter, to be retained by the Administrative Agent (and, if applicable, the ~~Farm Credit Facilities~~ Arranger) or distributed to other

Lenders subscribing to the Accordion Increase, as provided therein, all of which shall be conditions to effectiveness of the Accordion Increase;

( B ) Records. The Administrative Agent shall record in the Register the new or adjusted Term Revolver Commitment and Commitment Percentage of each Lender, after giving effect to the Accordion Increase;

(C) Confirmation. The Administrative Agent shall confirm, in writing, that the Accordion Increase has become effective and that the aggregate Commitments have been increased by the amount thereof; and

( D ) Borrower Certificate. As a condition precedent to the effectiveness of an Accordion Increase, the Borrower shall deliver to the Administrative Agent a certificate of the Borrower (i) certifying that, immediately before and upon giving effect to the Accordion Increase, the conditions set forth in Section 4.2 (but, in the case of a Limited Condition Transaction, subject to Section 1.12) are satisfied and (ii) certifying and attaching all necessary resolutions, consents and/or approvals of the Borrower approving or consenting to such Accordion Increase.

(v) Terms of Accordion Increase. For the avoidance of doubt, each commitment increase and/or new commitment made in connection with an Accordion Increase to the existing Term Revolver Facility shall constitute an applicable Term Revolver Commitment hereunder, each loan made in connection with an Accordion Increase to the existing Term Revolver Facility shall constitute a Term Revolver Loan hereunder, and each such commitment and loan shall be subject to the same terms and conditions as all other Term Revolver Commitments and Term Revolver Loans.

## **Section 2.2 Procedure for Advances of Loans.**

(a) Requests for Borrowing. The Borrower shall give the Administrative Agent irrevocable prior written notice substantially in the form of **Exhibit B** (a "Notice of Borrowing") not later than 1:00 p.m. (i) on the same Business Day as each SOFR Monthly Variable ~~Base-Rate Loan or~~ Base Rate Loan, (ii) at least three Business Days before each Term SOFR Loan and (iii) as set forth on Schedule 1.1(a) for any Fixed Rate Loan, of its intention to borrow, specifying

(A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to SOFR Monthly Variable Base ~~Rate Loans and~~ Base Rate Loans in an aggregate principal amount of \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof (if the then aggregate Term Revolver Commitments are less than

~~\$1,000,000, such lesser amount)~~ and (y) with respect to Term SOFR Loans and Fixed Rate Loans in an aggregate principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof (if the then aggregate Term Revolver Commitments are less than \$1,000,000, such lesser amount), (C) whether the Loans are to be Term SOFR Loans, SOFR Monthly Variable Base Rate Loans, or Fixed ~~Rate Loans or Base~~ Rate Loans and (D) in the case of a Term SOFR Loan or a Fixed Rate Loan, the duration of the Interest Period applicable thereto. If the Borrower fails to specify a type of Loan in a Notice of Borrowing, then ~~(i) in the case of Term Revolver Loans or Farm Credit Term Loans,~~ the applicable Loans shall be made as SOFR Monthl

y Variable ~~Base Rate Loans or (ii) in the case of Commercial Bank Term Loans, the applicable Loans shall be made as~~ Base Rate Loans. If the Borrower requests a borrowing of Term SOFR Loans in any such Notice of Borrowing, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. A Notice of Borrowing received after 1:00 p.m. shall

be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Lenders of each Notice of Borrowing.

(b) Disbursement of Loans. Not later than 1:00 p.m. on the proposed borrowing date, each Lender will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's Office in funds immediately available to the Administrative Agent, such Lender's Commitment Percentage of the Loans to be made on such borrowing date. The Administrative Agent shall promptly disburse the proceeds received and the Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of each borrowing requested pursuant to this Section in immediately available funds by crediting or wiring such proceeds to the deposit account of the Borrower identified in the most recent notice substantially in the form attached as **Exhibit C** (a "Notice of Account Designation") delivered by the Borrower to the Administrative Agent or as may be otherwise agreed upon by the Borrower and the Administrative Agent from time to time. Subject to Section 3.7 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Loan requested pursuant to this Section to the extent that any Lender has not made available to the Administrative Agent its Commitment Percentage of such Loan.

### **Section 2.3 Repayment and Prepayment of Credit Facilities.**

~~(a) — Repayment.~~

( a ) — ~~(i) Term Revolver Loans~~ Repayment. The Borrower hereby agrees to repay to the applicable Lenders the outstanding principal amount of all Term Revolver Loans in full on the applicable Maturity Date, together with all accrued but unpaid interest thereon.

~~( — i — i — )~~

~~— Farm Credit Term Loans. Beginning on the first day of the third full fiscal quarter after the Closing Date, the Borrower shall repay to the applicable Lenders the principal amount of Farm Credit Term Loans in successive quarterly installments of principal, payable on the first day of each fiscal quarter, in an amount equal to~~

~~— \$2,000,000. The aggregate principal payment due on the applicable Maturity Date shall be in the amount necessary to pay all remaining unpaid principal on the Farm Credit Term Loans.~~

( i i i )

~~Commercial Bank Term Loans. Beginning on the first day of the third full fiscal quarter after the Closing Date, the Borrower shall repay to the applicable Lenders the principal amount of Commercial Bank Term Loans in successive quarterly installments of principal, payable on the first day of each fiscal quarter, in an amount equal to (i) \$562,500 for any such payment date occurring on or prior to the first anniversary of the Closing Date, (ii) \$1,125,000 for any such payment date occurring after the first anniversary of the Closing Date and on or prior to the fourth anniversary of the Closing Date and (iii) \$1,687,500 for any such payment date occurring after the fourth anniversary of the Closing Date, in each case, of the original principal amount of the Commercial Bank Term Loan. The aggregate principal payment due on the applicable Maturity Date shall be in the amount necessary to pay all remaining unpaid principal on the Commercial Bank Term Loans.~~

(b) Mandatory Prepayments of the Term Revolver Facility.

(i) In addition to mandatory prepayments required under Section 2.4(b), if the Consolidated Leverage Ratio exceeds 2.50 to 1.00 as of the most recently ended

fiscal quarter, the Borrower shall prepay the Term Revolver Loans in an amount equal to the lesser of (a) (x) 50% of the Net Cash Proceeds received by the Credit Parties from Specified Dispositions and (y) 100% of the Net Cash Proceeds of any settlement of or payment in respect of any Recovery Event (other than assets that constitute ABL Priority Collateral), in each case, to the extent such proceeds exceed \$15,000,000 individually or in the aggregate with respect to any series of related transactions, and (b) the amount required to reduce the Consolidated Leverage Ratio recomputed on a pro forma basis as of the end of such fiscal quarter after giving effect to such prepayment to 2.50 to 1.00; provided, however, that notwithstanding the foregoing, the Credit Parties may reinvest (or commit to reinvest) such Net Cash Proceeds in assets used or useful in the business of the Credit Parties and their Subsidiaries within (i) twelve (12) months following the receipt of such Net Cash Proceeds or (ii) eighteen (18) months following the receipt of such Net Cash Proceeds in the event that the Borrower or any other Credit Party shall have entered into a binding commitment within twelve (12) months following the receipt of such Net Cash Proceeds to reinvest such Net Cash Proceeds in the business of the Borrower or another Credit Party, it being understood and agreed that pending the reinvestment of such Net Cash Proceeds, such proceeds shall be held by a Credit Party and available for general working capital purposes.

(ii) Subject to Section 2.3(vi), such prepayments (a) shall be applied to outstanding Loans under the Term Revolver Facility as directed by the Borrower, and (b) shall be accompanied by a permanent reduction in the aggregate Term Revolver Commitments, and (c) shall be accompanied by any amount required to be paid pursuant to Section 3.9 or Schedule 1.1(a).

(iii) Notwithstanding the foregoing, mandatory prepayments with respect to Net Cash Proceeds of Specified Dispositions or a Recovery Event received by Foreign Subsidiaries shall be limited to the extent that the Borrower determines that such prepayment would result in material adverse tax consequences related to the repatriation of funds or such repatriation would be prohibited by Applicable Law.

(c) Mandatory Prepayments of the Term Loan Facilities

Upon receipt by any Credit Party or any Subsidiary of the Net Cash Proceeds of any issuance or incurrence of Indebtedness other than Indebtedness that is permitted under this Agreement, the Borrower shall prepay the Farm Credit Term Loans and Commercial Bank Term Loans in an aggregate amount equal to one hundred percent (100%) of such Net Cash Proceeds. Such prepayment shall be made within three Business Days after the receipt of any such Net Cash Proceeds.

( i i )

~~The Borrower shall prepay the Farm Credit Term Loans and the Commercial Bank Term Loans in an amount equal to 100% of the Net Cash Proceeds received by the Credit Parties from Specified Dispositions (other than sales of assets that constitute ABL Priority Collateral) not otherwise applied on account of Excess Cash Flow, to the extent such proceeds exceed \$15,000,000 individually or in the aggregate with respect to any series of related transactions; provided, however, that notwithstanding the foregoing, the Credit Parties may reinvest (or commit to reinvest) such Net Cash Proceeds in assets used or useful in the business of the Credit Parties and their Subsidiaries within (i) twelve (12) months following the receipt of such Net Cash Proceeds or (ii) eighteen (18) months following the receipt of such Net Cash Proceeds in the event that the Borrower or any other Credit Party shall have entered into a binding commitment within twelve (12)~~





$$(\text{---} \overset{\cdot}{\text{i}} \text{---} \text{v} \text{---})$$

on which quarterly financial statements have been delivered for each of the first three quarterly periods of each Fiscal Year of the Borrower pursuant to Section 6.1(b) and the related Officer's Compliance Certificate has been delivered pursuant to Section 6.2(a) commencing with those delivered in respect of the fiscal quarter ending September 30, 2024, the Borrower shall, if the Consolidated Leverage Ratio exceeds 3.25 to 1.00 as of such fiscal quarter, prepay the Farm Credit Term Loans and the Commercial Bank Term Loans in an aggregate amount equal to (A) 50% of Excess Cash Flow for such fiscal quarter covered by such financial statements minus (B) the amount of any voluntary prepayments, solely to the extent not funded with the proceeds of Consolidated Total Debt (other than advances under the Term Revolver Facility that are accompanied by a permanent reduction in the aggregate Term Revolver Commitments), made on the Term Loan Facilities (such voluntary prepayments being

referred to herein as “Applicable Prepayments”) during such fiscal quarter (each, an “Excess Cash Flow Prepayment”). Further, if, based on the annual financial statements delivered pursuant to Section 6.1(a) and the related Officer's Compliance Certificate delivered pursuant to Section 6.2(a), the Consolidated Leverage Ratio (after giving effect to any calculations required to be made on a Pro Forma Basis based upon such annual financial statements) exceeds 3.25 to 1.00 as of such Fiscal Year, 50% of Excess Cash Flow for such Fiscal Year is greater or less than (x) the aggregate amount paid for each fiscal quarter in such Fiscal Year minus the aggregate amount of Applicable Prepayments for such Fiscal Year is greater or less than (y) ~~the aggregate amount of Excess Cash Flow Prepayments for each fiscal quarter in such Fiscal Year~~ minus the aggregate amount of Applicable Prepayments for each fiscal quarter in such Fiscal Year pursuant to the first sentence of this Section 2.3(c)(iv), then the amount due pursuant to this Section 2.3(c)(iv) for the next fiscal quarter (and, if necessary, subsequent fiscal quarters) shall be adjusted up or down to true up such difference; provided, however, that it is understood and agreed that the aggregate Excess Cash Flow Prepayment required for the Borrower's Fiscal Year ending December 31, 2024 shall be based solely on the Excess Cash Flow generated by the Borrower during its

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(iv) ~~Such prepayments shall be accompanied by any amount required to be paid pursuant to Section 3.9 or Schedule 1.1(a). Notwithstanding any of the other provisions of this Section 2.3(eb), so long as no Event of Default shall have occurred and be continuing, if any prepayment of is r~~ (vi)

equired to be made under this ~~Section 2.3~~(eb), prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to ~~Sections~~~~Section 2.3(b)~~ or (e) in respect of any Fixed Rate Loan or Term SOFR Loan prior to the last day of the Interest Period therefor, the Borrower may, in its sole discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a blocked account at the Administrative Agent until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action or notice to or from the Borrower or any other Credit Party) to apply such amount to the prepayment of such Loans in accordance with this ~~Section 2.3~~(eb). Such deposit shall be deemed to be a prepayment of such Loans by the Borrower for all purposes under this Agreement.

~~(vii) Notwithstanding the foregoing, mandatory prepayments with respect to Net Cash Proceeds of Specified Dispositions or a Recovery Event received by Foreign Subsidiaries or Excess Cash Flow attributable to Foreign Subsidiaries shall be limited to the extent that the Borrower determines that such prepayment would result in material adverse tax consequences related to the repatriation of funds or such repatriation would be prohibited by Applicable Law.~~

(c) [Reserved].

(d) Optional Prepayments. ~~Subject to the Existing Fixed Rate Loan Prepayment Exception, the~~The Borrower may at any time and from time to time prepay Loans, in whole or in part, with irrevocable prior written notice to the Administrative Agent substantially in the form attached as **Exhibit D** (a "Notice of Prepayment") given not later than 1:00 p.m. (i) on the same Business Day as each SOFR Monthly Variable Base Rate Loan, ~~Base Rate Loan~~ or Daily Simple

SOFR Loan, (ii) at least three Business Days before each Term SOFR Loan and (iii) as set forth on Schedule 1.1(a) for any Fixed Rate Loan, specifying the date and amount of prepayment and whether the prepayment is of Term SOFR Loans, SOFR Monthly Variable Base ~~Rate Loans~~, Base Rate Loans, Daily Simple SOFR Loans, Fixed Rate Loans or a combination thereof, and, if a combination thereof, the amount allocable to each. Upon receipt of such notice, the Administrative Agent shall promptly notify each Lender. If any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice. Partial prepayments shall be in an aggregate amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. A Notice of Prepayment received after 1:00 p.m. Eastern shall be deemed received on the next Business Day. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 3.9 hereof or Schedule 1.1(a) hereto. Notwithstanding the foregoing, any Notice of Prepayment delivered in connection with any refinancing of all or a portion of the Credit ~~Facilities~~ Facility with the proceeds of such refinancing or of any incurrence of Indebtedness, or of the net cash proceeds of a Disposition or the issuance of Capital Stock or any other transaction specified in such Notice of Prepayment, may be, if expressly so stated to be, contingent upon the consummation of such refinancing, incurrence, receipt, issuance or other transaction and may be revoked by the Borrower in the event any of the foregoing is not consummated (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 3.9 or Schedule 1.1(a)). ~~Notwithstanding anything to the contrary contained herein, the Borrower may not prepay or repay any portion of the Existing Fixed Rate Loan as to which no Make-Whole Amount (as defined in the Existing Credit Agreement) shall have been paid, reimbursed, or compensated, directly or indirectly (including through any indemnification payment) for any out-of-pocket cost by the Credit Parties in connection with Transactions and such portion of the Existing Fixed Rate Loan shall remain outstanding in accordance with Section 10.22 until November 1, 2024 (the "Existing Fixed Rate Loan Prepayment Exception").~~ Prepayments under this Section 2.3(d) shall be applied as directed by the Borrower ~~(with respect to both principal amortization payments and Credit Facility) and shall not be required to be applied to the outstanding Loans under each Credit Facility on a prorata basis.~~

(e) Limitation on Prepayment of Term SOFR Loans and Fixed Rate Loans. The Borrower may not prepay any Term SOFR Loan on any day other than on the last day of the Interest Period applicable thereto unless such prepayment is accompanied by any amount required to be paid pursuant to Section 3.9 hereof or Schedule 1.1(a) hereto. The Borrower may not prepay any Fixed Rate Loan on any day other than on the last day of the Interest Period applicable thereto unless such prepayment is accompanied by any amount required to be paid pursuant to Schedule 1.1(a).

(f) Swap Agreements. No repayment or prepayment of the Loans pursuant to this Section shall affect any of the Borrower's obligations under any Swap Agreement entered into with respect to the Loans.

**Section 2.4 Permanent Reduction of the Term Revolver Commitments**

(a) Mandatory Reduction. Commencing on the first anniversary of the Closing Date and continuing on each anniversary thereafter, the aggregate Term Revolver Commitments shall be permanently reduced on an annual basis by two percent (2%) of the aggregate Term Revolver Commitments in effect immediately prior thereto (the "Required Commitment Reduction").

(b) Corresponding Payment. To the extent there are Term Revolver Loans outstanding in excess of the aggregate Term Revolver Commitments, after giving effect to the

Required Commitment Reduction for any year, the Borrower shall prepay such Term Revolver Loans and the Administrative Agent shall apply the funds required to repay those outstanding Term SOFR Loans, SOFR Monthly Variable Base Rate Loans, Daily Simple SOFR Loans or Fixed Rate Loans ratably to such Term Revolver Loan to the extent required for the aggregate outstanding Term Revolver Loans under the Term Revolver Facility to no longer exceed the aggregate Term Revolver Commitments after giving effect to such Required Commitment Reduction, and any such prepayment will not be subject to Section 3.9 or the payment of amounts due pursuant to Schedule 1.1(a).

(c) Optional Reduction. Borrower shall have the right at any time and from time to time, upon at least three Business Days prior irrevocable written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the Term Revolver Commitments at any time or (ii) portions of the Term Revolver Commitments, from time to time, in an aggregate principal amount not less than \$3,000,000 or any whole multiple of \$1,000,000 in excess thereof. Any reduction of the Term Revolver Commitments shall be applied to the Term Revolver Commitment of each Lender according to its Commitment Percentage. All Commitment Fees accrued until the effective date of any termination of the Term Revolver Commitment shall be paid on the effective date of such termination. Notwithstanding the foregoing, any notice to reduce the Term Revolver Commitments delivered in connection with any refinancing of all or a portion of the Term Revolver Facility with the proceeds of such refinancing or of any incurrence of Indebtedness, or of the net cash proceeds of a Disposition or the issuance of Capital Stock or any other transaction specified in such notice may be, if expressly so stated to be, contingent upon the consummation of such refinancing or incurrence and may be revoked by the Borrower in the event such refinancing is not consummated (provided that the failure of such contingency shall not relieve the Borrower from its obligations in respect thereof under Section 3.9 or Schedule 1.1(a)).

(d) Corresponding Payment. Each permanent reduction permitted pursuant to Section 2.4(c) shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Term Revolver Loans after such reduction to the aggregate Term Revolver Commitments as so reduced. Such prepayment shall be applied as directed by the Borrower. Any reduction of the Term Revolver Commitments to zero shall be accompanied by payment of all outstanding Loans and shall result in the termination of the Term Revolver Commitments and the Term Revolver Facility. If the reduction of the Term Revolver Commitments pursuant to Section 2.4(c) requires the repayment of any Term SOFR Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Section 3.9 hereof. If the reduction of the Term Revolver Commitments pursuant to Section 2.4(c) requires the prepayment of any Fixed Rate Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Schedule 1.1(a).

**Section 2.5 Termination of Term Revolver Facility.** The Term Revolver Facility and the aggregate Term Revolver Commitments thereunder shall terminate on the applicable Maturity Date.

### ARTICLE III. GENERAL LOAN PROVISIONS

#### Section 3.1 Interest.

(a) Interest Rate Options. Subject to the provisions of this Section, at the election of the Borrower, ~~(i) Farm Credit Facilities~~ ~~the~~ Loans shall bear interest at ~~(A)~~ the SOFR Monthly



Variable Base Rate plus the Applicable Margin, ~~(Bii) Term SOFR Rate plus the Applicable Margin (provided that Term SOFR Rate shall not be available until three Business Days after the Closing Date unless the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 3.9 of this Agreement) or (Ciii) at the applicable Fixed Rate plus the Applicable Margin (provided that the Fixed Rate shall not be available until three Business Days after the Closing Date unless the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 3.9 of this Agreement or Schedule 1.1(a) to this Agreement, as applicable) and (ii) Commercial Bank Term Loans shall bear interest at (A) Term SOFR Rate plus the Applicable Margin (provided that Term SOFR Rate shall not be available until three Business Days after the Closing Date unless the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 3.9 of this Agreement) or (B)~~

the Base Rate plus the Applicable Margin. The Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing is given or at the time a Notice of Conversion/Continuation is given pursuant to Section 3.2.

(b) Default Rate. Subject to Section 8.3, (i) immediately upon the occurrence and during the continuance of an Event of Default under Section 8.1(a) or (g), or (ii) at the election of the Required Lenders, upon the occurrence and during the continuance of any other Event of Default, (A) the Borrower shall no longer have the option to request Term SOFR Rate with respect to new Term SOFR Loans, rollovers or repricings, (B) all outstanding Term SOFR Loans shall bear interest at a rate per annum of two percent in excess of the rate (including the Applicable Margin) then applicable to such Loans until the end of the applicable Interest Period and thereafter at a rate equal to two percent in excess of the rate (including the Applicable Margin) then applicable to, ~~in the case of Farm Credit Facilities Loans, SOFR Monthly Variable Base Rate Loans and, in the case of Commercial Bank Term Loans, Base Rate Loans,~~ (C) all outstanding SOFR Monthly Variable Base Rate Loans and other Obligations arising hereunder or under any other Loan Document (other than Obligations covered by clauses (A), (B), (D), or (E) ~~or (F)~~) shall bear interest at a rate per annum equal to two percent in excess of the rate (including the Applicable Margin) then applicable to SOFR Monthly Variable Base Rate Loans or such other Obligations arising hereunder or under any other Loan Document, (D) all outstanding Fixed Rate Loans shall bear interest at a rate per annum equal to two percent in excess of the rate (including the Applicable Margin) then applicable to Fixed Rate Loans, (E) all outstanding Daily Simple SOFR Loans shall bear interest at a rate per annum of two percent in excess of the rate (including the Applicable Margin) then applicable to such Loans, and (F) all outstanding Base Rate Loans shall bear interest at a rate per annum equal to two percent in excess of the rate (including the Applicable Margin) then applicable to such Loans and (G) all accrued and unpaid interest shall be due and payable on demand of the Administrative Agent. Interest shall continue to accrue on the Obligations after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(c) Interest Payment and Computation. Interest on each SOFR Monthly Variable Base Rate Loan, Daily Simple SOFR Loan, and Fixed Rate ~~Loan and Base Rate~~ Loan shall be due and payable in arrears with respect to the previous calendar quarter, on the first day of each calendar quarter commencing July 1, 2024. Interest on each Term SOFR Loan shall be due and payable in arrears on the last day of the Interest Period with respect thereto. All computations of fees and of interest for ~~(a) Fixed Rate Loans and (b) Base Rate Loans when the Base Rate is based on the Prime Rate~~ shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest provided hereunder shall

be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365/366-day year).

(d) Maximum Rate. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law and the Lenders shall at the Administrative Agent's option (i) promptly refund to the Borrower any interest received by the Lenders in excess of the maximum lawful rate or (ii) apply such excess to the principal balance of the Obligations. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

(e) Rate Reset. On each date that is a two year anniversary of the Closing Date occurring prior to the Maturity Date (or such other date approximately preceding such date as the Administrative Agent and the Borrower may agree) (such date, the "Reset Reference Point"), the Administrative Agent (x) shall determine the difference (in basis points), if any, between the Current Cost of Funds (as defined below) as of such Reset Reference Point and the Closing Date Cost of Funds (as defined below) and (y) thereafter shall promptly notify the Lenders ~~with Commitments or Loans under the Farm Credit Facilities~~ and the Borrower of such difference by delivering a certificate in form and substance mutually acceptable to Administrative Agent and the Borrower. The all-in interest rate with respect to the ~~Farm Credit Facilities~~ Loans shall be increased or decreased, as applicable, by the amount of the difference (in a like amount of basis points), which increase or decrease shall commence from and as of such Reset Reference Point and shall remain in effect until either (i) the next succeeding Reset Reference Point or (ii) solely with respect to the final Reset Reference Point, the applicable Maturity Date; provided that it is acknowledged and agreed that the Administrative Agent will effect such increase or decrease in the form of an adjustment to the margin above Term SOFR Rate or the SOFR Monthly Variable Base Rate set forth in the definition of "Applicable Margin" and applicable to such Loans. Notwithstanding anything to the contrary herein or in any other Loan Document, such increase or decrease in the all-in interest rate for any interest period shall be automatic and shall not require an amendment to this Agreement or the consent of any Lender. As used in this subsection (e):

"Closing Date Cost of Funds" means, as of the Closing Date, 11 basis points, which is the amount by which (x) the all-in SOFR Floating Note Rate cost of funds differs from (y) the Daily Simple SOFR Rate, in each case, determined as of the Closing Date but with respect to the date that is two Business Days prior to the Closing Date.

"Current Cost of Funds" means, as of any Reset Reference Point, the amount (in basis points), if any, by which (x) the all-in SOFR Floating Note Rate cost of funds exceeds (y) the Daily Simple SOFR Rate, in each case determined as of the applicable Reset Reference Point but with respect to the date that is two Business Days prior to such Reset Reference Point.

"SOFR Floating Note Rate" means, as of any date of determination, the estimated funding cost (not the actual sale price), including the applicable "Farm Credit Floating Rate Funding Index Spread" (for overnight SOFR (reset daily, simple average in arrears)) and standard underwriting fees, for new two-year debt securities indexed to

overnight SOFR (reset daily, simple average in arrears), and issued by The Federal Farm Credit Banks Funding Corporation into the primary market based on market observations on such date indicated at approximately 9:30 a.m., New York City time; it being understood that such indications represent The Federal Farm Credit Banks Funding Corporation's best estimate of the cost of new debt issuances based on a combination of daily surveys of selected farm credit selling group members (participating bond dealers) and ongoing monitoring of the fixed income markets for actual, recent, primary market issuance by other government- sponsors of similar bonds and notes and pricing within related derivative markets, particularly the interest rate swap market. Historical information on such funding costs is available, for the prior week, on The Federal Farm Credit Banks Funding Corporation's website ([https://www.farmcreditfunding.com/ffcb\\_live/dataCenter/fundingCostIndex.html](https://www.farmcreditfunding.com/ffcb_live/dataCenter/fundingCostIndex.html)) within the daily and weekly spreadsheet for the desired date. Notwithstanding the foregoing, if, in connection with the Closing Date or any Reset Reference Point, new floating rate (indexed to overnight SOFR) debt securities with a two (2) year term are not then being issued into the primary market by The Federal Farm Credit Banks Funding Corporation, then "SOFR Floating Note Rate" shall mean AgWest's best estimate of the cost of such debt securities based on market observations of synthetic (swaps) floating rate indications for similar debt securities or such other replacement benchmark as the Administrative Agent and the Borrower may mutually agree upon.

|| By way of example, assuming the Closing Date Cost of Funds is 15 basis points, (a) if the Current Cost of Funds as of a Reset Reference Point is 35 basis points, then the all-in interest rate with respect to the ~~Farm Credit Facilities~~ Loans shall be increased by 20 basis points commencing from and as of such Reset Reference Point, and (b) if the Current Cost of Funds as of a Reset Reference Point is -5 basis points (i.e., the SOFR Floating Note Rate is 5 basis points less than the Daily Simple SOFR Rate in each case as of the date that is two Business Days prior to such Reset Reference Point), then the all-in interest rate with respect to the ~~Farm Credit Facilities~~ Loans shall be decreased (but not below zero) by 20 basis points commencing from and as of such Reset Reference Point.

**Section 3.2 Notice and Manner of Conversion or Continuation of Loans.** Provided that no Default or Event of Default has occurred and is then continuing, the Borrower shall have the option to

(a) convert at any time all or any portion of any outstanding SOFR Monthly Variable Base Rate Loans in a principal amount equal to \$1,000,000 or any whole multiple of \$1,000,000 in excess thereof into one or more Term SOFR Loans or Fixed Rate Loans, (b) upon the expiration of any Interest Period, (i) convert all or any part of its ~~(A)-outstanding Term SOFR Loans that are Farm Credit Term Loans or Term Revolver Loans~~ in a principal amount equal to \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof into SOFR Monthly Variable Base Rate Loans or Fixed Rate Loans ~~or (B)-outstanding Term SOFR Loans that are Commercial Bank Term Loans in a principal amount equal to \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof into Base Rate Loans~~, (ii) convert all or any part of its outstanding Fixed Rate Loans in a principal amount equal to \$5,000,000 or a whole multiple of

\$1,000,000 in excess thereof into SOFR Monthly Variable Base Rate Loans or Term SOFR Loans,

(iii) ~~convert all or any part of its outstanding Base Rate Loans in a principal amount equal to \$1,000,000 or any whole multiple of \$1,000,000 in excess thereof into one or more Term SOFR Loans,~~ (iv) continue any Term SOFR Loans as Term SOFR Loans or (v) continue any Fixed Rate Loans as Fixed Rate Loans (so long as the applicable Interest Period is still available). Whenever the Borrower desires to convert or continue Loans as provided above, the Borrower shall give the Administrative Agent irrevocable prior written notice in the form attached as **Exhibit E** (a "Notice of Conversion/Continuation") not later than 2:00 p.m. three Business Days before the day on which a

proposed conversion or continuation of such Loan is to be effective specifying (A) the Loans to be converted or continued, and, in the case of any Term SOFR Loan to be converted or continued, the last day of the Interest Period therefor, (B) the effective date of such conversion or continuation (which shall be a Business Day), (C) the principal amount of such Loans to be converted or continued, and (D) the Interest Period to be applicable to such converted or continued Term SOFR Loan. If the Borrower fails to give a Notice of Conversion/Continuation within three Business Days prior to the end of the Interest Period for any Term SOFR Loan, then, so long as no Default or Event of Default has occurred and is continuing, the applicable Term SOFR Loan shall be continued as a Term SOFR Loan and will be deemed to have the same Interest Period as was then in effect prior to the expiration of the previous Interest Period during which the Borrower failed to give a timely Notice of Conversion/Continuation. Any such automatic continuation of a Term SOFR Loan shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loan. Notwithstanding the foregoing, (x) if a Default or Event of Default has occurred and is continuing on the last day of an Interest Period for any Term SOFR Loan or Fixed Rate Loan, (y) any such automatic continuation with respect to any Term SOFR Loan shall result in an Interest Period that does not comply with clause (x) of the proviso in the definition thereof and (z) if no Notice of Conversion/Continuation is submitted for a Fixed Rate Loan and agreed to pursuant to the procedures and requirements set forth on Schedule 1.1(a), such Loan shall in each case automatically convert to ~~in the case of a Farm Credit Facilities Loan, a SOFR Monthly Variable~~ Base Rate Loan or, in the case of a Commercial Bank Term Loan, a Base Rate Loan, in each case, on the last day of its Interest Period. If the Borrower requests a conversion to, or continuation of, Term SOFR Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Conversion/Continuation.

### **Section 3.3 Fees.**

(a) Commitment Fee. Commencing on the Closing Date, subject to Section 3.14(a)(iii)(A), the Borrower shall pay to the Administrative Agent, for the account of the Lenders, a non-refundable commitment fee (the "Commitment Fee") at a rate per annum equal to 0.25% on the actual daily unused portion of the aggregate Term Revolver Commitments of the Lenders (other than the Defaulting Lenders, if any). The Commitment Fee shall be payable in arrears on the first day of each calendar quarter during the term of this Agreement commencing July 1, 2024 and ending on the date upon which all Obligations (other than contingent indemnification obligations not then due) arising under the Term Revolver Facility shall have been paid and satisfied in full and the aggregate Term Revolver Commitments have been terminated. The Commitment Fee shall be distributed by the Administrative Agent to the Lenders (other than any Defaulting Lender) pro rata in accordance with such Lenders' respective Commitment Percentages with respect to the Term Revolver Facility.

(b) Other Fees. The Borrower shall pay to the Arranger and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in their Fee ~~Letter~~ Letters. The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

**Section 3.4 Manner of Payment** Each payment by the Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts payable to the Lenders under this Agreement shall be made not later than 1:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent's Office for the account of the Lenders entitled to such payment in Dollars, in immediately available funds and shall be made without any set off,

counterclaim or deduction whatsoever. Any payment received after such time but before 2:00 p.m. on such day shall be deemed a payment on such date for the purposes of Section 8.1, but for all

Other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Lender at its address for notices set forth herein its Commitment Percentage in respect of the Credit ~~Facilities~~ Facility (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent of Administrative Agent's fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under Section 3.9, 3.10, 3.11 or 10.3 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to the definition of Interest Period, if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment. Notwithstanding the foregoing, if there exists a Defaulting Lender, each payment by the Borrower to such Defaulting Lender hereunder shall be applied in accordance with Section 3.14(a)(ii).

**Section 3.5 Evidence of Indebtedness.** The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and its Subsidiaries and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Notes and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

**Section 3.6 Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to Section 3.9, 3.10, 3.11 or 10.3) greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and

(b) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) 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, other than to the Borrower or any of its Subsidiaries or Affiliates (as to which the provisions of this Section shall apply).



Each Credit Party consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

**Section 3.7 Payments Generally; Administrative Agent's Clawback.**

(a) Funding by Lenders: Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender (i) in the case of a SOFR Monthly Variable ~~Base Rate Loans or~~ Base Rate Loans, not later than 12:00 noon on the date of any proposed borrowing and (ii) otherwise, prior to the proposed date of any borrowing, that such Lender will not make available to the Administrative Agent such Lender's share of such borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.3(b) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from the date such amount is made available to the Borrower to the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the daily average Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to, ~~in the case of Farm Credit Facilities Loans;~~ SOFR Monthly Variable ~~Base Rate Loans and, in the case of Commercial Bank Term Loans;~~ Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(b) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article III, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the Loan set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(c) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan or to fund any such participation on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to purchase its participation.

(d) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(e) Insufficient Funds. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(f) Pro Rata Treatment. Except to the extent otherwise provided herein: (i) each Loan shall be made from the Lenders, each payment of fees under Section 3.3 shall be made for account of the Lenders, and each termination or reduction of the amount of the applicable Commitments shall be applied to the respective applicable Commitments of the Lenders, pro rata according to the amounts of their respective applicable Commitments; (ii) each Loan shall be allocated pro rata among the Lenders according to the amounts of their respective Commitments (in the case of the making of Loans) or their respective existing Loans that are to be included in such converted or continued Loan (in the case of conversions and continuations of Loans); (iii) each payment or prepayment of principal of Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the respective unpaid principal amounts of the Loans held by them; and (iv) each payment of interest on Loans by the Borrower shall be made for account of the Lenders pro rata in accordance with the amounts of interest on such Loans then due and payable to the respective Lenders.

### **Section 3.8 Inability to Determine Rates**

(a) Inability to Determine Rate; Cost. Subject to Section 3.8(b), if on or prior to the commencement of any Interest Period (or in the case of any Benchmark that is not subject to an Interest Period, on any Business Day):

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that for any reason (other than a Benchmark Transition Event) that adequate and reasonable means do not exist for ascertaining any Benchmark;

(ii) the Required Lenders determine that for any reason in connection with any request for a Loan that is subject to an Interest Period or a conversion thereto or a continuation thereof, that the Benchmark for any requested Interest Period with respect to a proposed Loan does not adequately and fairly reflect the cost to such Lenders of funding or continuing such Loans, and the Required Lenders have provided notice of such determination to the Administrative Agent; or

(iii) the Required Lenders determine that for any reason in connection with any request for a Loan that is not subject to an Interest Period or a conversion thereto or a continuation thereof or the maintaining thereof, that the Benchmark with respect to a proposed Loan or outstanding Loan does not adequately and fairly reflect the cost to such Lenders of funding or maintaining such Loans, and the Required Lenders have provided notice of such determination to the Administrative Agent,

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders.

Upon notice thereof by the Administrative Agent to the Borrower,

(1) any obligation of the Lenders to make such Loans that are subject to an Interest Period, and any right of the Borrower to continue such Loans or to convert to such Loans, shall be suspended (to the extent of the affected Loans) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice;

(2) any obligation of the Lenders to make or maintain such Loans that are not subject to an Interest Period ~~(other than Base Rate Loans in the case of the Commercial Bank Term Loans)~~, and any right of the Borrower to continue such Loans or to convert to such Loans, shall be suspended (to the extent of the affected Loans) until the Administrative Agent (with respect to clause (iii), at the instruction of the Required Lenders) revokes such notice;

(3) the Borrower may revoke any pending request for a Loan or conversion to or continuation of such Loans (to the extent of the affected Loans or affected Interest Periods); and

(4) any outstanding affected Loans shall be (A) converted into Daily Simple SOFR Loans (or if the Daily Simple SOFR Rate is itself subject to Section 3.8(a), Loans subject to such other then applicable Successor Rate ~~(or, at the Borrower's election, the Base Rate in the case of Commercial Bank Term Loans)~~ at the end of the applicable Interest Period (or if such Loans are not subject to an Interest Period, immediately) or (B) if the then applicable Successor Rate (other than for the avoidance of doubt, the Daily Simple SOFR Rate) is itself subject to Section 3.8(a), prepaid at the end of the applicable Interest Period (or if such Loans are not subject to an Interest Period, immediately) ~~(or, at the Borrower's option in the case of Commercial Bank Term Loans, converted to Base Rate Loans)~~ and, upon any such conversion or prepayment, the Borrower shall also pay accrued interest on the amount so converted or prepaid, together with any additional amounts required pursuant to Section 3.9;

(b) Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document:

(i) Replacing Benchmarks. Upon the occurrence of a Benchmark Transition Event as to any Benchmark, the applicable Benchmark Replacement will replace the applicable then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark at or after 5:00 p.m. on the fifth 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 the Required Lenders or from the Borrower. Upon and at any time after a Benchmark Transition Event, the 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 Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark.

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

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (x) any occurrence of a Benchmark Transition Event, (y) the implementation of any Benchmark Replacement, and (z) the effectiveness of any Conforming Changes. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.8(b)(iv). Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.8(b), 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 or their sole discretion and without consent from any other party hereto or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.8(b).

(iv) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (x) if the applicable then-current Benchmark is a term rate (including Term SOFR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may remove any tenor of such Benchmark and (y) the Administrative Agent may reinstate any such previously removed tenor for such Benchmark (including any applicable Benchmark Replacement) settings.

**Section 3.9 Indemnity.** The Borrower hereby indemnifies each of the Lenders against any loss or expense (including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain a Term SOFR Loan or Fixed Rate Loan or from fees payable to terminate the deposits from which such funds were obtained) which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan

(a) as a consequence of any failure by the Borrower to make any payment when due of any amount due hereunder in connection with a Term SOFR Loan or a Fixed Rate Loan, (b) due to any failure of the Borrower to borrow, continue or convert on a date specified therefor in a Notice of Borrowing or Notice of Conversion/Continuation (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise) or (c) due to any payment, prepayment or conversion of any Term SOFR Loan or Fixed Rate Loan on a date other than the last day of the Interest Period therefor except as set forth in Section 2.4; provided that the foregoing indemnity shall not apply to any loss or expense suffered by a Lender or resulting from the failure of such Lender to fund any Loan at a time required hereunder. The amount of such loss or expense shall be determined, in the applicable Lender's reasonable discretion, (a) for any Term SOFR Loans, based upon the assumption that such Lender funded its Commitment Percentage of the Term SOFR Loans using any reasonable attribution or averaging methods which such Lender deems appropriate and practical and (b) for any Fixed Rate Loans, as set forth on Schedule 1.1(a). A certificate of such Lender setting forth in reasonable detail the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder for nine months.

**Section 3.10 Increased Costs.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or other Recipient, the Borrower shall promptly, and in any event, within ten Business Days, pay to any such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender'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 capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitment of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender, the Borrower shall promptly and in any event, within ten Business Days, pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or such other Recipient setting forth in reasonable detail the calculation of the amount or amounts necessary to compensate such Lender or such other Recipient or any of their respective holding companies, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such other Recipient's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or any other Recipient pursuant to this

Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or such other Recipient, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or such other Recipient's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) The Borrower shall compensate each Lender for prepayment of Fixed Rate Loans under the terms and provisions of Schedule 1.1(a) hereto, if applicable.

#### **Section 3.11 Taxes.**

(a) Defined Terms. For purposes of this Section 3.11, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Credit Parties. The Credit Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Credit Parties. The Credit Parties shall jointly and severally indemnify each Recipient, within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.8(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, 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 3.11(e). The agreements in paragraph (i) shall survive the resignation and/or replacement of the Administrative Agent.

(f) Evidence of Payments. As soon as practicable after any payment of Taxes any Credit Party to a Governmental Authority pursuant to this Section 3.11, such Credit Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 3.11(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(A) Any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from United States federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of **Exhibit H-1** to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of **Exhibit H-2** or **Exhibit H-3**, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit H-4** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times



reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.11 (including by the payment of additional amounts pursuant to this Section 3.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.11(h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.11(h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.11(h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 3.11(h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) [Reserved]

(j) Survival. Each party's obligations under this Section 3.11 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

#### **Section 3.12 Mitigation Obligations; Replacement of Lenders**

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.10, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.11, then such Lender shall, at the request of the Borrower, 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, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.10 or Section 3.11, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material respect. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.10, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.11, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.12(a), or if any Lender or Voting Participant is a Defaulting Lender, Defaulting Voting Participant or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender or Voting Participant and the Administrative Agent, require such Lender or Voting ~~Participate~~Participant to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.8), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.10 or 3.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee or replacement Voting Participant may be another Lender or Voting Participant, if a Lender or Voting Participant accepts such assignment or delegation); provided that, in the case of a Voting Participant, the replacement Voting Participant shall be reasonably acceptable to the Lender that was the seller of the applicable participation; provided, further, that:

- (i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.8;
  - (ii) such Lender or Voting Participant, as applicable, shall have received payment of an amount equal to the outstanding principal of its Loans (or participations therein), accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.9) from the assignee or replacement Voting Participant (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
  - (iii) in the case of any such assignment resulting from a claim for compensation under Section 3.10 or payments required to be made pursuant to Section 3.11, such assignment will result in a reduction in such compensation or payments thereafter;
  - (iv) such assignment or participation does not conflict with Applicable Law;
- and
- (v) in the case of any assignment or participation resulting from a Lender or Voting Participant becoming a Non-Consenting Lender, the applicable assignee or replacement Voting Participant shall have consented to the applicable amendment, waiver or consent.

A Lender or Voting Participant shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**Section 3.13 Illegality.** If any Lender reasonably determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted after the date hereof that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund any Loans or to determine or charge interest rates based upon any Benchmark, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), any obligation of the Lenders to make such Loans, and any right of the Borrower to continue such Loans, shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, if necessary to avoid such illegality upon demand from any Lender (with a copy to the Administrative Agent), (a) convert all such Loans into Daily Simple SOFR Loans (or if the Daily Simple SOFR Rate is itself subject to such notice, Loans subject to such other then applicable Successor Rate) ~~or, in the case of Commercial Bank Term Loans, Base Rate Loans, in each case~~ at the end of the applicable Interest Period or (b) if the then applicable Successor Rate (other than for the avoidance of doubt, the Daily Simple SOFR Rate) is itself subject to such notice, prepay all such Loans ~~or, in the case of Commercial Bank Term Loans, convert all such Loans to Base Rate Loans~~, in each case, (i) if such Loans are not subject to an Interest Period, immediately, or, (ii) if such Loans are subject to an Interest Period, on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such Loans to such day, in each case until the Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon such Benchmark. Upon any such prepayment or conversion, the Borrower shall also pay accrued and unpaid interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.9.

**Section 3.14 Defaulting Lenders.**

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 10.2.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan or funded participation in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's

potential future funding obligations with respect to Loans and funded participations under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a

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result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (1) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans 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 Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Credit Facility without giving effect to Section 3.14(b). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 3.14(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) With respect to any Commitment Fee not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Borrower shall not be required to pay the remaining amount of any such fee.

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such 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 to be held pro rata by the Lenders in accordance with such Lenders' respective Commitment Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) Defaulting Participants. To the extent applicable, the provisions of this Section 3.14 shall apply to Participants and Defaulting Voting Participants mutatis mutandis.

**Section 3.15 Capital Plans.**

(a) Each party hereto acknowledges that the bylaws and capital plan, as applicable, of each Farm Credit Lender that is a Lender hereunder (as each may be amended from time to

time) shall govern (i) the rights and obligations of the parties with respect to the Farm Credit Equities and any patronage refunds or other distributions made on account thereof or on account of each Borrower's patronage with such Farm Credit Lender, (ii) each Borrower's eligibility for patronage distributions from such Farm Credit Lender (in the form of Farm Credit Equities and cash) and (iii) patronage distributions, if any, in the event of a sale of a participation interest. Subject to Section 10.8(d), each Farm Credit Lender that is a Lender hereunder reserves the right to assign or sell participations in all or any part of its Commitment or outstanding Loans hereunder on a non-patronage basis.

(b) Each party hereto acknowledges that each Farm Credit Lender that is a Lender hereunder has a statutory first Lien pursuant to the Farm Credit Act of 1971 (as amended from time to time) on all Farm Credit Equities that any Borrower may now own or hereafter acquire, which statutory Lien shall be the sole and exclusive benefit of each such Farm Credit Lender. Notwithstanding anything herein or in any other Loan Document to the contrary, the Farm Credit Equities shall not constitute security for the Obligations due to any other Lender. To the extent that any of the Loan Documents create a Lien on the Farm Credit Equities or on patronage accrued by any Farm Credit Lender for the account of the Borrower (including, in each case, proceeds thereof), such Lien shall be for the sole and exclusive benefit of such Farm Credit Lender and shall not be subject to pro rata sharing hereunder. Neither the Farm Credit Equities nor any accrued patronage shall be offset against the Obligations except that, in the event of an Event of Default, each Farm Credit Lender that is a Lender hereunder may elect to apply the cash portion of any patronage distribution or retirement of equity to amounts due under this Agreement. The Borrower acknowledges that any corresponding income or capital gains tax liability associated with such application is the sole responsibility of the Borrower. No Farm Credit Lender shall have an obligation to retire the Farm Credit Equities upon any Event of Default, Default or any other default by any Borrower or any other Credit Party, or at any other time, either for application to the Obligations or otherwise.

#### ARTICLE IV.

##### CONDITIONS OF CLOSING AND BORROWING

**Section 4.1 Conditions to Initial Extensions of Credit** The obligation of the Lenders to make the initial Loans on the Closing Date is subject to the satisfaction (or waiver in accordance with Section 10.2) of each of the following conditions:

(a) Executed Loan Documents. This Agreement, a Note in favor of each Lender requesting a Note, the Security Documents and the Intercreditor Agreement together with any other applicable Loan Documents, shall have been duly authorized, executed and delivered to the Administrative Agent by the parties thereto, in each case in form and content acceptable to the Administrative Agent and the Lenders and shall be in full force and effect.

(b) ABL Facility. The Administrative Agent shall have received copies of an amendment to the ABL Facility to permit the Transactions, duly executed by each party thereto, in form and substance acceptable to the Borrower and the Administrative Agent.

(c) Closing Certificates; Etc. The Administrative Agent shall have received each of the following in form and substance reasonably satisfactory to the Administrative Agent:

(i) Officer's Certificate. A certificate from a Responsible Officer of the Borrower to the effect that: (A) since February 20, 2024, there has not been a Material Adverse Effect (as defined in the Augusta Acquisition Agreement); (B) the Augusta Mill Acquisition has been consummated, or substantially concurrently with the initial funding of the applicable Credit Facilities on the Closing Date, shall be consummated, in all material respects in accordance with the terms of the Augusta Acquisition Agreement; and (C) the conditions set forth in Section 4.1(e) have been satisfied.

(ii) Certificate of Secretary of each Credit Party. A certificate of a Responsible Officer of each Credit Party certifying as to the incumbency and genuineness of the signature of each officer of such Credit Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Credit Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bylaws or other governing document of such Credit Party as in effect on the Closing Date, (C) resolutions duly adopted by the board of directors (or other governing body) of such Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and (D) each certificate required to be delivered pursuant to Section 4.1(c)(iii).

(iii) Certificates of Good Standing. Certificates as of a recent date of the good standing of each Credit Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable.

(iv) Opinions of Counsel. Opinions of counsel to the Credit Parties addressed to the Administrative Agent and the Lenders with respect to the Credit Parties, the Loan Documents and such other matters as the Administrative Agent shall reasonably request (which such opinions shall expressly permit reliance by permitted successors and assigns of the Administrative Agent and the Lenders).

(d) Personal Property Collateral.

(i) Filings and Recordings. The Administrative Agent shall have received all filings and recordings in the applicable Uniform Commercial Code filing offices and in the United States Copyright Office and United States Patent and Trademark Office that are necessary to perfect the security interests of the Administrative Agent, on behalf of the Secured Parties, in the Collateral and the Administrative Agent shall have received evidence reasonably satisfactory to the Administrative Agent that upon such filings and recordings such security interests constitute valid and perfected first priority Liens thereon (subject to the Intercreditor Agreement and Permitted Liens).

(ii) Pledged Collateral. Subject to the Intercreditor Agreement, the Administrative Agent shall have received (A) original stock certificates or other certificates evidencing the certificated Capital Stock pledged pursuant to the Security Documents, together with an undated stock power for each such certificate duly executed in blank by the registered owner thereof and (B) each original promissory note pledged and required to be delivered pursuant to the Security Documents together with an undated allonge for each such promissory note duly executed in blank by the holder

thereof, to be held pursuant to the Intercreditor Agreement; provided, however, that the delivery of original stock certificates or other certificates evidencing the certificated Capital Stock pledged pursuant to the Security Documents of any Subsidiaries formed or acquired in connection with the Augusta Mill Acquisition is not able to be provided on the date of the consummation of the Augusta Mill Acquisition after the Borrower's use of commercially reasonable efforts to do so, then the provision of such original stock certificates or other certificates shall be required by the date that is sixty (60) days following the Closing Date (or such later date as the Administrative Agent shall approve in its sole discretion).

(iii) [Reserved].

(iv) [Reserved].

provided that to the extent the perfection of the security interest in any such Collateral (other than as set forth in clause (d)(i) (but only with respect to filings and recordings in the applicable Uniform Commercial Code filing offices) and (d)(ii) above) is not able to be provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the perfection of such security interest in such Collateral will not constitute a condition precedent to the availability of any borrowing on the Closing Date, but such perfection shall be required prior to the date sixty (60) days following such date (or such later date as the Administrative Agent shall approve in its sole discretion).

(e) The Specified Representations and the Specified Acquisition Agreement Representations are true, correct and complete in all material respects (except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true, correct and complete in all respects).

(f) Financial Matters.

(i) Financial Statements. The Administrative Agent shall have received

(A) the audited Consolidated balance sheet of the Borrower and its Subsidiaries and the related audited statements of income and retained earnings and cash flows for setting forth in comparative form consolidated figures for the Fiscal Year ending December 31, 2023, for the three (3) most recently completed Fiscal Years ended at least 90 days prior to the Closing Date and (B) unaudited pro forma Consolidated balance sheet of the Borrower and its Subsidiaries and related unaudited interim statements of income and retained earnings and cash flows as of the last day of the most recently completed four-fiscal quarter period ended at least 45 days prior to the Closing Date (or if such period includes the end of the Borrower's Fiscal Year, at least 90 days prior to the Closing Date) for which financial statements of Borrower and its Subsidiaries are available and provided pursuant to clause (A) above, prepared after giving effect to the Transactions on a pro forma basis; provided, that, the Administrative Agent and the Lenders confirm that the financial statements set forth in clause (A) above for the Borrower's Fiscal Years ended December 31, 2021 and December 31, 2022 have been delivered; provided further that the Borrower shall be deemed to have satisfied the requirement set forth in clause (A) above to the extent that any such financial statements have been filed and are publicly available electronically at [www.sec.gov](http://www.sec.gov) (or a successor web site thereto).



(ii) [Reserved].

(iii) Solvency Certificate. The Borrower shall have delivered to the Administrative Agent a certificate, in form and substance reasonably satisfactory to the Administrative Agent, and certified as accurate by the chief financial officer of the Borrower, that after giving effect to the Transactions the Credit Parties, on a Pro Forma Basis, are Solvent.

(iv) Payment at Closing. The Borrower shall have paid or made arrangements to pay contemporaneously with closing (A) to the Administrative Agent, the Arrangers and the Lenders the fees set forth or referenced in Section 3.3(b) and any other accrued and unpaid fees or commissions due hereunder on and as of the Closing Date, and (B) all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) required to be paid hereunder to the extent invoiced to the Borrower at least three Business Days prior to the Closing Date.

(g) Miscellaneous.

(i) Notice of Borrowing. The Administrative Agent shall have received a Notice of Borrowing in accordance with Section 2.2(a) for the Loans to be made on the Closing Date.

(ii) PATRIOT ACT, etc.. The Lenders shall have received in form and substance satisfactory to each Lender: (a) all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including, without limitation, the Patriot Act, to the extent requested at least ten (10) days prior to the Closing Date; and (b) to the extent that the Borrower qualifies as a "legal entity customer" under 31 C.F.R. §-1010.230, a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

(iii) Waiver of Borrower Rights. The Administrative Agent shall have received an executed Waiver of Borrower Rights letter in substantially the form delivered by the Borrower to the Administrative Agent on October 31, 2016.

Without limiting the generality of the provisions of Section 9.3(c), for purposes of determining compliance with the conditions specified in this Section 4.1, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

**Section 4.2 Conditions to Extensions of Credit Under the Term Revolver Facility.** The obligations of the Farm Credit Lenders that are Lenders or Participants to make or participate in any Term Revolver Loan after the Closing Date are subject to the satisfaction (or waiver in accordance with Section 10.2) of the following conditions precedent on the relevant borrowing, issuance or extension date:

(a) Continuation of Representations and Warranties. The representations and warranties contained in this Agreement and the other Loan Documents shall be true and correct

in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of such borrowing, issuance or extension date with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date).

(b) No Existing Default. No Default or Event of Default shall have occurred and be continuing on the borrowing date with respect to such Loan or after giving effect to the Loans to be made on such date.

(c) Notices. The Administrative Agent shall have received a Notice of Borrowing from the Borrower in accordance with Section 2.2(a).

## ARTICLE V.

### REPRESENTATIONS AND WARRANTIES OF THE CREDIT PARTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, the Borrower hereby represents and warrants to the Administrative Agent and each Lender that, which representations and warranties shall be deemed made on the Closing Date and as otherwise set forth in Section 4.2, that:

**Section 5.1 Financial Condition.** The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at December 31, 2021, December 31, 2022 and December 31, 2023, and the related consolidated statements of income, stockholders' equity and cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from KPMG LLP, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at September 30, 2023, and the related unaudited consolidated statement of income, stockholders' equity and cash flow for the applicable three-month period ended on such date, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at each such date, and the consolidated results of its operations and its consolidated cash flow for the three-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein), except that the interim financial statements are subject to year-end adjustments and are lacking footnote disclosures.

**Section 5.2 No Change.** Since December 31, 2023, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

**Section 5.3 Existence; Compliance with Law.** Each Credit Party (a) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or similar organizational power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under

the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 5.4 Power; Authorization; Enforceable Obligations.** (a) Each Credit Party has the corporate or similar organizational power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Credit Party has taken all necessary corporate or similar organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. Each Loan Document has been duly executed and delivered on behalf of each Credit Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Credit Party party thereto, enforceable against each such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i) consents, authorizations, filings and notices that have been obtained or made and are in full force and effect and (ii) the filings referred to in [Section 5.19](#).

**Section 5.5 No Legal Bar.** The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Credit Party, except for violations that could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

**Section 5.6 Litigation.** No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against any Group Member or against any of their respective properties (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect if determined adversely to any applicable Group Member.

**Section 5.7 No Default.** No Default or Event of Default has occurred and is continuing.

**Section 5.8 Ownership of Property; Liens.** Each Group Member has such title in fee simple or valid leasehold to the real property owned or leased by it as is necessary to the conduct of its business and valid and legal title to all of its personal property owned by it, in each case, subject to Permitted Liens.

**Section 5.9 Intellectual Property.** Except as could not reasonably be expected to have a Material Adverse Effect, each Group Member owns, or is licensed to use, all material Intellectual Property reasonably necessary for the conduct of its business as currently conducted, free and clear of all

Liens, except as permitted by Section 7.2, and to the knowledge of each Credit Party, the use of any such material Intellectual Property and the conduct of each of the Group Members does not infringe in any material respect upon the rights of any Person. Except as could not reasonably be expected to have a Material Adverse Effect, no claim has been asserted or is pending by any Person challenging or questioning the use of any material Intellectual Property or the validity or effectiveness of any material Intellectual Property, nor does the Borrower know of any valid basis for any such claim.

**Section 5.10 Taxes.** Each Credit Party has filed or caused to be filed all Federal, state and other material Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than (i) any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member, or (ii) to the extent that the failure to file or pay, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect); to the knowledge of the Borrower, no material Liens for Taxes have been filed, and, to the knowledge of the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge.

**Section 5.11 Federal Regulations.** The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Loan hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Loan, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

**Section 5.12 Labor Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Borrower, threatened; (b) hours worked by and payment made to employees of each Credit Party have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Credit Party on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Credit Party.

**Section 5.13 ERISA.** Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) each Group Member and each of their respective ERISA Affiliates (and in the case of a Pension Plan or a Multiemployer Plan, each of their respective ERISA Affiliates) are in compliance with all applicable provisions and requirements of ERISA and the Code and other federal and state laws and the regulations and published interpretations thereunder with respect to each Plan and Pension Plan and have performed all their obligations under each Plan and Pension Plan; (b) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur, and no ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event; (c) each Plan or Pension Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS indicating that such Plan or Pension Plan is so qualified and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code or an application for such a determination is currently pending before the Internal Revenue Service and, to the knowledge of the Borrower, nothing has occurred subsequent to the issuance of the most recent determination letter which would cause such Plan or Pension Plan to lose its qualified status; (d) no liability to the PBGC (other than required premium payments), the IRS, any Plan or Pension Plan or any trust established under Title IV of ERISA has been or is reasonably expected to be incurred by any Group Member or any of their ERISA Affiliates; (e) each of the Group Members' ERISA Affiliates has

complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and is not in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan; (f) all amounts required by applicable law with respect to, or by the terms of, any retiree welfare benefit arrangement maintained by any Group Member or any ERISA Affiliate or to which any Group Member or any ERISA Affiliate has an obligation to contribute have been accrued in accordance with ASC Topic 715-60; (g) as of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available and except as reported in the most recent Form 10-K filed with the SEC, no Group Member nor any of their respective ERISA Affiliates has any potential liability for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA; (h) there has been no Prohibited Transaction or violation of the fiduciary responsibility rules with respect to any Plan or Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect; and (i) neither any Group Member nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (i) on the Closing Date, those listed on Schedule 5.13 hereto and (ii) thereafter, Pension Plans not otherwise prohibited by this Agreement. Except as disclosed on Schedule 5.13, the present value of all accumulated benefit obligations under each Pension Plan, did not, as of the close of its most recent plan year, exceed by more than \$10,000,000 the fair market value of the assets of such Pension Plan allocable to such accrued benefits (determined in both cases using the applicable assumptions for financial statement reporting purposes under ASC Topic 715), and the present value of all accumulated benefit obligations of all underfunded Pension Plans did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Pension Plans (determined in both cases using the applicable assumptions for financial statement reporting purposes under ASC Topic 715).

**Section 5.14 Investment Company Act; Other Regulations.** No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

**Section 5.15 Subsidiaries; Capital Stock.** As of the Closing Date, (a) Schedule 5.15 sets forth the name and jurisdiction of incorporation or formation, as applicable, of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Credit Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options and restricted stock units granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of the Borrower or any Subsidiary, except (i) with respect to Capital Stock of Credit Parties, as created by the Loan Documents and (ii) otherwise, as permitted by this Agreement.

~~Section 5.16 Use of Proceeds.~~ The proceeds of the Loans, shall be used to finance the Transactions and ~~in the case of the Term Revolver Facility, any future available undrawn Term Revolver Commitments may be used~~ for working capital and general corporate purposes; provided, that, for the avoidance of doubt, the Loans shall not be used to fund any Specified Share Repurchases

**Section 5.17 Environmental Matters.** Except as, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) Materials of Environmental Concern are not present at, on, under, in, or about any real property now or formerly owned, leased or operated by any Group Member or at any other location (including, without limitation, any location to which Materials of Environmental

Concern have been sent for re-use or recycling or for treatment, storage, or disposal), in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability under or relating to any Environmental Law, nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) no judicial, arbitral, governmental or administrative litigation, investigation, proceeding or similar action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party, nor has any Group Member entered into or agreed to any settlements or other agreements, consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements relating to compliance with or liability under any Environmental Law that have not been fully and finally resolved;

(d) each Group Member, is in compliance, and within the period of all applicable statute of limitation has been in compliance, with all applicable Environmental Laws; and

(e) no Group Member has assumed or retained, by contract or operation of law, any liability of any other Person under Environmental Laws or with respect to any Material of Environmental Concern.

**Section 5.18 Accuracy of Information, etc.** The statements and information contained in this Agreement, the other Loan Documents, and the other material documents, certificates and statements furnished by or on behalf of any Credit Party to the Administrative Agent or the Lenders, or any of them, in writing, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents (as modified or supplemented by other information so furnished), taken together as a whole, did not contain as of the date such written statements, information, documents or certificates were so furnished, any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect. The projections and any pro forma or other financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

**Section 5.19 Security Documents.** The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the ~~Pledged~~-Collateral required to be delivered in the Guarantee and Collateral Agreement, when such ~~Pledged~~ Collateral is delivered (in accordance with the Intercreditor Agreement) to the Administrative Agent or the ABL Agent (together with a properly completed and signed undated endorsement), in the case of Collateral consisting of Deposit Accounts or Securities Accounts, when such Deposit Accounts or Securities Accounts, as applicable, are subject to an Account Control Agreement (as defined in the Guarantee and Collateral Agreement) and in the case of the other Collateral described in the Guarantee and Collateral Agreement that can be perfected by the filing of a financing statement or other filing, when financing statements and other filings specified on Schedule 5.19 in appropriate form are filed in the offices specified on Schedule 5.19, the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Credit Parties in such

Collateral and the proceeds thereof, as security for the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to the Lien of any other Person (except Liens expressly permitted by this Agreement or the Intercreditor Agreement, in each case, to be prior to the Liens on the Collateral).

**Section 5.20 Solvency.** As of the Closing Date and after giving effect to the Transactions, the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

**Section 5.21 Anti-Corruption Laws; Anti-Money Laundering and Sanctions.** The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of the Borrower its employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower, any Subsidiary, any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facilities established hereby, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

**Section 5.22 Plan Assets; Prohibited Transactions.** None of the Borrower or any of its Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

## ARTICLE VI. AFFIRMATIVE COVENANTS

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash and the Aggregate Commitments terminated, each Credit Party will, and will cause each of its Subsidiaries to:

**Section 6.1 Financial Statements and Budgets.** Furnish to the Administrative Agent for delivery to each Lender:

(a) Annual Financial Statements. As soon as available, but in any event within 90 days after the end of each Fiscal Year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income, stockholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by KPMG, LLP or other independent certified public accountants of nationally recognized standing acceptable to the Administrative Agent.

(b) Quarterly Financial Statements. As soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each Fiscal Year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income, stockholders' equity and cash flows for such quarter and/or the portion of the Fiscal



Year through the end of such quarter, as required by applicable SEC rules, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous Fiscal Year (or, in the case of the balance sheet, as of the end of the previous Fiscal Year), certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes).

(c) Annual Budget. As soon as available, and in any event no later than 90 days after the end of each Fiscal Year of the Borrower, a detailed consolidated budget for the following Fiscal Year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto (collectively, the "Budget")), which Budget shall in each case be accompanied by a certificate of a Responsible Officer stating that such Budget is based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Budget is incorrect or misleading in any material respect.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

Documents required to be delivered pursuant to Section 6.1(a), (b) or (c) or Section 6.2 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which

(i) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant 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) or (ii) such documents are filed of record with the SEC; provided that, upon written request by the Administrative Agent, the Borrower 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. The Administrative Agent shall have no obligation to request the delivery of or to maintain or deliver to Lenders paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and 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.

The Borrower hereby acknowledges that the Administrative Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on the Platform.

**Section 6.2 Certificates; Other Reports.** Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) concurrently with the delivery of any financial statements pursuant to Sections 6.1(a) and 6.1(b), (i) an Officer's Compliance Certificate executed by the applicable Responsible Officer, which Officer's Compliance Certificate shall (x) include a statement that, to each such Responsible Officer's knowledge, each Credit Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (y) in the case of quarterly or annual

financial statements, set forth, in reasonable detail, the calculation of the Consolidated Leverage Ratio ~~and, for periods during which each financial covenant set forth in Section 7.17 is applicable, the calculation of such financial covenant, in each case of this clause (v)~~ for the Reference Period ending as of the last day of the Fiscal Year or fiscal quarter for which financial statements are being delivered pursuant to Section 6.1 and (ii) in the case of quarterly or annual financial statements, to the extent not previously disclosed to the Administrative Agent, (x) a description of any change in the jurisdiction of organization of any Credit Party, (y) a list of any material registered Intellectual Property acquired or created by any Credit Party and (z) a description of any Person that has become a Subsidiary, in each case since the date of the most recent report delivered pursuant to this clause (ii) (or, in the case of the first such report so delivered, since the Closing Date);

(b) within 45 days after the end of each fiscal quarter of the Borrower (or 90 days, in the case of the fourth fiscal quarter of each fiscal year), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the comparable periods of the previous year;

(c) promptly after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its public debt securities or public equity securities and, promptly after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC;

(d) promptly following receipt thereof, copies of any documents described in Section 101(k) or 101(l) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Multiemployer Plan or any documents described in Section 101(f) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Pension Plan; provided, that if the relevant Group Members or ERISA Affiliates have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plans, then, upon reasonable request of the Administrative Agent, such Group Member or the ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; and

(e) promptly, such (x) additional financial and other information as the Administrative Agent may from time to time reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT ACT.

**Section 6.3 Payment of Obligations.** Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature (including Taxes), except where (a) the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves to the extent required by GAAP with respect thereto have been provided on the books of the relevant Group Member or (b) the failure to make such payments, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**Section 6.4 Maintenance of Existence; Compliance.** (a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.3, Section 7.4 and except, in the case of clause (ii) above, to the extent

that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) maintain in effect and enforce policies and procedures reasonably designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

**Section 6.5 Maintenance of Property; Insurance.** (a) Maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations (including hazard and business interruption insurance) and (b) cause, in the case of each property or casualty insurance policy, as requested by the Administrative Agent, to be endorsed to the benefit of the Administrative Agent (including, without limitation, by naming the Administrative Agent as lender loss payee and/or additional insured). If the Borrower or any other Credit Party shall fail to maintain insurance in accordance with this Section 6.5, or if the Borrower or any other Credit Party shall fail to so endorse and deliver all policies or certificates with respect thereto, the Administrative Agent shall have the right (but shall be under no obligation) to procure such insurance and the Borrower agrees to reimburse the Administrative Agent for all reasonable costs and expenses of procuring such insurance.

**Section 6.6 Inspection of Property; Books and Records; Discussions.** (a) Keep proper books of records and account in which full, true and correct (in all material respects) entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) upon reasonable prior notice, permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and, accompanied by one or more officers or designees of the Borrower if requested by the Borrower, with their independent certified public accountants; provided that excluding any such visits and inspections during the continuation of an Event of Default (x) only the Administrative Agent, acting individually or on behalf of the Lenders may exercise rights under this Section 6.6 and (y) the Administrative Agent shall not exercise rights under this Section 6.6 more often than one time during any calendar year.

**Section 6.7 Notices.** Promptly give notice to the Administrative Agent, on behalf of each Lender, of:

- (a) the occurrence of any Default or Event of Default;
- (b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;
- (c) any litigation or proceeding affecting any Group Member which relates to any Loan Document;
- (d) (i) as soon as reasonably possible upon becoming aware of the occurrence of or forthcoming occurrence of any material ERISA Event, a written notice specifying the nature thereof, what action the Borrower, any of the other Group Members or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the IRS, the Department of Labor or the PBGC with respect

thereto; and (ii) with reasonable promptness, upon the Administrative Agent's reasonable request, copies of (1) each Schedule SB (Actuarial Information) to the annual report (Form 5500 Series) filed by the Borrower, any of the other Group Members or any of their respective ERISA Affiliates with the IRS with respect to each Pension Plan; (2) all notices received by the Borrower, any of the other Group Members or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning a material ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any Plan or Pension Plan as the Administrative Agent shall reasonably request; and

(e) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

**Section 6.8 Environmental Laws.** Comply with, and use reasonable efforts to ensure compliance by all tenants, subtenants, contractors, subcontractors, and invitees, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and use reasonable efforts to ensure that all tenants, subtenants, contractors, subcontractors, and invitees, obtain and comply with and maintain, any and all Environmental Permits. It being understood that any noncompliance with this Section 6.8 shall be deemed not to constitute a breach of this covenant provided that, such noncompliance with Environmental Laws, individually or in the aggregate, could not reasonably be expected to give rise to a Material Adverse Effect. Promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been timely and properly taken in good faith, and provided that the pendency of any and all such appeals could not reasonably be expected to give rise to a Material Adverse Effect.

**Section 6.9 Additional Collateral, etc.**

(a) With respect to any property acquired after the Closing Date by any Credit Party (other than (v) any real property, (w) any property described in Sections 6.9(c) or (d) below, (x) any property subject to a Lien expressly permitted by Section 7.2(g), (y) while the ABL Facility is outstanding, any ABL Priority Collateral as to which the Administrative Agent determines, in its reasonable discretion and in consultation with the Borrower, that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby) and (z) any Excluded Property (as defined in the Guarantee and Collateral Agreement) or other property (other than, while the ABL Facility is outstanding, ABL Priority Collateral) as to which the ABL Agent determines, in its reasonable discretion and in consultation with the Borrower, that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest in such property with the priority required by the Intercreditor Agreement, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) Additional Domestic Subsidiaries. With respect to any new Domestic Subsidiary (other than any Excluded Subsidiary) created or acquired after the Closing Date by any Credit Party (which, for the purposes of this Section 6.9(b), shall include any (1) existing Subsidiary that becomes a Domestic Subsidiary that is not an Excluded Subsidiary and (2) any existing Domestic Subsidiary that ceases to be an Excluded Subsidiary) within 45 days after the creation or acquisition of such new Domestic Subsidiary (or such later date as the Administrative Agent shall agree to in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest with the priority required by the Intercreditor Agreement in the Capital Stock of such new Subsidiary that is owned by any Credit Party, (ii) subject to the Intercreditor Agreement, deliver to the Administrative Agent the certificates (if any) representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Credit Party, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions necessary or reasonably advisable to grant to the Administrative Agent for the benefit of the Secured Parties a perfected security interest with the priority required by the Intercreditor Agreement in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and (C) subject to the Intercreditor Agreement, to deliver to the Administrative Agent a certificate of such Subsidiary substantially in the form of Exhibit I with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) Additional Foreign Subsidiaries. With respect to any new CFC Holding Company or Foreign Subsidiary created or acquired after the Closing Date by any Credit Party (which, for the purposes of this Section 6.9(c), shall include any existing Subsidiary that becomes a CFC Holding Company or a Foreign Subsidiary), within 60 days after the creation or acquisition of such new CFC Holding Company or Foreign Subsidiary (or such later date as the Administrative Agent shall agree to in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest with the priority required by the Intercreditor Agreement in the Capital Stock of such CFC Holding Company or Foreign Subsidiary that is owned by any such Credit Party (provided that in no event shall more than 65% of the total outstanding voting Capital Stock of any such CFC Holding Company or Foreign Subsidiary be required to be so pledged), (ii) subject to the Intercreditor Agreement, deliver to the Administrative Agent the certificates representing such pledged Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Credit Party and take such other action as the Administrative Agent deems necessary or reasonably advisable to perfect the Administrative Agent's security interest therein.

(d) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no Loan Document shall grant the Secured Parties a security interest in any fee-owned or leased real property.

**Section 6.10 Deposit Account Control Agreements.** With respect to any new Deposit Account that is not an Excluded Account opened by a Credit Party after the Closing Date or any

Excluded Account that ceases to be an Excluded Account, within sixty (60) days of such event (or such later date as agreed by the Administrative Agent in its sole discretion), deliver to the Administrative Agent any Deposit Account control agreement required to be delivered pursuant to the Guarantee and Collateral Agreement, in each case, in form and substance reasonably satisfactory to the Administrative Agent.

**Section 6.11 Farm Credit Equity.** So long as any Farm Credit Lender is a Lender hereunder, each Borrower will (a) maintain its status as an entity eligible to borrow from such Farm Credit Lender and (b) acquire equity in such Farm Credit Lender in such amounts and at such times as such Farm Credit Lender may require in accordance with its bylaws and capital plan, as applicable, (as each may be amended from time to time), except that the maximum amount of equity that each Borrower may be required to purchase in each Farm Credit Lender in connection with the Loans made by such Farm Credit Lender may not exceed the maximum amount permitted by such Farm Credit Lender's bylaws and the capital plan, as applicable, at the time this Agreement is entered into. Each Borrower acknowledges receipt of a copy of (i) each Farm Credit Lender's most recent annual report, and if more recent, its latest quarterly report, (ii) each Farm Credit Lender's Notice to Prospective Stockholders (or other applicable notice document) and (iii) each Farm Credit Lender's bylaws and capital plan, as applicable (and, if applicable, any related loan or membership application), which describe the nature of all of each Borrower's stock and other equities in each Farm Credit Lender required in connection with its patronage loan from the Farm Credit Lenders as well as capitalization requirements (the "Farm Credit Equities"), and agrees to be bound by the terms thereof.

**Section 6.12 Post-Closing Matters.** Execute and deliver the documents and complete the tasks set forth on Schedule 6.12, in each case within the time limits specified on such schedule.

## ARTICLE VII. NEGATIVE COVENANTS

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash and the Aggregate Commitments terminated, the Credit Parties will not, and will not permit any of their respective Subsidiaries to, directly or indirectly:

**Section 7.1 Indebtedness.** Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

- (a) Indebtedness in respect of the Obligations of any Group Member under or secured by this Agreement;
- (b) Indebtedness incurred under or secured by the ABL Facility, the principal amount of loans and letters of credit thereunder (exclusive of any banking services obligations secured thereby) shall not exceed an aggregate principal amount of \$375,000,000 at any time outstanding (and, with the consent of the Administrative Agent (not to be unreasonably withheld or delayed) any Permitted Refinancing Indebtedness thereof; provided that any such Permitted Refinancing Indebtedness is subject to the Intercreditor Agreement);
- (c) Indebtedness of the Borrower or any Subsidiary owing to the Borrower or any Subsidiary; provided that (x) any Indebtedness of any Credit Party shall be unsecured and shall be subordinated in right of payment to the Obligations on terms customary for intercompany subordinated Indebtedness, as reasonably determined by the Administrative Agent, (y) any such Indebtedness owing to any Credit Party shall be evidenced by a promissory note which shall have

been pledged pursuant to the Guarantee and Collateral Agreement and (z) any such Indebtedness owing by any Subsidiary that is not a Credit Party to any Credit Party shall be incurred in compliance with Section 7.6;

(d) Guarantee Obligations incurred by any Group Member of obligations of any Group Member to the extent such obligations are not prohibited hereunder; provided that (i) to the extent any such obligations are subordinated to the Obligations, any such related Guarantee Obligations incurred by a Credit Party shall be subordinated to the guarantee of such Credit Party of the Obligations on terms no less favorable to the Lenders than the subordination provisions of the obligations to which such Guarantee Obligation relates and (ii) any Guarantee Obligations incurred by any Credit Party of obligations of a Subsidiary that is not a Credit Party shall be permitted to the extent incurred in compliance with Section 7.6;

(e) Indebtedness outstanding on the Closing Date and listed on Schedule 7.1 and any Permitted Refinancing Indebtedness in respect thereof;

(f) Indebtedness (including Capital Lease Obligations) and Attributable Indebtedness (which Attributable Indebtedness arises out of a sale and leaseback transaction permitted under Section 7.10) secured by Liens permitted by Section 7.2(g) in an aggregate principal amount not to exceed at any one time outstanding the greater of (i) \$75,000,000 and (ii) 5% of Consolidated Net Tangible Assets (as of the date incurred);

(g) Indebtedness representing deferred compensation to employees or directors of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(h) Indebtedness incurred in the ordinary course of business or that is consistent with past practice and owed in respect of any netting services, overdrafts and related liabilities arising from treasury, depository, credit or debit card, purchase card or other cash management services or in connection with any automated clearing-house transfers of funds, in each case that does not constitute Indebtedness for borrowed money;

(i) Indebtedness arising under any Swap Agreement permitted by Section 7.10;

(j) Indebtedness (other than Indebtedness for borrowed money) that may be deemed to exist pursuant to any guarantees, warranty or contractual service obligations, performance, surety, statutory, appeal, bid, prepayment guarantee, payment (other than payment of Indebtedness) or completion of performance guarantees or similar obligations incurred in the ordinary course of business;

(k) Indebtedness in respect of workers' compensation claims, payment obligations in connection with health, disability or other types of social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations, in each case in the ordinary course of business;

(l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, so long as such Indebtedness is covered or extinguished within five Business Days;

(m) Indebtedness consisting of (i) the financing of insurance premiums or self-insurance obligations or (ii) take-or-pay obligations contained in supply or similar agreements in each case in the ordinary course of business;

(n) Indebtedness in the form of purchase price adjustments (including in respect of working capital), earnouts, deferred compensation, indemnification or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with any Acquisitions or other Investments permitted under Section 7.6 or Dispositions permitted under Section 7.4 (other than Dispositions permitted under Section 7.4(m));

(o) Indebtedness of the Borrower in respect of the 2028 Notes in an aggregate principal amount at any time outstanding not to exceed \$275,000,000 and any Permitted Refinancing Indebtedness in respect thereof;

(p) Indebtedness of the Borrower or any of its Subsidiaries arising out of any Permitted Supply Chain Financing;

(q) Indebtedness of the Borrower and its Subsidiaries so long as (x) ~~neither the Acquisition Leverage Restricted Period nor~~ a Restricted Period is not currently in place and (y)

(A) the aggregate principal amount of such Indebtedness does not exceed \$30,000,000 (the "Permitted Pari Passu Indebtedness") or

(B) such Indebtedness is Subordinated Indebtedness and, with respect to any such Subordinated Indebtedness under this clause (y)

(B) greater than or equal to \$100,000,000, the Borrower has delivered to the Administrative Agent evidence that, on a Pro Forma Basis after giving effect to such Subordinated Indebtedness, the Consolidated Leverage Ratio shall be less than or equal to 3.50 to 1.00 for the fiscal quarter during which such Subordinated Indebtedness is incurred and for the succeeding four fiscal quarter period;

(r) Guarantee Obligations incurred by any Group Member of obligations of any Joint Venture or Subsidiary that is not a Credit Party to the extent permitted under Section 7.6; and

(s) Indebtedness arising under the membership agreement entered into by the Borrower with any Farm Credit Lender in connection with the Borrower's obligation to acquire equity in any such Farm Credit Lender pursuant to Section 6.11.

For purposes of determining compliance with this Section 7.1, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses

(a) through (s) above, other than Indebtedness described in clause (q) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such item of Indebtedness in a manner that complies with this Section 7.1 and will only be required to include the amount and type of such Indebtedness (or any portion thereof) in one or more of the above clauses; provided that all Indebtedness outstanding under the Loan Documents and ABL Facility and, in each case, any Permitted Refinancing Indebtedness in respect thereof, will at all times be deemed to be outstanding in reliance only on the exception in Section 7.1(a) and Section 7.1(b), respectively.

For the avoidance of doubt, a permitted refinancing in respect of Indebtedness incurred pursuant to a Dollar-denominated or Consolidated Net Tangible Assets-governed basket shall not increase capacity to incur Indebtedness under such Dollar-denominated or Consolidated Net Tangible Assets-governed basket, and such Dollar-denominated or Consolidated Net Tangible Assets-governed



basket shall be deemed to continue to be utilized by the amount of the original Indebtedness incurred unless and until the Indebtedness incurred to effect such permitted refinancing is no longer outstanding.

**Section 7.2 Liens.** Create, incur, assume or suffer to exist, any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for Taxes not yet due or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, to the extent required by GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 60 days or that are being contested in good faith by appropriate proceedings;

(c) pledges, deposits or similar Liens in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) (i) deposits to secure (x) the performance of bids, supplier and other trade contracts (including government contracts) (other than for borrowed money), leases, statutory obligations (other than for borrowed money and other than any such obligation imposed pursuant to Section 430(k) of the Code or Sections 303(k) or 4068 of ERISA) and (y) surety and appeal bonds, performance bonds and other obligations of a like nature, in each case (with respect to clauses (x) and (y)) incurred in the ordinary course of business and (ii) Liens on cash earnest money deposits in connection with any letter of intent or purchase agreement permitted under this Agreement;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the Closing Date listed on Schedule 7.2, securing Indebtedness permitted by Section 7.1(e); provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased (other than, in the case of Permitted Refinancing Indebtedness, by any Additional Permitted Amount);

(g) Liens securing Indebtedness of any Group Member incurred pursuant to Section 7.1(f) to finance the acquisition of fixed or capital assets or any sale and leaseback transaction (and any Permitted Refinancing Indebtedness in respect thereof); provided that (i) such Liens shall be created within 180 days of the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and the proceeds and products thereof and (iii) the amount of Indebtedness secured thereby is not increased; provided further that in the event that purchase money obligations are owed to any Person with respect to financing of more than one purchase of any fixed or capital assets, such Liens may secure all such purchase money obligations and may apply to all such fixed or capital assets financed by such Person;

(h) (i) Liens on the Collateral created pursuant to the Security Documents (or any Non-ABL Security Documents (as defined in the Intercreditor Agreement)), (ii) Liens on cash

granted in favor of any Lenders created as a result of any requirement to provide cash collateral pursuant to this Agreement and (iii) Liens created by the ABL Documents (as defined in the Intercreditor Agreement) or securing the ABL Facility and any Permitted Refinancing Indebtedness in respect thereof, provided that the Liens on the Collateral securing any such Indebtedness shall be (a) with respect to the Non-ABL Priority Collateral, junior to the Liens on the Collateral securing the Obligations and (b) subject to the Intercreditor Agreement;

(i) any interest or title of a licensor or lessor under any lease or license entered into by any Group Member in the ordinary course of its business and covering only the assets so leased;

(j) Liens solely on any cash earnest money deposits made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement relating to an Acquisition permitted hereunder;

(k) Liens in favor of any Credit Party so long as (in the case of any Lien granted by a Credit Party) such Liens are junior to the Liens created pursuant to the Security Documents;

(l) Liens arising from filing Uniform Commercial Code or personal property security financing statements (or substantially equivalent filings outside of the United States) regarding leases;

(m) any option or other agreement to purchase any asset of any Group Member, the purchase, sale or other disposition of which is not prohibited by [Section 7.4](#);

(n) Liens arising from the rendering of an interim or final judgment or order against any Group Member that does not give rise to an Event of Default;

(o) Liens existing on any asset prior to the Acquisition thereof by the Borrower or any Subsidiary or existing on any asset of any Person that becomes a Subsidiary (or of any Person not previously a Subsidiary that is merged or consolidated with or into a Subsidiary in a transaction permitted hereunder) after the Closing Date prior to the time such Person becomes a Subsidiary (or is so merged or consolidated) to the extent the Liens on such assets secure Indebtedness permitted by [Section 7.1\(c\)](#); provided that (i) such Liens are not created in contemplation of or in connection with such Acquisition or such Person becoming a Subsidiary (or such merger or consolidation) and (ii) such Liens attach at all times only to the same assets or category of assets that such Liens (other than after acquired property that is affixed or incorporated into the property covered by such Lien) attached to, and secure only the same Indebtedness or obligations (or any Permitted Refinancing Indebtedness in respect thereof permitted by [Section 7.1](#)) that such Liens secured, immediately prior to such Acquisition;

(p) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any other Subsidiary in the ordinary course of business and permitted by this Agreement;

(q) non-exclusive licenses, sublicenses, leases and subleases of Intellectual Property of any Group Member in the ordinary course of business;

(r) Liens encumbering reasonable and customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes;

(s) 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;

(t) Liens on premium refunds granted in favor of insurance companies (or their financing affiliates) in connection with the financing of insurance premiums;

(u) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by the Borrower or any Subsidiary in excess of those required by applicable banking regulations;

(v) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.6 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 by Section 7.4, 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;

(w) Liens on any Receivables and Related Assets (i) granted to the provider of any Permitted A/R Finance Transaction or (ii) that arise or may be deemed to arise pursuant to any Permitted Supply Chain Financing;

(x) Liens not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to all Group Members) the greater of (i) \$100,000,000 or 7.5% of Consolidated Net Tangible Assets (as of the date incurred);

(y) Liens on property purportedly rented to, or leased by, the Borrower or any of its Subsidiaries pursuant to a sale and leaseback transaction permitted under Section 7.9; provided that (i) such Liens do not encumber any other property of the Borrower or its Subsidiaries and  
(ii) such Liens secure only Indebtedness permitted under Section 7.1;

(z) Liens on cash to secure commodity Swap Obligations in an amount not to exceed \$25,000,000 in the aggregate at any one time outstanding;

(aa) Liens on Farm Credit Equities as described in Section 6.11;

(bb) Liens arising in connection with any Tax Incentive Transaction; provided, that, such Liens are subordinated to the Liens of the Administrative Agent on the Collateral securing the Obligations on terms reasonably acceptable to the Administrative Agent; and

(cc) Liens securing any Permitted Pari Passu Indebtedness, which Liens may be *pari passu* with the Liens on the Collateral created pursuant to the Security Documents pursuant to an intercreditor agreement reasonably acceptable to the Administrative Agent.

For purposes of determining compliance with this Section 7.2, in the event that a Lien securing an item of Indebtedness (or any portion thereof) meets the criteria for more than one of the categories of Liens described in clauses (a) through (aa) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such Lien in a manner that complies with this Section 7.2 and will only be required to include the amount and type of such Lien in one or more of the above clauses; provided that all Liens securing Indebtedness outstanding under the Loan Documents and the ABL Credit Agreement, and, in each case, any Permitted Refinancing Indebtedness thereof, will at all times be deemed to be outstanding in reliance only on the exception in Section 7.2(h).

**Section 7.3 Fundamental Changes.** Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any other Subsidiary (provided, that when any Subsidiary of the Borrower is merging with or into another Subsidiary Guarantor, such Subsidiary Guarantor shall be the continuing or surviving corporation or the continuing or surviving corporation shall, substantially simultaneously with such merger or consolidation, become a Subsidiary Guarantor);

(b) any Subsidiary may merge, consolidate or amalgamate with any other Person (other than the Borrower) in order to effect an Investment permitted pursuant to Section 7.6; provided that if such Subsidiary is a Subsidiary Guarantor the continuing or surviving Person shall be a Subsidiary Guarantor;

(c) any Subsidiary of the Borrower may Dispose of any or all of its assets (i) to the Borrower or any Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.4; and

(d) any Subsidiary of the Borrower that is not a Subsidiary Guarantor may (i) dispose of any or all or substantially all of its assets to any Group Member (upon voluntary liquidation or otherwise) or (ii) liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Administrative Agent or the Lenders.

**Section 7.4 Disposition of Property.** Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of surplus, outdated, obsolete or worn out, or no longer used or useable property (other than accounts receivable or inventory) in the ordinary course of business;

(b) Dispositions of inventory, cash and Cash Equivalents in the ordinary course of business;

(c) Dispositions permitted by Section 7.3(c)(i) or Section 7.3(d)(i);

(d) the sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor;

(e) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business consistent with past practice and not as part of any accounts receivables financing transaction;

(f) Dispositions of assets (including as a result of like-kind exchanges) to the extent that (i) such assets are exchanged for credit (on a fair market value basis) against the purchase price of similar or replacement assets or (ii) such asset is Disposed of for fair market value and the proceeds of such Disposition are promptly applied to the purchase price of similar or replacement assets;

(g) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any Group Member;

(h) non-exclusive licenses or sublicenses of intellectual property in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary;

(i) the lapse, abandonment, cancellation, non-renewal or discontinuance of use or maintenance of non-material intellectual property or rights relating thereto that the Borrower determines in its reasonable judgment to be desirable to the conduct of its business and not materially disadvantageous to the interests of the Lenders;

(j) licenses, leases or subleases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Subsidiary;

(k) Dispositions to any Group Member; provided that any such Disposition involving a Subsidiary that is not a Subsidiary Guarantor shall be made in compliance with Sections 7.7 and 7.9;

(l) (i) Dispositions of assets to the extent that such Disposition constitutes an Investment referred to in and permitted by Section 7.6, (ii) Dispositions of assets to the extent that such Disposition constitute a Restricted Payment referred to in and permitted by Section 7.5, and (iii) sale and leaseback transactions permitted under Section 7.9;

(m) Dispositions of Receivables and Related Assets in Permitted A/R Finance Transactions; and

(n) other Dispositions of (i) assets (including Capital Stock) and/or (ii) Inventory in connection with the sale of a plant facility permitted by this Section 7.4 in an aggregate amount not to exceed \$30,000,000; provided that (A) in each case, such Disposition shall be for fair market value, (B) at least 75% of the total consideration for any such Disposition in excess of the greater of (x) \$30,000,000 and (y) 2.5% of Consolidated Net Tangible Assets received by the Borrower and its Subsidiaries shall be in the form of cash or Cash Equivalents and Designated Non-Cash Consideration, (C) no Event of Default then exists or would result from such Disposition (except if such Disposition is made pursuant to an agreement entered into at a time when no Event of Default exists), and (D) the requirements of Section 2.11(b), to the extent applicable, are complied with in connection therewith; provided, however, that for purposes of clause (B) above, the following shall be deemed to be cash: (I) any liabilities (other than liabilities that are by their terms subordinated to the Obligations) of the Borrower or any

Subsidiary (as shown on such Person's most recent balance sheet (or in the notes thereto), or if the incurrence of such liability took place after the date of such balance sheet, that would have been shown on such balance sheet or in the notes thereto, as determined in good faith by the Borrower) that are (i) assumed by the transferee of any such assets and for which the Borrower and/or its Subsidiaries have been validly released by all relevant creditors in writing or (ii) otherwise cancelled or terminated in connection with such Disposition, (II) any securities received by the Borrower or such Subsidiary from such transferee that are converted by the Borrower or such Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in the conversion) within 180 days following the closing of the applicable Disposition and (III) any Designated Non-Cash Consideration received by the Borrower or any of its Subsidiaries in such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this Section 7.4(n) that is at that time outstanding, not to exceed the greater of (1) \$60,000,000 and (2) 4% of Consolidated Net Tangible Assets (as of the date of such disposition (or, at the Borrower's election, as of the date of entry into a binding agreement with respect to such Disposition)) (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); and

(o) other Dispositions of operating segments, business units, divisions, lines of business, or the assets or Capital Stock of any Subsidiary of the Borrower which individually may comprise an operating segment, business unit, division or line of business, division, and with respect to which the Board of Directors of the Borrower has determined are no longer strategic or core to the Borrower's business (taken as a whole), in an aggregate sales price for each such Disposition or related series of Dispositions not to exceed \$75,000,000 (exclusive of any earnout consideration payable in connection therewith); provided that no more than two (2) such Dispositions or series of related Dispositions may be consummated prior to the Maturity Date;

(p) the surrender or waiver of contract rights in the ordinary course of business or the surrender or waiver of litigation claims or the settlement, release or surrender of tort or litigation claims of any kind;

(q) the transfer of improvements or alterations in connection with any lease of property upon the termination thereof;

(r) any Restricted Payment permitted by Section 7.5 or Investment permitted by Section 7.6;

(s) the termination of a lease of real or personal property; and

(t) Dispositions arising in connection with any Tax Incentive Transaction.

**Section 7.5 Restricted Payments.** Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) any Subsidiary may make Restricted Payments ratably to its equity holders (or if not ratably, on a basis more favorable to the Borrower and the other Credit Parties);

(b) so long as no Event of Default shall have occurred and be continuing, the Borrower may purchase its common stock or common stock options from present or former officers or employees of any Group Member upon the death, disability or termination of employment of such officer or employee, provided, that the aggregate amount of payments under this Section 7.5(b) after the Closing Date (net of any proceeds received by the Borrower after the Closing Date in connection with resales of any common stock or common stock options so purchased) shall not exceed \$5,000,000;

(c) the Borrower may declare and pay dividends with respect to its Capital Stock payable solely in shares of Qualified Capital Stock;

(d) the Borrower may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in the Borrower in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock in the Borrower;

(e) the Borrower may acquire its Capital Stock upon the exercise of stock options for such Capital Stock of the Borrower if such Capital Stock represents a portion of the exercise price of such stock options or in connection with tax withholding obligations arising in connection with the exercise of options by, or the vesting of restricted Capital Stock or similar equity awards held by, any current or former director, officer or employee of any Group Member;

(f) the Borrower may convert or exchange any of its Capital Stock for or into Qualified Capital Stock;

(g) the Borrower may declare and pay dividends and make other Restricted Payments related to offsetting the dilution of share issuances related to employee programs; and

( h )

\_\_\_\_\_ - make any other Restricted Payments in an aggregate amount not to exceed (i) so long as neither the Acquisition Leverage Restricted Period nor is in place at the time such Restricted Payment is made, an unlimited amount, and (ii) if a Restricted Period is in place; provided, that, if the Acquisition Leverage Restricted Period is not in place but a Restricted Period is in place, then no more than \$15,000,000 of at the time such Restricted Payment is made, (A) with respect to Restricted Payments may be made in any used to make Specified Share Repurchases after the First Amendment Effective Date, the lesser of (x) \$75,000,000 and (y) the aggregate amount of Specified Share Repurchases duly authorized by the board of directors of the Borrower on October 31, 2024 (in the case of this clause (y), as reduced by the amount of any Specified Share Repurchases that have already been made pursuant to such board of director

s authorization prior to such Restricted Period being in place) and (B) with respect to Restricted Payments, \$15,000,000 per Fiscal Year ~~(it being provided that it is~~ understood and agreed that it shall not constitute a breach of this ~~Section 7.5~~ clause (h)(ii)(B) if, prior to a Restricted Period being in place during any Fiscal Year, the Borrower shall have made more than \$15,000,000 of Restricted Payments).

**Section 7.6 Investments.** Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any other



Person (all of the foregoing, "Investments") or ~~for~~ solely for purposes of Section 7.6(rq), Capital Expenditure (other than non-financed Capital Expenditures), except:

- (a) extensions of trade credit in the ordinary course of business;
- (b) investments in cash and Cash Equivalents;
- (c) Guarantee Obligations of any Group Member in respect of Indebtedness or other obligations not prohibited by this Agreement;
- (d) loans and advances to directors, officers and employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for the Borrower and its Subsidiaries not to exceed \$5,000,000 at any one time outstanding;
- (e) Investments made by any Group Member to another Group Member; provided that Investments by any Credit Party in a Subsidiary that is not a Credit Party shall not exceed \$10,000,000 at any one time outstanding;
- (f) promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 7.4;
- (g) Investments acquired as a result of the purchase or other acquisition by any Group Member in connection with an Acquisition otherwise permitted pursuant to this Section 7.6; provided, that such Investments were not made in contemplation of such Acquisition and were in existence at the time of such Acquisition;
- (h) Investments existing on the Closing Date and set forth on Schedule 7.6 and any modification, refinancing, renewal, refunding, replacement or extension thereof; provided that the amount of any Investment permitted pursuant to this Section 7.6(h) is not increased from the amount of such Investment on the Closing Date;
- (i) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;
- (j) Investments of a Subsidiary acquired after the Closing Date or of a corporation merged into the Borrower or merged or consolidated with any Subsidiary, in each case in accordance with Section 7.3 after the Closing Date, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;
- (k) guarantees by the Borrower or any Subsidiary of leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;
- (l) Investments made to effect the pledges and deposits described in, and permitted under, Section 7.2;
- (m) Investments by the Borrower or any Subsidiary that result solely from the receipt by the Borrower or such Subsidiary from any of its Subsidiaries of a dividend or other Restricted

Payment in the form of Capital Stock, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereto);

(n) mergers and consolidations permitted under Section 7.3 that do not involve any Person other than the Borrower and Subsidiaries that are Wholly-Owned Subsidiaries;

(o) Investments constituting the extension of credit made to any purchaser of Receivables and Related Assets in connection with any Permitted A/R Finance Transaction relating to the balance of the purchase price payable therefor by such purchaser;

(p) Investments by the Borrower in Farm Credit Lenders in connection with the Borrower's obligation to acquire Farm Credit Equities pursuant to Section 6.11; and

(q) other Investments (including Acquisitions) and Capital Expenditures; ~~provided, that, (i) if and for so long as the Acquisition Leverage Restricted Period is in place, the Borrower and its Subsidiaries shall not make additional Investments or Capital Expenditures (other than non-financed Capital Expenditures) in an aggregate amount for such Capital Expenditures in excess of \$180,000,000 during any Fiscal Year and (ii) if~~ and for so long as a Restricted Period is in place, the Borrower and its Subsidiaries shall not make additional Investments or Capital Expenditures (other than non-financed Capital Expenditures) if the aggregate amount of all such Investments and such Capital Expenditures made prior to such Restricted Period going into effect plus the aggregate amount of such additional Investments and such additional Capital Expenditures made after such Restricted Period goes into effect would exceed \$185,000,000 in the aggregate in any Fiscal Year in which such Restricted Period is in effect.

For the avoidance of doubt, the Augusta Mill Acquisition is permitted hereunder.

**Section 7.7 Optional Payments of Certain Subordinated Debt Instruments.** Make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to any Indebtedness incurred pursuant to Section 7.1(q)(y)(B) except to the extent permitted by the applicable subordination agreement.

**Section 7.8 Transactions with Affiliates.** Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than (x) transactions between or among the Credit Parties and (y) transactions between or among the Borrower and its Subsidiaries consistent with past practices and made in the ordinary course of business) unless such transaction is (a) otherwise permitted under this Agreement and (b) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate as determined in good faith by the board of directors of the Borrower; provided that the foregoing restriction in clause (b) shall not apply to (i) transactions permitted under Section 7.5; (ii) the payment of customary directors' fees and indemnification and reimbursement of expenses to directors, officers or employees; (iii) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's Board of Directors; (iv) employment, retention, severance and similar arrangements (including equity or equity based incentive plans, stock ownership plans, compensation or incentive plans and arrangements and employee benefit plans and arrangements) and indemnification arrangements entered into in the ordinary course of business between the Borrower or any Subsidiary and any employee, officer or director thereof; (v) intercompany transactions undertaken in good faith (as certified by a Responsible Officer) for the purpose of improving the consolidated tax efficiency of the Group Members; (vi) Investments permitted by Section 7.6(d); (vii) payment of

customary fees and reasonable out of pocket costs to, and indemnities for the benefit of, directors, officers and employees of the Borrower and its Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of the Borrower and its Subsidiaries; and (viii) transactions disclosed in the Borrower's SEC filings made prior to the Closing Date.

**Section 7.9 Sales and Leasebacks.** Except in connection with any Tax Incentive Transaction, enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member, unless (a) the Disposition of the property subject to such transaction is permitted by Section 7.4 and the Borrower or the applicable Subsidiary would be entitled to incur Liens with respect to such transaction pursuant to Section 7.2 and Indebtedness in an amount equal to the Attributable Indebtedness with respect to such transaction pursuant to Section 7.1 and (b) the Net Cash Proceeds received by the applicable Group Member in connection with such transaction are at least equal to the fair market value (as determined by the board of directors of the Borrower or a member of the senior management of the Borrower) of such property; provided that the aggregate amount of consideration paid to the Group Members (and the aggregate principal amount of any Attributable Indebtedness) in respect of transactions permitted under this Section 7.9 shall not exceed the greater of (i) \$75,000,000 and (ii) 5% of Consolidated Net Tangible Assets (as of the date of consummation of such arrangement).

**Section 7.10 Swap Agreements.** Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Group Member has actual exposure (other than those in respect of Capital Stock), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Group Member and (c) Swap Agreements in existence as of the Closing Date and reflected in the Borrower's filings with the SEC.

**Section 7.11 Changes in Fiscal Periods.** Change Borrower's fiscal year end or change the Borrower's method of determining fiscal quarters (without the consent of the Administrative Agent) except as permitted by GAAP and recommended by Borrower's auditors or required by GAAP.

**Section 7.12 Negative Pledge Clauses.** Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired to secure its obligations under the Loan Documents to which it is a party other than (a) (i) this Agreement, the other Loan Documents, the 2028 Notes and the ABL Facility, (ii) agreements related to other Indebtedness permitted by this Agreement to the extent that encumbrances or restrictions imposed by such other Indebtedness are not more restrictive on the Credit Party or any of its applicable Subsidiaries than the encumbrances and restrictions contained in this Agreement as determined by the chief executive officer or the chief financial officer of the Borrower in good faith and (iii) any agreement governing any Permitted Refinancing Indebtedness in respect of the Loans, the 2028 Notes or the ABL Facility, in each case, with respect to this clause (iii), so long as any such agreement is not more restrictive than the Loan Documents, the Loan Documents (as defined in the ABL Facility) or the documents governing the Indebtedness being refinanced, as applicable, (b) any agreements governing any purchase money Liens, Attributable Indebtedness or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) any agreement in effect at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such prohibition or limitation applies only to such Subsidiary (and, if applicable, its Subsidiaries) and such agreement was not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, as such

agreement may be amended, restated, supplemented, modified, extended, renewed or replaced, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction contemplated by this Section 7.12 contained therein, (d) customary provisions restricting assignments, subletting, sublicensing, pledging or other transfers contained in leases, subleases, licenses or sublicenses, so long as such restrictions are limited to the property or assets subject to such leases, subleases, licenses or sublicenses, as the case may be, (e) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets pending such sale; provided that such restrictions or conditions apply only to the Subsidiary or assets that is to be sold and such sale is permitted hereunder, (f) restrictions imposed by applicable law or regulation or license requirements; (g) customary provisions restricting assignment of any agreement, which provisions are entered into in the ordinary course of business; (h) any customary restriction pursuant to any document, agreement or instrument governing or relating to any Lien permitted under Section 7.2 and (i) customary provisions contained in joint venture agreements, shareholder agreements and other similar agreements applicable to joint ventures permitted hereunder and applicable solely to such joint venture (and its assets or Capital Stock issued by such Person) entered into in the ordinary course of business.

**Section 7.13 Lines of Business.** Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Group Members were engaged on the Closing Date or that are reasonably related, ancillary or complementary thereto.

**Section 7.14 Use of Proceeds.** Request any Loan, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent that such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or a European Union member state or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

**Section 7.15 Clauses Restricting Subsidiary Distributions.** Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or pay any Indebtedness owed to, any Group Member, (b) make loans or advances to, or other Investments in, any Group Member or (c) transfer any of its assets to any Group Member, except for (i) any encumbrances or restrictions existing under (A) this Agreement, the other Loan Documents, the 2028 Notes and the Loan Documents (as defined in the ABL Facility), (B) any agreement governing Indebtedness incurred pursuant to Section 7.1 so long as such encumbrance or restriction is customary in agreements governing Indebtedness of such type and is no more restrictive than the Loan Documents or (C) any agreement governing Permitted Refinancing Indebtedness in respect of the Loans, the ABL Facility or any other Indebtedness incurred pursuant to Section 7.1, in each case so long as any such agreement is not more restrictive than the Loan Documents, the Loan Documents (as defined in the ABL Facility) or the documents governing the Indebtedness being refinanced, as applicable, (ii) any encumbrances or restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) any encumbrance or restriction applicable to a Subsidiary (and, if applicable, its Subsidiaries) under any agreement of such Subsidiary in effect at the time such Person becomes a Subsidiary of the Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Subsidiary of the Borrower, as such agreement may be amended, restated, supplemented, modified extended renewed or replaced, so long as such amendment, restatement,

supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction contemplated by this Section 7.15 contained therein, (iv) customary provisions restricting assignments, subletting, sublicensing, pledging or other transfers contained in leases, subleases, licenses or sublicenses, so long as such restrictions are limited to the property or assets subject to such leases, subleases, licenses or sublicenses, as the case may be, (v) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets pending such sale, provided that such restrictions or conditions apply only to the Subsidiary or assets that is to be sold and such sale is permitted hereunder, (vi) restrictions of the nature referred to in clause (c) above under the agreements governing purchase money liens, Attributable Indebtedness or Capital Lease Obligations otherwise permitted hereby, which restrictions are only effective against the assets financed thereby, (vii) any applicable law, rule or regulation (including applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances), (viii) agreements related to other Indebtedness permitted by this Agreement to the extent that encumbrances or restrictions imposed by such other Indebtedness (x) are (A) customary for financing arrangements of their type or (B) not, when taken as a whole, materially more restrictive on the Credit Party or any of its applicable Subsidiaries than the restrictions contained in this Agreement as determined by the chief executive officer or the chief financial officer of the Borrower in good faith and (y) will not materially affect the Credit Parties' ability to satisfy their obligations hereunder or under the other Loan Documents, or (ix) customary provisions contained in joint venture agreements, shareholder agreements and other similar agreements applicable to joint ventures permitted hereunder and applicable solely to such joint venture (and its assets or Capital Stock issued by such Person) entered into in the ordinary course of business.

**Section 7.16 Organizational Documents.** Change its name or jurisdiction of organization without providing written notice to the Administrative Agent within 15 days after such change (or such shorter period of time as agreed to by the Administrative Agent).

**Section 7.17 ~~Financial Covenants~~[Reserved].**

(           a           )

~~Consolidated Leverage Ratio. During the Acquisition Leverage Restricted Period, permit the Consolidated Leverage Ratio as of the end of each fiscal quarter, for the then Applicable Reference Period, to be greater than (x) commencing with the first fiscal quarter ending at least fifteen (15) months after the Closing Date and until the fiscal quarter ending immediately prior to the first fiscal quarter ending at least twenty-four (24) months after the Closing Date, 4.50 to 1.00 and (y) commencing with the first fiscal quarter ending at least twenty-four (24) months after the Closing Date and thereafter, 4.00 to 1.00.~~

(           b           )

~~Current Ratio. During the Acquisition Leverage Restricted Period and commencing with the first fiscal quarter ending at least fifteen (15) months after the Closing Date, permit the Current Ratio of the Borrower and its Subsidiaries as of the end of each fiscal quarter to be less than 1.25 to 1.00.~~

(	e
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~~Debt to Capitalization Ratio. Solely with respect to the Commercial Bank Term Loan Facility and only until such time as the Commercial Bank Term Loan Facility is repaid in full (other than contingent obligations for which no claim has been asserted), permit the Debt to Capitalization Ratio as of the end of each fiscal quarter, for the then Applicable Reference Period, to be greater than (x) commencing with the first fiscal quarter ending after the Closing Date and until the fiscal quarter ending immediately prior to the first fiscal quarter ending at least twenty-four (24) months after the Closing Date, 70%, (y) commencing with the first fiscal quarter ending at least twenty-four (24) months after the Closing Date and until the fiscal quarter ending immediately prior to the first fiscal quarter ending at least forty-eight (48) months after~~

~~the Closing Date, 65%, and (z) commencing with the first fiscal quarter ending at least forty-eight (48) months after the Closing Date and thereafter, 60%.~~

## ARTICLE VIII. DEFAULT AND REMEDIES

### Section 8.1 Events of Default. Each of the following shall constitute an Event of Default:

(a) the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Credit Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Credit Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to the Borrower only), Section 6.7(a) or Section 7 of this Agreement or Section 5.13 of the Guarantee and Collateral Agreement; ~~provided, that, a default in the observance or performance of the covenant contained in Section 7.17(c) shall result in an Event of Default under the Farm Credit Facilities; or~~ or

(d) [reserved]; or

(e) any Credit Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in clauses (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; or

(f) any Credit Party or any Subsidiary thereof shall (i) default in the payment of any Material Indebtedness (including the ABL Facility) for borrowed money (other than the Loans), beyond the period of grace if any, provided in the instrument or agreement under which such Material Indebtedness for borrowed money was created, or (ii) default in the observance or performance of any other agreement or condition relating to any such Material Indebtedness (including the ABL Facility) for borrowed money (other than the Loans) contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Material Indebtedness for borrowed money (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice and/or lapse of time, if required, any such Material Indebtedness for borrowed money to become due prior to its stated maturity (any applicable grace period having expired); or

(g) (i) any Group Member shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy,

insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization,



arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) or any Group Member shall make a general assignment for the benefit of its creditors; or

(h) (i) an ERISA Event and/or a Foreign Plan Event shall have occurred; (ii) a trustee shall be appointed by a United States district court to administer any Pension Plan; (iii) the PBGC shall institute proceedings to terminate any Pension Plan; (iv) any Group Member or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner; or (v) any other event or condition shall occur or exist with respect to a Plan, a Foreign Benefit Arrangement, or a Foreign Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect; or

(i) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not disputed coverage) of \$75,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, satisfied, stayed or bonded, as applicable, pending appeal within 30 days from the entry thereof; or

(j) any of the Security Documents or the Intercreditor Agreement shall cease, for any reason, to be in full force and effect (other than pursuant to the terms hereof or the Intercreditor Agreement, respectively), or any Credit Party or any Affiliate of any Credit Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby (and, for the avoidance of doubt, as required by the Intercreditor Agreement), except to the extent that such cessation results from the failure of the Administrative Agent to maintain possession of certificates representing securities pledged or to file continuation statements under the Uniform Commercial Code of any applicable jurisdiction; or

(k) the guarantee contained in Article II of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Credit Party shall so assert; or

(l) the subordination provisions contained in any Subordinated Indebtedness with an aggregate principal amount in excess of \$30,000,000 shall cease, for any reason, to be in full force and effect, or any Credit Party or any Subsidiary of any Credit Party shall so assert; or

(m) a Change of Control shall occur.

**Section 8.2 Remedies.** Upon the occurrence and during the continuance of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, take one or more of the following actions:

(a) ~~Acceleration; Termination of Credit Facilities~~ Acceleration; Termination of Credit Facilities. Terminate the Aggregate Commitments and declare the principal of and interest on the Loans at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents and all other Obligations, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Credit ~~Facilities~~ Facility and any right of the Borrower to request borrowings thereunder; provided that, upon the occurrence of an Event of Default specified in Section 8.1(h) or (i), the Credit ~~Facilities~~ Facility shall be automatically terminated and all Obligations shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding.

(b) **General Remedies.** Exercise on behalf of the Secured Parties all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Obligations.

**Section 8.3 Rights and Remedies Cumulative; Non-Waiver; etc.**

(a) The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrower, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

(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 Credit 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 in accordance with Section 8.2 for the benefit of all the Lenders; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (ii) any Lender from

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exercising setoff rights in accordance with Section 10.4 (subject to the terms of Section 3.6), or (iii) 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 Credit Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.2 and (y) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to Section 3.6, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

**Section 8.4 Crediting of Payments and Proceeds.** In the event that the Obligations have been terminated pursuant to Section 8.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Obligations and all net proceeds from the enforcement of the Obligations shall, subject to the Intercreditor Agreement, be applied by the Administrative Agent as follows:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

**Section 8.5 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 Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) 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 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 and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 3.3 and 10.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender 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 to pay to the Administrative Agent any amount due for the reasonable

compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 3.3 and 10.3.

**Section 8.6 Credit Bidding.**

(a) The Administrative Agent, on behalf of itself and the Secured Parties, shall have the right to credit bid and purchase for the benefit of the Administrative Agent and the Secured Parties all or any portion of Collateral at any sale thereof conducted by the Administrative Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Administrative Agent (whether by judicial action or otherwise) in accordance with Applicable Law. Such credit bid or purchase may be completed through one or more acquisition vehicles formed by the Administrative Agent to make such credit bid or purchase and, in connection therewith, the Administrative Agent is authorized, on behalf of itself and the other Secured Parties, to adopt documents providing for the governance of the acquisition vehicle or vehicles, and assign the applicable Obligations to any such acquisition vehicle in exchange for Capital Stock and/or debt issued by the applicable acquisition vehicle (which shall be deemed to be held for the ratable account of the applicable Secured Parties on the basis of the Obligations so assigned by each Secured Party).

**Section 8.7 Lender Action.** Each Lender hereby agrees, on behalf of itself and each of its Affiliates that is a Secured Party, that, except as otherwise provided in any Loan Document or with the written consent of the Administrative Agent and the Required Lenders, it will not take any enforcement action, accelerate obligations under any of the Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar dispositions of Collateral.

**Section 8.8 Intercreditor Agreement.** Each of the Lenders from time to time party to this Agreement hereby confirms and reaffirms the irrevocable authority of the Administrative Agent to execute, deliver and act on its behalf in respect of the Intercreditor Agreement, and each duly executed supplement, modification, amendment, restatement or extension thereto. Each Lender agrees to be bound by the terms and provisions of the Intercreditor Agreement. With respect to any requirement herein or in any other Loan Document for any Credit Party to deliver originals of certificated Capital Stock, instruments, or similar documents constituting ABL Priority Collateral, such requirements shall be deemed satisfied to the extent the requirements to deliver the same in accordance with the Intercreditor Agreement are in effect and are satisfied by such Credit Party. Solely with respect to ABL Priority Collateral, to the extent that any covenants, representations or warranties set forth in this Agreement or any other Loan Document are untrue or incorrect solely as a result of the delivery to or grant of possession or control to, the agent or settlement trust, as applicable, under the ABL Facility in accordance with this Section 8.8, such representation or warranty shall not be deemed to be untrue or incorrect for purposes of this Agreement or such other Loan Document. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Lender hereby agree that no Lender shall have any right individually to enforce the Intercreditor Agreement, it being agreed that all powers, rights and remedies under the Intercreditor Agreement may be exercised solely by the Administrative Agent for the benefit of the Lenders in accordance with the terms thereof. THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS IS SUBJECT TO THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND THE

INTERCREDITOR AGREEMENT, THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

## ARTICLE IX.

### THE ADMINISTRATIVE AGENT

#### Section 9.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints AgWest 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. Except for consent rights of the Borrower set forth in Section 9.6 and 9.9, the provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any Subsidiary thereof shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto (including to enter into additional Loan Documents or supplements to existing Loan Documents on behalf of the Secured Parties). The Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to this Article IX for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security 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 Articles IX and X (including Section 10.3, 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.

**Section 9.2 Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

#### Section 9.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) 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;

(ii) 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 the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) 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 Borrower or any of its Subsidiaries or Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) 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 Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.2 and Section 8.2) or (ii) in the absence of its own bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction by final nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower or a Lender.

(c) The Administrative Agent shall not 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 (v) 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.

(d) Neither the Administrative Agent nor any of its Related Parties shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions of this Agreement relating to Disqualified Lenders. 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 Lender or (ii) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

**Section 9.4 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 that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**Section 9.5 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facilities ~~Facility~~ as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with bad faith, gross negligence or willful misconduct in the selection of such sub-agents.

**Section 9.6 Resignation of Administrative Agent**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower and subject to the consent of the Borrower (provided no Event of Default has occurred and is continuing at the time of such resignation), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, by notice in writing to the Borrower and such Person, remove such Person as



Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.3 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

**Section 9.7 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

**Section 9.8 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the syndication agents, documentation agents, co-agents, arrangers or bookrunners 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 or a Lender hereunder.

**Section 9.9 Collateral and Guaranty Matters.**

(a) Each of the Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

(i) to release any Lien on any Collateral granted to or held by the Administrative Agent, for the ratable benefit of the Secured Parties, under any Loan Document (A) upon the termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Loan Documents (which release may, at the request of the Borrower, be in the form of an authorization by the Administrative Agent to permit a Credit Party to dispose of such Collateral free of the security interest granted to or held by the Administrative Agent for purposes of UCC 9-315), or (C) if approved, authorized or ratified in writing in accordance with Section 10.2;

(ii) to subordinate any Lien on any Collateral granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien permitted pursuant to Section 7.2; and

(iii) to release (A) any Credit Party from its obligations under any Loan Documents upon the termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations) or (B) a Subsidiary Guarantor from its obligations under the Loan Documents if such Person ceases to be a Subsidiary of the Borrower, as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent or Borrower at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guarantee and Collateral Agreement pursuant to this Section 9.9. In each case as specified in this Section 9.9, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Subsidiary Guarantor from its obligations under the Guarantee and Collateral Agreement, in each case in accordance with the terms of the Loan Documents and this Section 9.9. In the case of any such sale, transfer or disposal of any property constituting Collateral in a transaction constituting a Disposition permitted pursuant to Section 7.4, the Liens created by any of the Security Documents on such property shall be automatically released without need for further action by any person.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

**Section 9.10 Recovery of Erroneous Payments.** Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders 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"): (1) the Borrower has not in fact made such payment, (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed), or (3) the Administrative Agent has for any reason otherwise erroneously made such payment, then each of the applicable Lenders severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this Section 9.10 shall be conclusive, absent manifest error. The Borrower and each Lender 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.

## ARTICLE X. MISCELLANEOUS

### Section 10.1 Notices.

(a) Notices Generally. Except as provided in Section 10.1(b) below, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows:

If to the Borrower:

Clearwater Paper Corporation 601 West Riverside, Suite 1100  
Spokane, WA 99201  
Attention of: Heidi Blair, VP, Treasurer Facsimile No.: 509-444-9793  
E-mail: heidi.blair@clearwaterpaper.com

With copies to:

Pillsbury Winthrop Shaw Pittman LLP 4 Embarcadero Center  
San Francisco, CA 94111  
Attention of: Philip J. Tandler, Esq. Facsimile No.: 415-983-1200  
E-mail: philip.tandler@pillsburylaw.com

If to AgWest, as Administrative Agent:

AgWest Farm Credit, PCA 2001 S. Flint Road

PO Box 2515  
Spokane, WA 99220-2515 Attention of: Ryan Stipe Telephone No.: (206)  
691-2016  
Facsimile No.: (509) 340-5625  
E-mail: ryan.stipe@agwestfc.com

With copies to:

AgWest Farm Credit, PCA 2001 S. Flint Road  
PO Box 2515  
Spokane, WA 99220-2515 Attention of: Capital Markets Telephone No.:  
(800) 255-1789  
Facsimile No.: (509) 340-5300  
E-mail: nwfcscapitalmarkets@northwestfcs.com If to any Lender:  
To the address set forth on the Register

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in Section 10.1(b) below, shall be effective as provided in said Section 10.1(b).

(b) Electronic Communications. Notices and other communications to the Administrative Agent and the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function (provided however that with respect to notices to any Credit Party, any acknowledgement automatically generated by any party's e-mail system shall not be deemed a notice of receipt), return e-mail or other written acknowledgement) and (ii) notices and other communications posted to an Internet or intranet website shall be deemed received by the intended recipient 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 address or other written acknowledgement) indicating 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, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Administrative Agent's Office. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrower and Lenders, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed.

(d) Change of Address, Etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(e) Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Credit Party's or the Administrative Agent's transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or 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 nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Agent Party.

(f) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices purportedly given by the proper Person or Persons by or on behalf of any Credit 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 Credit Parties shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Credit Party (other than losses, costs, expenses and liabilities resulting from the bad faith, gross negligence or willful misconduct of any such Person or such Person's Related Parties). All 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 10.2 Amendments, Waivers and Consents.** Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and

delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower; provided that no amendment, waiver or consent shall:

(a) without the prior written consent of the Required ~~Term-Revolver~~ Lenders, amend, modify or waive Section 4.2 or any other provision of this Agreement if the effect of such amendment, modification or waiver is to require the ~~Term-Revolver~~ Lenders (pursuant to, in the case of any such amendment to a provision hereof other than Section 4.2, any substantially concurrent request by the Borrower for a borrowing of Loans) to make Loans when such Lenders would not otherwise be required to do so;

(b) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.2) or the amount of Loans of any Lender, in any case, without the written consent of such Lender;

(c) waive, extend or postpone any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document or extend the expiration date for any Commitment, in each case without the written consent of each Lender directly and adversely affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan (for the avoidance of doubt, other than pursuant to Section 3.1(e)), or (subject to clause (ii) of the proviso set forth in the paragraph below) any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby; provided that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay interest at the rate set forth in Section 3.1(b) during the continuance of an Event of Default;

(e) change Section 3.6 or Section 8.4 in a manner that would alter the pro rata sharing of payments or order of application required thereby without the written consent of each Lender directly and adversely affected thereby;

(f) \_\_\_\_\_ except as otherwise permitted by this Section 10.2 change any provision of this Section or reduce the percentages specified in the definition of "Required ~~Lenders~~"; "~~Required Commercial Bank Term Loan Facility Lenders~~"; "~~Required Farm Credit Facilities Lenders~~"; "~~Required Term Loan Facilities Lenders~~"; "~~Required Term-Revolver Lenders~~" or any other provision hereof specifying the number or percentage of Lenders or Voting Participants required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or Voting Participants directly affected thereby;

(g) consent to the assignment or transfer by any Credit Party of such Credit Party's rights and obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 7.3), in each case, without the written consent of each Lender;

(h) release (i) all of the Subsidiary Guarantors or (ii) Subsidiary Guarantors comprising substantially all of the credit support for the Obligations, in any case, from any guaranty agreement (other than as authorized in Section 9.9), without the written consent of each Lender; or

(i) release all or substantially all of the Collateral or release any Security Document (other than as authorized in Section 9.9 or as otherwise specifically permitted or contemplated in this Agreement or the applicable Security Document) without the written consent of each Lender; ~~or~~

(j) ~~amend, modify or waive Section 7.17(c), including any default thereunder, (and any related definitions and provisions) without the written consent of the Required Commercial Bank Term Loan Facility Lenders; or~~

(k) ~~amend, modify or waive the proviso of Section 8.1(c), including any related definitions and provisions, without the written consent of the Required Farm Credit Facilities Lenders;~~

provided further, that (i) 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 the Administrative Agent under this Agreement or any other Loan Document; (ii) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto and (iii) the Administrative Agent and the Borrower shall be permitted to amend any provision of the Loan Documents (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature in any such provision. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

With respect to any matter requiring the approval of each Lender, each Lender directly and adversely affected thereby or other specified Lenders, it is understood that Voting Participants shall have the voting rights specified in Section 10.8(d) as to such matter.

### **Section 10.3 Expenses; Indemnity.**

(a) Costs and Expenses. The Borrower and any other Credit Party, jointly and severally, shall pay within 30 days of written demand therefor all reasonable and documented out-of-pocket costs and expenses (including reasonable and documented fees, charges and disbursements of one primary counsel for the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in each applicable jurisdiction), incurred by it in connection with the syndication/participation of the Credit ~~Facilities~~Facility and the negotiation, drafting, execution, delivery and/or administration of this Agreement and the other Loan Documents, with statements with respect to the foregoing to be submitted to the Borrower at least three Business Days prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate. In addition, the Borrower shall be obligated to reimburse the Administrative Agent and each Lender for its reasonable and documented out-of-pocket costs and expenses (including reasonable and documented fees, charges and disbursements of counsel) incurred in connection with enforcement or protection of its rights under this

Agreement and the other Loan Documents or incurred during any workout, restructuring or negotiations in respect of the Loans made hereunder.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each



Indemnitor harmless from, and shall pay or reimburse any such Indemnitor within 30 days of written demand therefor (accompanied by reasonable supporting documentation) for, any and all losses, claims (including any Environmental Claims), penalties, damages, liabilities and related expenses (including the reasonable and documented fees, charges and disbursements of one primary counsel, and, if reasonably necessary, one local counsel in each relevant jurisdiction for the Indemnitors, taken as a whole and in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to each affected Indemnitor), incurred by any Indemnitor or asserted against any Indemnitor by any Person (including the Borrower or any other Credit Party), arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby (including the Transactions), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party or any Subsidiary thereof, or any Environmental Claim related in any way to any Credit Party or any Subsidiary, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party or any Subsidiary thereof, and regardless of whether any Indemnitor is a party thereto, or (v) any claim (including any Environmental Claims), investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with the Loans, this Agreement, any other Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby, including reasonable and documented attorneys and consultant's fees, provided that such indemnity shall not, as to any Indemnitor, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitor (or of any such Indemnitor's affiliates, officers, directors, employees, agents, advisors or controlling persons), (B) result from a claim brought by any Credit Party or any Subsidiary thereof against an Indemnitor for material breach of such Indemnitor's obligations hereunder or under any other Loan Document, if such Credit Party or such Subsidiary has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (C) relate to any disputes or proceedings that are brought by an Indemnitor against any other Indemnitor (other than any claims against any agent or arranger in its respective capacity or fulfilling its role as an agent or arranger or any similar role hereunder) to the extent such disputes do not arise from any act or omission on the part of any Credit Party or its Affiliates. This Section 10.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 10.3(a) or (b) to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the aggregate Total Credit Exposures of all Lenders at such time, or if the aggregate Total Credit Exposures have been reduced to zero, then based on such Lender's share of the aggregate Total Credit Exposures of all Lenders immediately prior to such reduction) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided, that the unreimbursed expense or indemnified loss, claim, damage, liability or

related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this Section 10.3(c) are subject to the provisions of Section 3.7.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, (i) the Borrower and each other Credit Party shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof and (ii) the Administrative Agent, ~~any~~the Arranger and each Lender shall not assert, and hereby waives, any claim against any Credit Party or any Subsidiary or any Affiliate thereof, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in Section 10.3(b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby except to the extent such damages are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee. Notwithstanding the foregoing, nothing in this Section 10.3(d) shall limit the Credit Parties' indemnification obligations to the extent set forth in this Agreement relating to claims of special, indirect, consequential or punitive damages sought by third parties against an Indemnitee.

(e) Payments. All amounts due under this Section shall be payable within 30 days after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

**Section 10.4 Right of Setoff.** Subject to Section 3.6 and Section 8.4, if an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender to or for the credit or the account of the Borrower or any other Credit Party against any and all of the obligations of the Borrower or such Credit 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 Borrower or such Credit 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 3.14, 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 under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

**Section 10.5 Governing Law; Jurisdiction, Etc.**

(a) Governing Law. This Agreement and the other Loan Documents 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 Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each of the parties hereto, on behalf of itself and its respective Affiliates irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Waiver of Venue. Each of the parties hereto, on behalf of itself and its respective Affiliates 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 Section 10.5(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

**Section 10.6 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 10.7 Reversal of Payments.** To the extent any Credit Party makes a payment or payments to the Administrative Agent for the ratable benefit of the Lenders or the Administrative Agent receives any payment or proceeds of the Collateral which payments or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent.

**Section 10.8 Successors and Assigns; Participations.**

(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 neither the Borrower nor any other Credit Party may 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 Section 10.8(b), (ii) by way of participation in accordance with the provisions of Section 10.8(d) or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.8(e) (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 Section 10.8(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that, in each case with respect to any Credit Facility, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the assigning Lender's entire Commitment and all such Lender's Loans, contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in Section 10.8(b)(i)(B) in the aggregate or an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in Section 10.8(b)(i)(A) above, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if there is no unused Commitment or such Commitment has expired or terminated, the principal outstanding balance of the

Loans of the assigning Lender, in each case, 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 ~~(x) \$5,000,000~~ with respect to assignments of Term Revolver Commitments ~~or (y) \$1,000,000 with respect to assignments of outstanding Loans under a Term Loan Facility~~, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that the Borrower shall be deemed to have given its consent five Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such fifth Business Day;

(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 Loan or the Commitment assigned, except that this Section 10.8(b)(ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate classes on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.8(b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; and provided further, that, solely with respect to the Borrower's ability to reasonably withhold consent to an assignment under ~~a Farm~~the Credit Facility to a Lender because such Lender is not a Farm Credit Lender (it being understood and agreed that the Borrower may have another basis for reasonably withholding consent to such assignment), (A) if AgWest has not delivered a Transfer Certificate to the Borrower, then the Borrower may withhold its consent to such assignment in its sole discretion (and in such case, the Borrower shall be deemed to have acted reasonably), and (B) if AgWest has delivered a Transfer Certificate to the Borrower at least five Business Days prior to any such proposed assignment, then the Borrower may not withhold its consent to such assignment (and any such withholding of consent shall be deemed unreasonable); and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Credit Facility if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or, an Approved Fund with respect to such Lender.

(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 for each assignment; provided

that (A) only one such fee will be payable in connection with simultaneous assignments to two or more related Approved Funds by a Lender and (B) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. Notwithstanding anything to the contrary herein, no such assignment shall be made to (A) the Borrower or any of its Subsidiaries or Affiliates, (B) 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) any Disqualified Lender, or (D) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person). Each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee. In no event shall the Administrative Agent be obligated to ascertain, monitor or inquire as to whether any prospective assignee is an Eligible Assignee or have any liability with respect to any assignment made to a Disqualified Lender or any other Person that is not an Eligible Assignee.

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested, but not funded by, the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its 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 Section 10.8(b)(vi), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(vii) Disqualified Lenders. The list of Disqualified Lenders (i) shall be made available to the Lenders by posting on IntraLinks/IntraAgency or another relevant 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) and (ii) shall be provided to any Lender upon request by such Lender to the Administrative Agent. A Lender may provide the list of Disqualified Lenders to any potential assignee or participant on a confidential basis in accordance with Section 10.9 hereof for the purpose of verifying whether such Person is a Disqualified Lender.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.8(c), 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 3.8, 3.9, 3.10, 3.11 and 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph 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 Section 10.8(d) (other than a purported assignment to a natural Person or the Borrower or any of the Borrower's Subsidiaries or Affiliates, which shall be null and void.)

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (but only to the extent of entries in the Register that are applicable to such Lender), at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Eligible Assignee (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.3(c) with respect to any payments made by such Lender to its Participant(s).

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, subject to the paragraph below regarding the rights of Voting Participants, to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 10.2(b), (c) or (d) that directly and adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.9, 3.10 and 3.11 (subject to the requirements and limitations therein, including the requirements under Section 3.11(g) (it being understood that the documentation required under Section 3.11(g) shall be delivered to the participating 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; provided that such Participant (A) agrees to be subject to the provisions of Section 3.12 as if it were an assignee under subsection (b) of this Section;



and (B) shall not be entitled to receive any greater payment under Sections 3.10 or 3.11, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.12(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 3.6 as though it were a Lender (in each case, with any terms applicable to any Defaulting Lender read to apply with respect to any Defaulting Voting Participant). For the avoidance of doubt, (a) the sale by any Lender of a participation to any Participant (whether a Voting Participant or otherwise) shall not relieve such Lender of any obligation hereunder and

(b) no Voting Participant or other Participant shall have any contractual privity with the Borrower or any Credit Party, or be entitled to directly enforce or direct the Administrative Agent to enforce any of the terms under the Loan Documents, other than such rights that are expressly conferred on a "Participant" as set forth in this Agreement.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts of (and stated interest on) each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

Notwithstanding the paragraph above, any Participant that is a Farm Credit Lender that

(i) has purchased a participation in a minimum amount of \$10,000,000, (ii) has been designated as a voting participant (a "Voting Participant") in a written notice (a "Voting Participant Notice") sent by the selling Lender (including any existing Voting Participant) to the Administrative Agent and the Borrower and (iii) receives, prior to becoming a Voting Participant, the consent of the Administrative Agent and the Borrower (such consent to be required only to the extent and under the circumstances it would be required if such Voting Participant were to become a Lender pursuant to an assignment in accordance with Section 10.8(b) and such consent is not required for an assignment to an existing Voting Participant), shall be entitled to vote as if such Voting Participant were a Lender on all matters subject to a vote by Lenders, and the voting rights of the selling Lender shall be correspondingly reduced, on a dollar-for-dollar basis. Each Voting Participant Notice shall include, with respect to each Voting Participant, the information that would be included by a prospective Lender in an Assignment and Assumption. Notwithstanding the foregoing, each Farm Credit Lender that has purchased a participation and has been designated as a Voting Participant in Schedule 10.8(d) as of the ~~Closing~~First Amendment Effective Date shall be a Voting Participant. The selling Lender (including any existing Voting Participant) and the purchasing Voting Participant shall notify the Administrative Agent and the Borrower within three Business Days of any termination, reduction or increase of the amount of, such participation. The Administrative Agent shall be entitled to conclusively rely on information contained in Voting Participant Notices and all other notices delivered pursuant hereto. The voting rights of each

Voting Participant are solely for the benefit of such Voting Participant and shall not inure to any assignee or participant of such Voting Participant that is not itself a Voting Participant.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a 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 Borrower, the Administrative Agent and such Lender.

**Section 10.9 Treatment of Certain Information: Confidentiality.** Each of the Administrative Agent, the Lenders and, by their purchase of a participation, the Voting Participants agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties in connection with the Credit ~~Facilities~~Facility, this Agreement, the transactions contemplated hereby or in connection with marketing of services by such Affiliate or Related Party to the Borrower or any of its Subsidiaries (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential on substantially the same terms as provided herein),

(b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (in which case the Administrative Agent or the applicable Lender shall, except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority, promptly notify the Borrower, in advance, to the extent practicable and lawfully permitted to do so), (c) to the extent required by Applicable Laws pursuant to a subpoena or an order of any court or administrative agency or in any pending legal or administrative proceeding or process (in which case, the Administrative Agent or the applicable Lender shall, to the extent permitted by Applicable Law, inform the Borrower promptly in advance thereof so the Borrower may seek a protective order or take other appropriate action), (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, under any other Loan Document, or any action or proceeding relating to this Agreement, or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (iii) to an investor or prospective investor in an Approved Fund that also agrees that Information shall be used solely for the purpose of evaluating an investment in such Approved Fund, (iv) to a trustee, collateral manager, servicer, backup servicer, noteholder or secured party in an Approved Fund in connection with the administration, servicing and reporting on the assets serving as collateral for an Approved Fund, or (v) to a nationally recognized rating agency that requires access to information regarding the Borrower and its Subsidiaries, the Loans and the Loan Documents in connection with ratings issued with respect to an Approved Fund,

(g) On a confidential basis to (i) with the consent of the Borrower, any rating agency in connection with rating the Borrower or its Subsidiaries or the Credit ~~Facilities~~Facility or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Credit ~~Facilities~~Facility, (h) deal terms and other information customarily reported to Thomson Reuters,

other bank market data collectors and similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of the Loan Documents, (i) 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 the Administrative Agent, any Lender or any of their respective Affiliates from a third party that is not, to such Person's knowledge, subject to confidentiality obligations to the Borrower, (j) to governmental regulatory authorities in connection with any regulatory examination of the Administrative Agent or any Lender or in accordance with the Administrative Agent's or any Lender's regulatory compliance policy if the Administrative Agent or such Lender deems necessary for the mitigation of claims by those authorities against the Administrative Agent or such Lender or any of its subsidiaries or affiliates (in which case, the Administrative Agent or the applicable Lender shall, to the extent permitted by Applicable Law, inform the Borrower promptly in advance thereof so the Borrower may seek a protective order or take other appropriate action), (k) to the extent that such information is independently developed by such Person, or (l) for purposes of establishing a "due diligence" defense. For purposes of this Section, "Information" means all information received from any Credit Party or any Subsidiary thereof relating to any Credit Party or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Credit Party or any Subsidiary thereof. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**Section 10.10 Performance of Duties.** Each of the Credit Party's obligations under this Agreement and each of the other Loan Documents shall be performed by such Credit Party at its sole cost and expense.

**Section 10.11 All Powers Coupled with Interest.** All powers of attorney and other authorizations granted to the Lenders, the Administrative Agent and any Persons designated by the Administrative Agent or any Lender pursuant to any provisions of this Agreement or any of the other Loan Documents shall be deemed coupled with an interest and shall be irrevocable so long as any of the Obligations remain unpaid or unsatisfied, any of the Commitments remain in effect or the Credit ~~Facilities have~~ Facility has not been terminated.

**Section 10.12 Survival.**

(a) All representations and warranties set forth in Article V and all representations and warranties contained in any certificate, or any of the Loan Documents (including any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the Closing Date (except those that are expressly made as of a specific date), shall survive the Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders or any borrowing hereunder.

(b) Notwithstanding any termination of this Agreement, the indemnities to which the Administrative Agent and the Lenders are entitled under the provisions of this Article X and any other provision of this Agreement and the other Loan Documents shall continue in full force and effect and shall protect the Administrative Agent and the Lenders against events arising after such termination as well as before.

**Section 10.13 Titles and Captions.** Titles and captions of Articles, Sections and subsections in, and the table of contents of, this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

**Section 10.14 Severability of Provisions.** Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**Section 10.15 Counterparts; Integration; Effectiveness; Electronic Execution.**

(a) 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, and any separate letter agreements with respect to fees payable to the Administrative Agent and/or the Arranger, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the 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.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 10.1), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Credit Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic Signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Credit Party hereby (A) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Credit Parties,

Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (B) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (C) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (D) waives any claim against any Indemnitee for any Liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any Liabilities arising as a result of the failure of the Borrower and/or any Credit Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**Section 10.16 Term of Agreement.** This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than contingent indemnification obligations not then due) arising hereunder or under any other Loan Document shall have been indefeasibly and irrevocably paid and satisfied in full and the Aggregate Commitments have been terminated. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

**Section 10.17 USA PATRIOT Act.** Each Lender that is subject to the PATRIOT Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of such Credit Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Credit Party in accordance with the PATRIOT Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

**Section 10.18 Independent Effect of Covenants.** The Borrower expressly acknowledges and agrees that each covenant contained in Articles VI or VII hereof shall be given independent effect. Accordingly, the Borrower shall not engage in any transaction or other act otherwise permitted under any covenant contained in Articles VI or VII, before or after giving effect to such transaction or act, the Borrower shall or would be in breach of any other covenant contained in Articles VI or VII.

**Section 10.19 No Advisory or Fiduciary Responsibility.**

(a) In connection with all aspects of each transaction contemplated hereby, each Credit Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that (i) the facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or

of any other Loan Document) are an arm's-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, and the Borrower is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, each of the Administrative Agent, the Arranger and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person, (iii) none of the Administrative Agent, the Arranger or the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether ~~any~~the Arranger or ~~such~~ Lender has advised or is currently advising the Borrower or any of its Affiliates on other matters) and none of the Administrative Agent, the Arranger or the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iv) the Arranger and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Administrative Agent, the Arranger or the Lenders has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Administrative Agent, the Arranger and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

(b) Each Credit Party acknowledges and agrees that each Lender, the Arranger and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrower, any Affiliate thereof or any other person or entity that may do business with or own securities of any of the foregoing, all as if such Lender, Arranger or Affiliate thereof were not a Lender or Arranger or an Affiliate thereof (or an agent or any other person with any similar role under the Credit ~~Facilities~~Facility) and without any duty to account therefor to any other Lender, the Arranger, the Borrower or any Affiliate of the foregoing. Each Lender, the Arranger and any Affiliate thereof may accept fees and other consideration from the Borrower or any Affiliate thereof for services in connection with this Agreement, the Credit ~~Facilities~~Facility or otherwise without having to account for the same to any other Lender, the Arranger, the Borrower or any Affiliate of the foregoing.

**Section 10.20 Inconsistencies with Other Documents.** In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, other than the Intercreditor Agreement (which inconsistencies shall be governed by and be subject to Section 8.8), the terms of this Agreement shall control; provided that any provision of the Security Documents which imposes additional burdens on the Borrower or any of its Subsidiaries or further restricts the rights of the Borrower or any of its Subsidiaries or gives the Administrative Agent or Lenders additional rights shall not be deemed to be in conflict or inconsistent with this Agreement and shall be given full force and effect.

**Section 10.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Solely to the extent any Lender that is an Affected Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement

or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (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 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 entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (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 10.22 Amendment and Restatement.** The parties hereto agree that, on the Closing Date, the following shall be deemed to occur automatically, without further action by any party hereto:

(a) the Existing Credit Agreement shall be deemed to be amended and restated in its entirety pursuant to this Agreement and (b) all references in the other Loan Documents to the Existing Credit Agreement shall be deemed to refer without further amendment to this Agreement ~~and (c) the Existing Fixed Rate Loan under the Existing Credit Agreement shall become a Fixed Rate Loan under this Agreement at the same Fixed Rate and with the same Interest Period as existed under the Existing Credit~~ Agreement. The parties hereto further acknowledge and agree that this Agreement constitutes an amendment to the Existing Credit Agreement made under and in accordance with the terms of Section 10.2 of the Existing Credit Agreement. The parties do not intend this Agreement nor the transactions contemplated hereby to be, and this Agreement and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by the Borrower or any other Credit Party under or in connection with the Existing Credit Agreement or any of the other Loan Documents (as defined in the Existing Credit Agreement).

*[Signature pages ~~to follow~~omitted]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers,  
all as of the day and year first written above.

CLEARWATER PAPER CORPORATION,  
as Borrower

\_\_\_\_\_  
Name: — Title: By:

\_\_\_\_\_

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ADMINISTRATIVE AGENT:

AGWEST FARM CREDIT, PCA, as Administrative Agent

By:  
Name: Title:

COMMERCIAL BANK LENDERS: COOPERATIEVE RABOBANK, NEW YORK  
BRANCH;  
as a Commercial Bank  
Lender By:  
Name: Title:

By:  
Name: Title:

{Others TBD}

FARM CREDIT LENDERS: AGWEST FARM CREDIT, PCA;  
as a Farm Credit  
Lender By:  
Name: Title:

VOTING PARTICIPANTS: COBANK, ACB;

\_\_\_\_\_ as a Voting

Participant By:

Name: — Title:

|  
~~[Other continuing Voting Participants; new VPs do not sign]~~

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13845190v4

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FORM OF NOTICE OF BORROWING

Dated as of: \_\_\_\_

AgWest Farm Credit, PCA, as Administrative Agent

Ladies and Gentlemen:

This irrevocable Notice of Borrowing is delivered to you pursuant to Section 2.2(a) of the Amended and Restated Credit Agreement dated as of May 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Clearwater Paper Corporation, a Delaware corporation (the "Borrower"), the Lenders party thereto and AgWest Farm Credit, PCA, as Administrative Agent. Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

1. The Borrower hereby requests that the Lenders make a Term Revolver Loan to the Borrower in the aggregate principal amount of \$[ ] (the "Applicable Loan(s)").<sup>1</sup>
2. The Borrower hereby requests that such Applicable Loan(s) be made on the following Business Day: <sup>2</sup>
3. The Borrower hereby requests that such Applicable Loan(s) bear interest at the following interest rate, plus the Applicable Margin, as set forth below:

<u>Facility</u>	<u>Component of</u> <u>Applicable Loan</u> <sup>3</sup>	<u>Interest Rate</u>	<u>Interest Period (Term SOFR or Fixed Rate</u> <u>only)</u>
		[SOFR Monthly Variable Base Rate, Fixed Rate or Term SOFR] <sup>4</sup>	

4. The aggregate principal amount of all Loans outstanding as of the date hereof (including the Loan(s) requested herein) does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

<sup>1</sup>Complete with an amount in accordance with Section 2.2 of the Credit Agreement.

<sup>2</sup>Complete within (i) the same Business Day for a SOFR Monthly Variable Base Rate Loan in accordance with Section 2.2(a) of the Credit Agreement (ii) three Business Days for a Term SOFR Loan in accordance with Section 2.2(a) of the Credit Agreement or (iii) as set forth on Schedule 1.1(a) to the Credit Agreement for a Fixed Rate Loan.

<sup>3</sup>Complete with the Dollar amount of that portion of the overall Loan requested that is to bear interest at the selected interest rate and/or Interest Period (e.g., for a \$20,000,000 loan, \$5,000,000 may be requested at SOFR Monthly Variable Base Rate, \$8,000,000 may be requested at Term SOFR with an interest period of three months and \$7,000,000 may be requested at Fixed Rate with an interest period of one year).

<sup>4</sup>Complete with the SOFR Monthly Variable Base Rate, Fixed Rate or Term SOFR.

5 . All of the conditions applicable to the Applicable Loan(s) requested herein as set forth in the Credit Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Applicable Loan.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Borrowing as of the day and year first written above.

CLEARWATER PAPER CORPORATION, as  
Borrower

By: \_\_\_\_\_ Name:  
Title:

[Signature Page to Notice of Borrowing – Clearwater Paper Corporation]

13849568v2

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FORM OF NOTICE OF PREPAYMENT

Dated as of: \_\_\_\_

AgWest Farm Credit, PCA, as Administrative Agent

Ladies and Gentlemen:

This irrevocable Notice of Prepayment is delivered to you pursuant to Section 2.3(d) of the Amended and Restated Credit Agreement dated as of May 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Clearwater Paper Corporation, a Delaware corporation (the "Borrower"), the Lenders party thereto and AgWest Farm Credit, PCA, as Administrative Agent (the "Administrative Agent"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

1. The Borrower hereby provides notice to the Administrative Agent that it shall repay the following [SOFR Monthly Variable Base Rate Loans] [Fixed Rate Loans] and/or [Term SOFR Loans] that are Term Revolver Loans: \_\_\_\_.

2. The Borrower shall repay the above-referenced Loans on the following Business Day: \_\_\_\_\_. (Complete with a date no earlier than (i) the same Business Day as of the date of this Notice of Prepayment (to the extent delivered by 1:00 p.m. Eastern Time), with respect to any SOFR Monthly Variable Base Rate Loan, (ii) three Business Days subsequent to date of this Notice of Prepayment (to the extent delivered by 1:00 p.m. Eastern Time) with respect to any Term SOFR Loan and (iii) as set forth on Schedule 1.1(a) with respect to any Fixed Rate Loan).

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Prepayment as of the day and year first written above.

CLEARWATER PAPER CORPORATION, as  
Borrower

By: \_\_\_\_\_ Name:  
Title:

[Signature Page to Notice of Prepayment – Clearwater Paper Corporation]

13849568v2

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FORM OF NOTICE OF CONVERSION/CONTINUATION

Dated as of: \_\_\_\_

AgWest Farm Credit, PCA, as Administrative Agent

Ladies and Gentlemen:

This irrevocable Notice of Conversion/Continuation (this "Notice") is delivered to you pursuant to Section 3.2 of the Amended and Restated Credit Agreement dated as of May 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Clearwater Paper Corporation, a Delaware corporation (the "Borrower"), the Lenders party thereto and AgWest Farm Credit, PCA, as Administrative Agent (the "Administrative Agent"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

1. This Notice is submitted in connection with Term Revolver Loans and for the purpose of: (Check one and complete applicable information in accordance with the Credit Agreement.)

☐ Converting all or a portion of a SOFR Monthly Variable Base Rate Loan into a TermSOFR Loan or Fixed Rate Loan

Outstanding principal balance: \$ \_\_\_\_

Principal amount to be converted: \$ \_\_\_\_

Requested effective date of conversion: \_\_\_\_

Requested type of Loan (Term SOFR or Fixed Rate) \_\_\_\_

Requested new Interest Period: \_\_\_\_

☐ Converting all or a portion of a Term SOFR Loan into a SOFR Monthly Variable BaseRate Loan or Fixed Rate Loan

Outstanding principal balance: \$ \_\_\_\_

Principal amount to be converted: \$ \_\_\_\_

Requested type of Loan  
(SOFR Monthly Variable Base Rate or Fixed Rate) \_\_\_\_

Last day of the current Interest Period: \_\_\_\_

Requested effective date of conversion: \_\_\_\_

Requested new Interest Period (for Fixed Rate) \_\_\_\_

☐ Converting all or a portion of a Fixed Rate Loan into a SOFR Monthly Variable BaseRate Loan or Term SOFR Loan

Outstanding principal balance: \$\_\_

Principal amount to be converted: \$\_\_

Requested type of Loan  
(SOFR Monthly Variable Base Rate or Term SOFR) \_\_\_\_

Last day of the current Interest Period: \_\_\_\_

Requested effective date of conversion: \_\_\_\_

Requested new Interest Period (for Term SOFR) \_\_\_\_

☐ Continuing all or a portion of a Term SOFR Loan as a Term SOFR Loan

Outstanding principal balance: \$\_\_

Principal amount to be continued: \$\_\_

Last day of the current Interest Period: \_\_\_\_

Requested effective date of continuation: \_\_\_\_

Requested new Interest Period: \_\_\_\_

☐ Continuing all or a portion of a Fixed Rate Loan as a Fixed Rate Loan

Outstanding principal balance: \$\_\_

Principal amount to be continued: \$\_\_

Last day of the current Interest Period: \_\_\_\_

Requested effective date of continuation: \_\_\_\_

Requested new Interest Period: \_\_\_\_

2. The aggregate principal amount of all Loans outstanding as of the date hereof does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Notice of Conversion/Continuation as of the day and year first written above.

CLEARWATER PAPER CORPORATION, as  
Borrower

By: \_\_\_\_\_ Name:  
Title:

[Signature Page to Notice of Conversion/Continuation – Clearwater Paper Corporation]

13849568v2

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FORM OF OFFICER'S COMPLIANCE CERTIFICATE

Dated as of: \_\_\_\_

This certificate is delivered to you pursuant to Section 6.2(a) of the Amended and Restated Credit Agreement dated as of May 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among Clearwater Paper Corporation, a Delaware corporation (the "Borrower"), the Lenders party thereto and AgWest Farm Credit, PCA, as Administrative Agent (the "Administrative Agent"). Capitalized terms used herein and not defined herein shall have the meanings assigned thereto in the Credit Agreement.

The undersigned [Chief Financial Officer]<sup>1</sup> of the Borrower, in such capacity and not in an individual capacity, hereby certifies as follows:

1. I am the duly elected, qualified and acting [Chief Financial Officer] of the Borrower.
2. I have reviewed and am familiar with the contents of this Compliance Certificate.
3. I have reviewed the terms of the Credit Agreement and the Loan Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or Event of Default[, except as set forth below]. To my knowledge, during the accounting period covered by the Financial Statements, each Credit Party has observed or performed all of its covenants and other agreements, and satisfied every condition contained in the Credit Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it.
4. Attached hereto as Attachment 2 is a calculation of the Consolidated Leverage Ratio for the most recent fiscal [year] [quarter].
5. Attached hereto as Attachment 3 is a description of any change in the jurisdiction of organization of any Credit Party, to the extent such information has not previously been disclosed to the Administrative Agent.
6. Attached hereto as Attachment 4 is a list of any material registered Intellectual Property acquired or created by any Credit Party, to the extent such information has not previously been disclosed to the Administrative Agent.
7. Attached hereto as Attachment 5 is a description of any Person that has become a Group Member to the extent such information has not previously been disclosed to the Administrative Agent.

[Signature Page Follows]

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<sup>1</sup> To be one of: Chief Financial Officer, controller, treasurer or assistant treasurer.



IN WITNESS WHEREOF, the undersigned has executed this Officer's Compliance Certificate as of the day and year first written above.

CLEARWATER PAPER CORPORATION, as  
Borrower

By: \_\_\_\_\_ Name:  
Title:

[Attach Financial Statements]

The information described herein is as of \_\_, \_\_, and pertains to the period from  
\_\_, \_\_ to \_\_, \_\_.

[Set forth Calculation of Consolidated Leverage]

The information described herein is as of \_\_, \_\_, and pertains to the period from  
\_\_, \_\_ to \_\_, \_\_.

[Describe any change in the jurisdiction of organization of any Credit Party]

The information described herein is as of \_\_, \_\_, and pertains to the period from  
\_\_, \_\_to \_\_, \_\_.

[List any material registered Intellectual Property acquired or created by any Credit Party]

The information described herein is as of \_\_, \_\_, and pertains to the period from  
\_\_, \_\_ to \_\_, \_\_.

[Describe any Person that became a Group Member]

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [INSERT NAME OF ASSIGNOR] (the "Assignor") and the parties identified on the Schedules hereto and [the] [each]<sup>1</sup> Assignee identified on the Schedules hereto as "Assignee" or as "Assignees" (collectively, the "Assignees" and each, an "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignees][the Assignors]<sup>2</sup> hereunder are several and not joint.]<sup>3</sup> Capitalized terms used but not defined herein shall have the meanings given to them in the Amended and Restated Credit Agreement identified below (as amended, restated, supplements or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by [the] [each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to [the Assignee] [the respective Assignees], and [the] [each] Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned to [the] [any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as, [the] [an] "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

- |                          |  |
|--------------------------|--|
| 1. Assignor:             | <u>[INSERT NAME OF ASSIGNOR]</u>   |
| 2. Assignee(s):          | <u>See Schedules attached hereto</u>   |
| 3. Borrower:             | <u>Clearwater Paper Corporation</u>  |
| 4. Administrative Agent: | <u>AgWest Farm Credit, PCA, as the administrative agent under the Credit Agreement</u>   |
| 5. Credit Agreement:     | <u>The Amended and Restated Credit Agreement dated as of May 1, 2024 by and among Clearwater Paper Corporation, a Delaware corporation</u> |

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<sup>1</sup>For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

<sup>2</sup>Select as appropriate.

<sup>3</sup>Include bracketed language if there are multiple Assignees.

(the "Borrower"), the Lenders party thereto and AgWest Farm Credit, PCA, as Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time)

6. Assigned Interest: See Schedules attached hereto

[7. Trade Date:     ]<sup>4</sup>

[Remainder of Page Intentionally Left Blank]

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<sup>4</sup>To be completed if the Assignor and the Assignees intend that the minimum assignment amount is to be determined as of the Trade Date.



Effective Date: \_\_\_\_, 2. [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR  
[NAME OF ASSIGNOR]

By: \_\_\_\_ Name:  
Title:

ASSIGNEES  
*See Schedules attached hereto*

[Consented to and]<sup>1</sup> Accepted:

AGWEST FARM CREDIT, PCA,  
as Administrative Agent

By:\_\_\_\_\_ Title:

[Consented to:]<sup>2</sup>

Clearwater Paper Corporation as Borrower

By:\_\_\_\_\_ Title:

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<sup>1</sup> To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

<sup>2</sup> To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

**SCHEDULE 1**  
To Assignment and Assumption

By its execution of this Schedule, the Assignee identified on the signature block below agrees to the terms set forth in the attached Assignment and Assumption.

**Assigned Interests:**

Aggregate Amount of Commitment/ Loans for all Lenders <sup>1</sup>	Amount of Commitment/Loans Assigned <sup>2</sup>	Percentage Assigned of Commitment/Loans <sup>3</sup>
\$	\$	%
\$	\$	%
\$	\$	%

[NAME OF ASSIGNEE]<sup>4</sup>  
[and is an Affiliate/Approved Fund of  
[identify Lender]<sup>5</sup>]

By: \_\_\_\_\_

Title:

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<sup>1</sup>Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>2</sup>Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>3</sup>Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

<sup>4</sup>Add additional signature blocks, as needed.

<sup>5</sup>Select as appropriate.

ANNEX 1  
to Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) [the] [such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of Holdings, the Borrower, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by Holdings, the Borrower, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2 Assignee[s]. [The] [Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets the requirements of an Eligible Assignee under the Credit Agreement (subject to such consents, if any, as may be required under Section 10.8(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the] [the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the] [such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the] [such] Assigned Interest, and (vii) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the] [such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the] [any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the] [each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the] [the relevant] Assignor for amounts which have accrued to but excluding the

Effective Date and to [the] [the relevant] Assignee for amounts which have accrued from and after the Effective Date.

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3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

Agreement

**Determination of Fixed Rate Index and Make-Whole Amounts**

Certain capitalized terms used herein have the meanings set forth in clause (d) below. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Agreement.

(a) The relevant Fixed Rate Index, which shall be based on the Rate Pricing Index, shall be the per annum fixed rate of interest quoted by the Administrative Agent to the Borrower, with the approval of the Administrative Agent, each Lender and each Voting Participant and accepted by the Borrower pursuant to the following procedures:

(i) The Borrower shall deliver to the Administrative Agent a notice (a "Fixed Rate Loan Notice") in writing by no later than 2:00 p.m. Eastern time three days prior to the date which the Borrower specifies in such Fixed Rate Loan Notice as the date on which the Fixed Rate Index is to take effect (which may be the Closing Date or the date of any conversion of all or any portion of a Loan from a Term SOFR Rate Loan or a SOFR Monthly Variable Base Loan to a Fixed Rate Loan or to a Fixed Rate Loan with a different Interest Period, the "Effective Date").

(ii) Each Fixed Rate Loan Notice shall specify the proposed Effective Date and the proposed end date for such Fixed Rate Index, which shall be on the corresponding 1-, 3- or 5-year anniversary of the first day of the month following the Effective Date, or the Maturity Date (and in any event not later than the Maturity Date) (such specified date, the "End Date"), as well as the amount of principal to bear interest at such Fixed Rate Index.

(iii) Upon receipt of a Fixed Rate Loan Notice from any Borrower, the Administrative Agent shall provide a quote to the Borrower of the Rate Pricing Index that would apply to the proposed Fixed Rate Loan and, if the Borrower elects to proceed with implementation of such Fixed Rate Loan, then the Borrower and the Administrative Agent shall mutually discuss and agree on the relevant terms applicable to such Fixed Rate Loan, with the final Rate Pricing Index to be confirmed as of the Effective Date.

(iv) At no time shall there be more than five (5) fixed rate segments bearing interest at the Fixed Rate Index at a minimum of \$25,000,000 each at any time outstanding during the life of the Farm Credit Facilities.

(b) If all or any portion of an outstanding Fixed Rate Loan is prepaid or converted to a Term SOFR Rate Loan or to a SOFR Monthly Variable Base Rate Loan or to a Fixed Rate Loan with a different Interest Period prior to the applicable End Date, including after acceleration of such Loan, the Borrower shall pay to the Administrative Agent make-whole costs as set forth in this clause (b) (the "Make-Whole Amount") for the benefit of the Lenders. The amount of any applicable Make-Whole Amount due to each Lender with respect to such prepaid or converted Loan shall be calculated on a mark-to-market basis in five steps as provided below:

1. Compare the Initial Reference Rate and the Final Reference Rate. If the Initial Reference Rate is less than or equal to the Final Reference Rate, the Make-Whole Amount is zero. If the Initial Reference Rate is greater than the Final Reference Rate, complete the following steps to calculate the Make-Whole Amount.

2. Calculate the interest payments which will accrue on the applicable Loan from the Determination Date to the applicable End Date at the Initial Reference Rate (the "Initial Interest Amount").

3. Calculate the interest payments which will accrue on the applicable Loan from the Determination Date to the applicable End Date at the Final Reference Rate (the "Final Interest Amount").

4. Calculate the "Differential Interest Amount" for each interest payment due during the period from the Determination Date to the applicable End Date by subtracting the Final Interest Amount for each such payment from the Initial Interest Amount for such payment.

5. The Make-Whole Amount for each Lender is the sum of the discounted present value of each Differential Interest Amount, discounted at the Final Reference Rate from the date such payment would be due to the Determination Date.

Upon any prepayment pursuant to Section 2.3 of the Credit Agreement or conversion pursuant to Section 3.2 of the Credit Agreement, the Administrative Agent shall notify the Borrower of the amount of the applicable Make-Whole Amount and the Administrative Agent's calculation of the Make-Whole Amount shall be conclusive, absent manifest error.

(c) The Borrower acknowledges that the Make-Whole Amount is not a penalty, does not constitute damages for the Borrower's breach of the Agreement, and does not constitute payment of unmatured interest. Instead, it is a fee payable by the Borrower to the Lenders if all or any portion of a Loan is repaid or converted prior to its scheduled due date. The Borrower acknowledges that the Make-Whole Amount, if applicable, is a reasonable fee and charge of the Lenders and reflects a fair and reasonable return to the Lenders for the consideration advanced to the Borrower in the form of a Fixed Rate Index option for the Loans.

(d) For purposes of this Schedule 1.1(a), the following definitions apply:

"Determination Date" means the date on which a prepayment is made or a Loan is converted and the Make-Whole Amount is calculated.

"Final Reference Rate" means the annualized rate a Lender would allocate for its cost of funds for the period commencing on the Determination Date and ending on the End Date for the applicable Loan using the same methodology as used by the Administrative Agent in quoting the Initial Reference Rate.

"Initial Reference Rate" means the annualized rate used by a Lender commencing on the Effective Date for its cost of funds for the applicable Loan.

"Rate Pricing Index" means AgWest Farm Credit, PCA's cost of funds as determined by AgWest Farm Credit, PCA in its reasonable discretion for obligations with comparable length maturities, adjusted to take into consideration the terms of the loan, the prepayment options and other factors relating to the structure of the loan normally used in AgWest Farm Credit, PCA's determination of appropriate loan pricing, and as established pursuant to procedures and documentation described on this Schedule 1.1(a).



Commitments and Commitment Percentages

Lender	Term Revolver Commitment	Commitment Percentage of Aggregate Term Revolver Commitment
AgWest Farm Credit, PCA	\$270,000,000.00	100.000000000%
Total:	\$270,000,000.00	100.000000000%

**Voting Participant Schedule**

Lender	Voting Participant	Term Revolver Commitment as of the First Amendment Effective Date	Resulting Term Revolver Commitment/ Participation	Resulting Commitment Percentage of Term Revolver Facility
AgWest Farm Credit, PCA	-	\$270,000,000.00	\$120,000,000.00	44.4444444444%
-	CoBank, FCB	-	\$75,000,000.00	27.777777778%
-	AgFirst, FCB	-	\$37,500,000.00	13.888888889%
	Farm Credit East, ACA	-	\$37,500,000.00	13.888888889%
<b>Total</b>		<b>\$270,000,000.00</b>	<b>\$270,000,000.00</b>	<b>100.000000000%</b>

## SECOND AMENDMENT TO ABL CREDIT AGREEMENT

THIS **SECOND AMENDMENT TO ABL CREDIT AGREEMENT** (this "Amendment") is entered into as of April 21, 2022 by Clearwater Paper Corporation, a Delaware corporation (the "Borrower"), each of the undersigned Lenders and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders.

### RECITALS

A. The Borrower, the Administrative Agent and the Lenders are parties to that certain ABL Credit Agreement, dated as of July 26, 2019 (as amended, supplemented or modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have made certain credit available to and on behalf of the Borrower.

B. The Borrower has requested that certain amendments and modifications be made to the Credit Agreement.

C. NOW, THEREFORE, to induce the Administrative Agent and the Lenders party hereto to enter into this Amendment and in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term used herein but not otherwise defined herein has the meaning given such term in the Credit Agreement, as amended by this Amendment. Unless otherwise indicated, all article, exhibit, section and schedule references in this Amendment refer to articles, exhibits, sections and schedules of the Credit Agreement.

Section 2. Amendments to Section 1.1.

1.1. The definition of "Quarterly Borrowing Base Period" is hereby amended and restated as follows:

"Quarterly Borrowing Base Period" means each period beginning on any day the Administrative Agent receives written notice that the Borrower is electing a Quarterly Borrowing Base Period so long as during the prior 90 consecutive calendar days the aggregate Revolving Extensions of Credit shall not have exceeded 15% of the Line Cap, and ending on the first date thereafter on which the aggregate Revolving Extensions of Credit exceed 15% of the Line Cap.

1.2. The definition of "Sanctioned Country" is hereby amended and restated as follows: "Sanctioned Country" means, at any time, a country, region or territory which is itself the

subject or target of any Sanctions (at the time of this Agreement, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

Section 3. Amendment to Section 5.2. Section 5.2(c) is hereby amended and restated as follows:

(c) Borrowing Base Certificate. The Administrative Agent shall have received a completed Borrowing Base Certificate concurrently with the delivery of any Borrowing Request delivered during a Quarterly Borrowing Base Period if immediately after giving pro forma effect

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to such extension of credit, a Quarterly Borrowing Base Period would no longer be in effect as a result of such extension of credit, unless the Borrower has delivered a Borrowing Base Certificate within the 30 calendar days prior to the date specified in the Borrowing Request as the date on which such extension of credit is to be made.

Section 4. Conditions Precedent. This Amendment shall be deemed effective upon the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.1 of the Credit Agreement) (such date, the "Second Amendment Effective Date"):

1.1. Execution and Delivery. The Administrative Agent shall have received from the Loan Parties and Lenders constituting at least the Required Lenders, counterparts (in such number as may be requested by the Administrative Agent) of this Amendment signed on behalf of such Person.

1.2. Payment of Expenses. The Administrative Agent and the Lenders shall have received all amounts due and payable on or prior to the Second Amendment Effective Date, including, to the extent invoiced at least one (1) Business Day prior to the Second Amendment Effective Date, reimbursement or payment of all documented out-of-pocket expenses required to be reimbursed or paid by the Borrower under the Credit Agreement.

1.3. No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing as of the date hereof, after giving effect to the terms of this Amendment.

The Administrative Agent is hereby authorized and directed to declare this Amendment to be effective when it has received documents confirming or certifying, to the satisfaction of the Administrative Agent, compliance with the conditions set forth in this Section 4 or the waiver of such conditions as permitted by Section 10.1 of the Credit Agreement. Such declaration shall be final, conclusive and binding upon all parties to the Credit Agreement for all purposes.

Section 5. Miscellaneous.

1.1. Confirmation. The provisions of the Credit Agreement, as amended by this Amendment, shall remain in full force and effect following the effectiveness of this Amendment.

1.2. Ratification and Affirmation; Representations and Warranties. The Borrower hereby (a) acknowledges the terms of this Amendment; (b) ratifies and affirms its obligations under, and acknowledges, renews and extends its continued liability under, each Loan Document to which it is a party and agrees that each Loan Document to which it is a party remains in full force and effect, except as expressly amended hereby, notwithstanding the amendments contained herein; and (c) represents and warrants to the Lenders that as of the date hereof, after giving effect to the terms of this Amendment: (i) all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects, except to the extent any such representations and warranties are stated to relate solely to an earlier date, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier date (provided that such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality in the Credit Agreement) and (ii) no Default or Event of Default has occurred and is continuing.

1.3. No Waiver; Loan Document. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a



waiver of any provision of any of the Loan Documents. On and after the Second Amendment Effective Date, this Amendment shall for all purposes constitute a Loan Document.

1.4. Counterparts. This Amendment may be executed by one or more of the parties hereto in any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment that is an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record (an "Electronic Signature") transmitted by telecopy, emailed .pdf or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Amendment. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Amendment shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that, without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart (in such number as may be reasonably requested by the Administrative Agent).

1.5. NO ORAL AGREEMENT. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith AND THEREwith REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR UNWRITTEN ORAL AGREEMENTS OF THE PARTIES. AS OF THE DATE OF THIS AMENDMENT, THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

1.6. GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[SIGNATURES BEGIN NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

**BORROWER:    CLEARWATER PAPER CORPORATION**

By: \_\_\_\_\_

Name:

Title:

Signature Page to Second Amendment to ABL Credit Agreement

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**ADMINISTRATIVE AGENT AND LENDER:**

**JPMORGAN CHASE BANK, N.A.**

By: \_\_\_\_

Name:

Title:

Signature Page to Second Amendment to ABL Credit  
Agreement

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**LENDER:**

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION**

By: \_\_\_\_

Name:

Title:

**LENDER:**

**BANK OF AMERICA**

By: \_\_\_\_

Name:

Title:

Signature Page to Second Amendment to ABL Credit  
Agreement

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**LENDER:**

**TD BANK N.A.**

By: \_\_\_\_

Name:

Title:

Signature Page to Second Amendment to ABL Credit  
Agreement

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**LENDER:**

**KEYBANK  
NATIONAL  
ASSOCIATION**

By: \_\_\_\_

Name:

Title:

**LENDER:**

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_

Name:

Title:

CLEARWATER PAPER CORPORATION  
DEFERRED COMPENSATION PLAN FOR DIRECTORS  
Amended and Restated Effective as of December 6, 2019

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CLEARWATER PAPER CORPORATION  
DEFERRED COMPENSATION PLAN FOR DIRECTORS  
Amended and Restated Effective as of December 6, 2019

1. ESTABLISHMENT AND PURPOSE.

(a) The Clearwater Paper Corporation Deferred Compensation Plan for Directors was adopted effective December 16, 2008, by the Board of Directors of Clearwater Paper Corporation to provide Directors of Clearwater Paper Corporation an opportunity to defer payment of their Director's Fees. The Plan is also intended to establish a method of paying Director's Fees, which will assist the Corporation in attracting and retaining persons of outstanding achievement and ability as members of the Board of Directors of the Corporation. The Plan was amended and restated as of December 1, 2017 to modify the valuation and payout procedures for Stock Units upon the termination of a Director's service and to make other clarifying changes. The Plan was further amended and restated as of January 1, 2018 to facilitate the deferral of meeting and chair fees payable in the form of retainers. The Plan is further amended and restated as of December 6, 2019 to facilitate administration of payouts under the Plan.

(b) Deferred Equity-Based Awards, as defined herein, are subject to the terms and conditions of this Plan.

(c) The Plan is intended to comply with the requirements of Section 409A of the Code.

2. DEFINITIONS.

(a) "Affiliate" means any other entity which would be treated as a single employer with the Corporation under Section 414(b) or (c) of the Code.

(b) "Beneficiary" means the person or persons (which may include one or more trusts) designated by the Director to receive payment of the Director's Deferred Compensation Account in the event of the death of the Director.

(c) "Board" and "Board of Directors" means the board of directors of the Corporation.

(d) "Change of Control" shall have the meaning given such term in Section 16.

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

(f) "Committee" means the Nominating and Corporate Governance Committee of the Board.

(g) "Corporation" means Clearwater Paper Corporation, a Delaware corporation.

(h) "Deferred Compensation Account" means the bookkeeping account established pursuant to section 6 on behalf of each Director who elects to participate in the Plan.

- (i) "Deferred Equity-Based Award" means an award of Director compensation payable on a deferred basis in the form of Stock Units under the Plan and without regard to a Director's election to participate and defer Director's Fees under the Plan.
- (j) "Director" means a member of the Board of Directors who is not an employee of the Corporation or any subsidiary thereof.
- (k) "Director's Fees" means the amount of compensation paid by the Corporation to a Director for his or her services as a Director, including an annual retainer, meeting retainer, chair retainer and any additional amount payable for attendance at a Board meeting or any Board committee meeting that is not covered by a retainer. "Director's Fees" shall not include Deferred Equity-Based Awards, or any reimbursement by the Corporation of expenses incurred by a Director incidental to attendance at a Board meeting or a Board committee meeting or of any other expense incurred on behalf of the Corporation.
- (l) "Disability" means the Director is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve months.
- (m) "Distribution" means the distribution by Potlatch Corporation to its stockholders of all of the outstanding shares of the common stock of the Corporation then owned by Potlatch Corporation, pursuant to the Separation and Distribution Agreement between Potlatch Corporation and the Corporation.
- (n) "Dividend Equivalent" means an amount equal to the cash dividend paid on an outstanding share of the Corporation's common stock. Dividend Equivalents shall be credited to Stock Units as if each Stock Unit were an outstanding share of the Corporation's common stock, except that Dividend Equivalents shall also be credited to fractional Stock Units.
- (o) "Plan" means the Clearwater Paper Corporation Deferred Compensation Plan for Directors.
- (p) "Separation from Service" means termination of a Director's service as a non-employee member of the Board consistent with Code Section 409A and the regulations promulgated thereunder. The Plan is intended to be a Plan provided to directors, and in accordance with applicable regulations, a Director shall be treated as having Separation from Service for purposes of this Plan on the later of the date that the Director ceases to serve on the Board of Directors of the Corporation or an Affiliate and the Director is not an independent contractor to the Corporation or an Affiliate. Continued service as an employee of the Corporation or an Affiliate shall not affect whether a Director has incurred a Separation from Service under this Plan.
- (q) "Stock Units" means the deferred portion of Director's Fees, which is converted into units denominated in shares of the Corporation's common stock, and Deferred Equity-Based Awards credited as units denominated in shares of the Corporation's common stock.
- (r) "Value" means, for purposes of Section 6 or 7, the closing price of the Corporation's common stock as reported in the New York Stock Exchange, Inc., composite transactions reports for the applicable Valuation Date, and for purposes of Section 8, the average of the closing prices of the Corporation's common stock as reported for each trading day during the applicable Valuation Period (except as otherwise provided in Section 8 with respect to certain Change of Control events).



(s) "Valuation Date" means, for purposes of Section 6 or 7, the date on which Director's Fees or Dividend Equivalents are converted into Stock Units pursuant to Section 6 or 7.

(t) "Valuation Period" means, for purposes of Section 8, a period of twenty trading days preceding the date on which the Stock Units are converted into cash, consisting of the ten trading days prior to and including, and the ten trading days following, (i) in the case of a payment of Stock Units attributable to a deferral of Director's Fees, the first trading day of the year designated for payment pursuant to the Director's deferral election or, if applicable, the first trading day of the last month of the six-month period described in the first paragraph of Section 8, and (ii) in the case of a payment of Stock Units attributable to Deferred Equity-Based Awards, the date of the Director's Separation from Service, or the anniversary of such date, as applicable. In the case of the Deferred Equity-Based Awards, if the date of the Director's Separation from Service or the applicable anniversary date is not a trading day, the Valuation Period shall consist of the ten trading days prior to and including the last trading day prior to such date, and the ten trading days following such date.

(u) "Year" shall mean the calendar year.

3. ELIGIBILITY

Each Director who receives Director's Fees for service on the Board of Directors shall be eligible to participate in the Plan. A Director who receives a Deferred Equity-Based Award credited under the Plan shall participate in the Plan.

4. PARTICIPATION FOR DIRECTOR'S FEES.

In order to participate in the Plan with respect to Director's Fees for a particular Year, a Director must file a deferral election with the Secretary of the Corporation prior to January 1 of such Year; provided, however, that in the case of a newly elected or appointed Director an election to participate shall be effective for the Year in which the Director is first elected or appointed if it is filed no later than thirty days following the date of the Director's election or appointment to the Board. Any initial election filed by a newly elected or appointed Director shall apply only to Director's Fees that are payable after the date the election is received by the Secretary of the Corporation, for services to be performed after such date. Director's Fees that are payable prior to the receipt of an initial election by the Secretary of the Corporation shall not be eligible for deferral under this Plan. A new Director who does not elect to make deferrals of Director's Fees during the initial thirty-day election period may not later elect to make deferrals of Director's Fees for the calendar year of his or her initial eligibility.

5. DEFERRAL ELECTION.

A Director who elects to participate in the deferral of Director's Fees under the Plan shall file a deferral election on a form, which shall indicate:

(a) The amount or percentage of Director's Fees that such Director elects to defer pursuant to the terms of the Plan. This election shall apply to amounts deferred under the Plan until modified by the Director. The Director shall notify the Secretary of the Corporation in writing of any such modification, which shall apply solely to amounts deferred with respect to Years following the Year in which the modification is made;

(b) The Year in which payment of the Director's Deferred Compensation Account and/or Stock Units attributable to the Director's deferral shall commence; provided however, that payments shall commence no later than the Year following the Year in which the Director attains age 72 and, in the case of Stock Unit payments, to the extent that the Committee reasonably determines that earlier payment would result in a violation of Federal securities laws, payment shall be made no earlier than six months after the last date on which Director's Fees have been converted into Stock Units on behalf of the Director (except in the case of payments made following the Director's death, Disability or Separation from Service);

(c) Whether the payment of such Director's Deferred Compensation Account is to be made in a single lump sum or in a series of approximately equal installments over a period of years specified by the Director (but in no event more than fifteen years). For purposes of the Plan, installment payments shall be treated as a single distribution under Section 409A of the Code;

(d) Whether the percentage deferral election shall be effective only with respect to Director's Fees paid for the Year in which the Director's participation in the Plan is to commence as determined pursuant to Section 4 above or shall apply with respect to Director's Fees paid for that Year and all subsequent Years until revoked or modified by the Director, it being intended that a Director shall have only one election in effect with respect to the Year during which payment is to commence and the form of the payment for all amounts deferred under the Plan. Changes to the Year of commencement and form of payment may be made only in accordance with the rules of Section 5(f), below. The Director shall notify the Secretary of the Corporation in writing of any such revocation or modification of a deferral election or permitted new election with respect to the time or form of payment, which elections shall apply solely to amounts deferred with respect to Years following the Year in which the revocation, modification or new payment election is made; and

(e) The percentage of the Director's Fees deferred pursuant to the election, which is to be converted into Stock Units. This election shall apply to the Year in which the Director's participation in the Plan commences and to all subsequent Years until modified by the Director. The Director shall notify the Secretary of the Corporation in writing of any such modification, which shall apply solely to amounts deferred with respect to years following the Year in which the modification is made.

(f) Notwithstanding any provision herein to the contrary, a Director or former Director may revoke a previous election and make a new election as to the time and form of distribution under the Plan. Such new election shall take effect 12 months after it is filed with the Secretary of the Corporation and shall apply only to that portion of the Director's or former Director's Deferred Compensation Account and/or Stock Units scheduled to be paid more than 12 months after the date the election is filed with the Secretary of the Corporation; provided, however, that the newly scheduled distribution date must be at least 5 years later than the originally scheduled distribution date.

#### 6. TREATMENT OF DEFERRED ACCOUNTS.

(a) (a) Upon receipt of a duly filed deferral election, the Corporation shall establish a Deferred Compensation Account to which shall be credited an amount equal to that portion of the Director's Fees which would have been payable currently to the Director but for the terms of the deferral election and which is not converted into Stock Units. If the deferral election includes an election to convert a percentage of the Director's Fees deferred pursuant to the election into Stock Units, the number of full and fractional Stock Units shall be determin

ed by dividing the amount subject to such an election by the Value of the Corporation's common stock on the Valuation Dates specified in clauses (iii) and (iv) below.

Director's Fees shall be credited to Director's Deferred Compensation Account or converted into Stock Units on a quarterly basis as follows:

- (b) (i) The deferred portion of one-fourth of the annual retainer, meeting retainer and chair retainer fees (other than the portion to be credited to Stock Units) shall be credited to a Director's Deferred Compensation Account as of the first day of each calendar quarter;
- (c) (ii) The deferred portion of any additional fee payable for attending a meeting of the Board or any committee thereof that is not covered by a retainer (other than the portion to be credited to Stock Units) shall be credited to a Director's Deferred Compensation Account as of the first day of the month following the date of such meeting;
- (d) (iii) The deferred portion of one-fourth of the annual retainer, meeting retainer and chair retainer fees which are to be credited as Stock Units shall be credited as Stock Units as of the first trading day of the calendar quarter; and
- (e) (iv) The deferred portion of any additional fee payable for attending a meeting of the Board or any committee thereof that is not covered by a retainer and which is to be credited as Stock Units shall be accumulated in the Participant's Deferred Compensation Account and credited as Stock Units on the first trading day of the next calendar quarter.

(b) Upon receipt of a Deferred Equity-Based Award by a Director, the Corporation shall convert the award or credit the Director with a number of full and fractional Stock Units as of the date of grant of the award or such other date as provided under the terms of the award.

7. TREATMENT OF DEFERRED COMPENSATION ACCOUNT AND STOCK UNITS DURING DEFERRAL PERIOD.

(a) Deferred Compensation Account. Interest shall be credited on the balance of each Director's Deferred Compensation Account commencing with the date as of which any amount is credited to the Deferred Compensation Account and continuing up to the last day of the quarter preceding the month in which payment of the amounts deferred pursuant to the Plan is made. Such interest shall become a part of the Deferred Compensation Account and shall be paid at the same time or times as the balance of the Deferred Compensation Account. Such interest shall be credited at 120% of the long-term applicable federal rate, with quarterly compounding, as published under Section 1274(d) of the Code for the first month of the calendar quarter.

(b) Stock Units. Dividend Equivalents shall be credited with respect to each Stock Unit credited to a Director on each dividend record date. Such Dividend Equivalents shall themselves be converted into Stock Units as of the dividend payment by dividing the amount of the Dividend Equivalents by the Value of the Corporation's Common Stock as of the dividend payment date. Dividend Equivalents shall be credited on Stock Units attributable to a deferral of Director's Fees and, except as otherwise provided by the terms of a Deferred Equity-Based Award, Stock Units attributable to Deferred Equity-Based Awards.

(c) Effect of Certain Transactions. In the event that there occurs a dividend or other distribution of shares of the Corporation's common stock ("Shares"), a dividend in the form of cash or other property that materially affects the fair market value of the Shares, a stock split, a reverse stock split, a split-up, a split-off, a spin-off, a combination or subdivision of Shares or other securities of the Corporation, an exchange of Shares for other securities of the Corporation, or a similar transaction or event that materially affects the fair market value of the Shares, the Committee, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall make appropriate adjustments in the number of each Director's Stock Units determined as of the date of such occurrence.

8. FORM AND TIME OF PAYMENT OF DEFERRED COMPENSATION ACCOUNT.

Payment of a Director's Deferred Compensation Account shall be made or commence to be made in cash prior to January 31 in each year in which a payment is to be made in accordance with the Director's deferral election. Payment of a Director's Stock Units attributable to a deferral of Director's Fees shall also be made at such time except that, if the applicable January 31 occurs within the six-month period beginning on the last date on which Director's Fees have been converted into Stock Units on behalf of the Director and to the extent the Committee reasonably determines that earlier payment would result in a violation of Federal securities laws, then payment of the Director's Stock Units shall be made on the last day of the month in which such six-month period expires. Notwithstanding the previous sentence, Stock Unit payments shall be made following the Director's death, Disability or the date the Director Separates from Service, without regard to whether such six-month period has expired. A Director shall continue to be credited with Dividend Equivalents during any such delay in payment. For the purpose of payment, Stock Units attributable to deferred Director's Fees shall be converted to cash based on the Value of the Corporation's common stock during the applicable Valuation Period (except as otherwise provided in this Section 8 with respect to certain Change of Control events).

In the case of a Director who has both a Deferred Compensation Account and Stock Units, if a partial distribution of a deferred portion of Director's Fees is to be made and if the Director's Stock Units are immediately payable in accordance with the previous paragraph, payment shall be made partially from the Director's Deferred Compensation Account and partially from Stock Units, in proportion to the relative size of the Deferred Compensation Account and the Stock Units. If the Director's Stock Units are not immediately payable in accordance with the previous paragraph, the partial payment shall be made entirely from the Director's Deferred Compensation Account.

Except as otherwise provided by the terms of a Deferred Equity-Based Award or as otherwise provided in this Section 8 with respect to certain Change of Control events, payment of a Director's Stock Units attributable to Deferred Equity-Based Awards shall be made (i) for Deferred Equity-Based Awards granted prior to 2018, in a single lump sum not later than the last day of the first full month beginning after the date of the Director's Separation from Service, and (ii) for Deferred Equity-Based Awards granted in 2018 and subsequent years, in three annual installments, with one-third payable no later than 30 days following the date of the Director's Separation from Service, one-third payable no later than 30 days following the first anniversary of such Separation from Service date, and one-third payable no later than 30 days following the

second anniversary of such Separation from Service date. In each case, the Stock Units attributable to Deferred Equity-Based Awards shall be converted to cash based on the Value of the Corporation's common stock during the applicable Valuation Period (except as otherwise provided in this Section 8 with respect to certain Change of Control events).

If a Director has a Separation from Service resulting from death, Disability or a Change of Control, and the Director's Deferred Equity-Based Awards are subject to a vesting requirement that has not been fully satisfied, a prorated portion of such Deferred Equity-Based Awards shall be deemed fully vested and non-forfeitable at the time of such Separation from Service. Such prorated portion of the applicable Director's Deferred Equity-Based Awards shall be determined by multiplying the number of such awards by a fraction, the numerator of which is the number of months completed in the vesting period as of the Separation from Service, and the denominator of which is twelve. Moreover, if the Director's Separation from Service occurs on or within one year following a Change of Control that also constitutes a "change in the ownership or effective control" of the Corporation or a "change in the ownership of a substantial portion of the assets" of the Corporation, in each case as defined in Treasury Regulation Section 1.409A-3(i)(5), then payment of the Director's Stock Units attributable to Deferred Equity-Based Awards shall be made in a single lump sum no later than 30 days following the date of such Separation from Service.

If the Corporation's common stock ceases to be traded on a national stock exchange as a result of a Change of Control, the Director's Stock Units (whether attributable to a deferral of Director's Fees or to Deferred Equity-Based Awards) shall be converted to cash based on the Value of the Corporation's common stock on the last trading day immediately preceding the date of the Change of Control. In such event,

(i) With respect to Stock Units attributable to a deferral of Director's Fees, such converted cash amount shall be deemed credited to a Deferred Compensation Account and credited with interest in accordance with Section 7(a) until such amounts are payable pursuant to the Director's deferral election; and

(ii) With respect to Stock Units attributable to Deferred Equity-Based Awards, such converted cash amount shall be paid to the Director in accordance with the foregoing provisions of this Section 8, provided that if full payment does not occur prior to the last day of the first full month beginning after the date of such Change of Control, the unpaid converted cash amount shall be deemed credited to a Deferred Compensation Account and credited with interest in accordance with Section 7(a) until such amounts are payable pursuant to this Section 8.

Notwithstanding any other provision of the Plan to the contrary:

(a) No distribution shall be made from the Plan that would constitute an impermissible acceleration of payment as defined in Section 409A(a)(3) of the Code and regulations promulgated thereunder; and

(b) To the extent Code Section 409A(a)(2)(B), which applies to certain "specified employees," is applicable to distributions to Directors under this Plan, no payment shall be made by reason of a Separation of Service before the date which, is six (6) months and one day following the Director's Separation of Service or the Director's death, if earlier. Any payments which would otherwise have been payable to a Director during the period of delay shall be made

in a lump sum following the end of such delay. A Director's Accounts shall continue to be credited with interest and Dividend Equivalents during the period of such delay.

9. EFFECT OF DEATH OF PARTICIPANT.

Upon the death of a participating Director, all amounts, if any, remaining in his or her Deferred Compensation Account and all Stock Units shall be distributed to the Beneficiary designated by the Director. Such distribution with respect to deferred Director's Fees shall be made at the time or times specified in the Director's deferral election. If the designated Beneficiary does not survive the Director or dies before receiving payment in full of the Director's Deferred Compensation Account and Stock Units, payment shall be made to the estate of the last to die of the Director or the designated Beneficiary.

10. PARTICIPANT'S RIGHTS UNSECURED.

The interest under the Plan of any participating Director and such Director's right to receive a distribution of his or her Deferred Compensation Account and Stock Units shall be an unsecured claim against the general assets of the Corporation. The Deferred Compensation Account and Stock Units shall be bookkeeping entries only and no Director shall have an interest in or claim against any specific asset of the Corporation pursuant to the Plan.

11. STATEMENT OF DEFERRED COMPENSATION ACCOUNT AND STOCK UNITS.

The Secretary of the Corporation shall provide an annual statement of each participating Director's Deferred Compensation Account and Stock Units as soon as practicable after the end of each calendar year.

12. NONASSIGNABILITY OF INTERESTS.

The interest and property rights of any Director under the Plan shall not be subject to option nor be assignable either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any act in violation of this Section 12 shall be void.

13. ADMINISTRATION OF THE PLAN.

The Plan shall be administered by the Committee. In addition to the powers and duties otherwise set forth in the Plan, the Committee shall have full power and authority to administer and interpret the Plan, to establish procedures for administering the Plan and to take any and all necessary action in connection therewith. The Committee's interpretation and construction of the Plan shall be conclusive and binding on all persons.

Within 30 days after a Change of Control, the Committee shall appoint an independent committee consisting of at least three (3) current (as of the effective date of the Change of Control) or former Corporation officers and directors, which shall thereafter administer all claims for benefits under the Plan. Upon such appointment the Committee shall cease to have any responsibility for claims administration under the Plan.

14. AMENDMENT OR TERMINATION OF THE PLAN.

(a) The Board may amend, suspend or terminate the Plan at any time. The foregoing notwithstanding, the Plan may not be amended (including any amendment to this Section 14) or terminated by the Board if such amendment or termination would alter the provisions of this Section 14 or adversely affect or impair the Director's rights to receive payment with respect to the Director's Deferred Compensation Account or Stock Units.

(b) Except as provided in Section 14(c) or as otherwise permitted under Section 409A of the Code, in the event of termination of the Plan, the Directors' Deferred Compensation Accounts and Stock Units may, in the Board's discretion, be distributed within the period beginning twelve months after the date the Plan was terminated and ending twenty-four months after the date the Plan was terminated, or pursuant to Section 8, if earlier. If the Plan is terminated and Deferred Compensation Accounts and Stock Units are distributed, the Board shall terminate all account balance non-qualified deferred compensation plans with respect to all Directors and shall not adopt a new account balance non-qualified deferred compensation plan for at least three years after the date the Plan was terminated. A termination and liquidation of the Plan under this Section 14(b) shall be made only in compliance with Treasury Regulation Section 1.409A-3(j)(4)(ix)(c).

(c) The Board may terminate the Plan upon a corporate dissolution of the Corporation that is taxed under Section 331 of the Code or with the approval of a bankruptcy court pursuant to 11 U.S.C. Section 503(b)(1)(A), provided that the Directors' Deferred Compensation Accounts and Stock Units are distributed and included in the gross income of the Directors by the latest of (i) the Year in which the Plan terminates or (ii) the first Year in which payment of the Deferred Compensation Accounts and Stock Units is administratively practicable.

15. SUCCESSORS AND ASSIGNS.

The Plan shall be binding upon the Corporation, its successors and assigns, and any parent corporation of the Corporation's successors or assigns. Notwithstanding that the Plan may be binding upon a successor or assign by operation of law, the Corporation shall require any successor or assign to expressly assume and agree to be bound by the Plan in the same manner and to the same extent that the Corporation would be if no succession or assignment had taken place.

16. CHANGE OF CONTROL.

For purposes of the Plan, "Change of Control" shall mean

(a) Upon consummation of a merger or consolidation involving the Corporation (a "Business Combination"), in each case, unless, following such Business Combination,

(i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the then outstanding shares of common stock of the Corporation (the "Outstanding Common Stock") and the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Voting Securities") immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then

outstanding voting securities entitled to vote generally in the election of directors of the corporation or other entity resulting from such Business Combination (including, without limitation, a corporation or other entity which as a result of such transaction owns the Corporation either directly or through one or more subsidiaries),

(ii) no individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") (excluding any corporation or other entity resulting from such Business Combination or any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any of its subsidiaries or such other corporation or other entity resulting from such Business Combination) beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock or common equity of the corporation or other entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation or other entity except to the extent that such ownership is based on the beneficial ownership, directly or indirectly, of Outstanding Common Stock or Outstanding Voting Securities immediately prior to the Business Combination, and

(iii) at least a majority of the members of the board of directors or similar governing body of the corporation or other entity resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(b) On the date that individuals who, as of 11:59 p.m. (Pacific) on the date of the Distribution, constitute the Board of Directors (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual who becomes a member of the Board on or subsequent to the day immediately following the date of the Distribution whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least a majority of the members of the Board then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for purposes of this proviso, any such individual whose appointment to the Board occurs as a result of an actual or threatened election contest with respect to the election or removal of a member or members of the Board, an actual or threatened solicitation of proxies or consents or any other actual or threatened action by, or on behalf of, any Person other than the Incumbent Board; or

(c) Upon the acquisition on or after the date of the Distribution by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (i) the then Outstanding Common Stock or (ii) the combined voting power of the Outstanding Voting Securities; provided, however, that the following acquisitions shall not be deemed to be covered by this paragraph (c): (A) any acquisition of Outstanding Common Stock or Outstanding Voting Securities by the Corporation, (B) any acquisition of Outstanding Common Stock or Outstanding Voting Securities by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or (C) any acquisition of Outstanding



Common Stock or Outstanding Voting Securities by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of paragraph (a) of this Section; or

- (d) Upon the consummation of the sale, lease or exchange of all or substantially all of the assets of the Corporation; or
- (e) Upon the approval by the stockholders of the Corporation of a complete liquidation or dissolution of the Corporation.

(i)

Clearwater Paper Corporation  
Subsidiaries

Entity	Jurisdiction of Incorporation or formation	Name Under Which Entity Conducts Business
Clearwater Fiber, LLC	Delaware	None
Manchester Industries Inc. of Virginia	Virginia	None
Cellu Tissue Holding, Inc.	Delaware	None

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements (Nos. 333-156131, 333-156133, 333-156136, 333-172077, 333-219560, 333-238784, and 333-271930) on Form S-8 of our reports dated February 24, 2025, with respect to the consolidated financial statements of Clearwater Paper Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Seattle, Washington  
February 24, 2025

**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Alexander Toeldte  
Alexander Toeldte

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**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Kevin J. Hunt  
Kevin Hunt

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**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ John J. Corkrean  
John J. Corkrean

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**Clearwater Paper Corporation**  
**Power of Attorney**

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IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Joe W. Laymon  
Joe W. Laymon

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**Clearwater Paper Corporation**  
**Power of Attorney**

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IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Ann C. Nelson  
Ann C. Nelson

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**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ John P. O'Donnell  
John P. O'Donnell

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**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Christine M. Vickers Tucker  
Christine M. Vickers Tucker

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**Clearwater Paper Corporation**  
**Power of Attorney**

I, the undersigned, appoint Michael S. Gadd or, in his absence or inability to act, Sherri J. Baker or Rebecca A. Barckley, my attorney-in-fact for me and in my name, place and stead to execute for me on my behalf in my capacity as a Director of Clearwater Paper Corporation, the Annual Report on Form 10-K of Clearwater Paper Corporation for the fiscal year ended December 31, 2024, to be filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, and any and all amendments thereto, hereby ratifying, approving and confirming all that any such attorney-in-fact may do by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney effective as of February 24, 2025

/s/ Jeanne M. Hillman  
Jeanne M. Hillman

**CERTIFICATION**

I, Arsen S. Kitch, certify that:

1. I have reviewed this Annual Report on Form 10-K of Clearwater Paper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2025

/s/ Arsen S. Kitch

**Arsen S. Kitch**  
President and Chief Executive Officer

**CERTIFICATION**

I, Sherri J. Baker, certify that:

1. I have reviewed this Annual Report on Form 10-K of Clearwater Paper Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2025

/s/ Sherri J. Baker

**Sherri J. Baker**

Senior Vice President, Chief Financial Officer

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

I, Arsen S. Kitch, President and Chief Executive Officer of Clearwater Paper Corporation (the "Company"), 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 Annual Report of the Company on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ ARSEN S. KITCH

**Arsen S. Kitch**

President and Chief Executive Officer

February 24, 2025

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

I, Sherri J. Baker, Senior Vice President, Chief Financial Officer of Clearwater Paper Corporation (the "Company"), 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 Annual Report of the Company on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SHERRI J. BAKER

**Sherri J. Baker**

Senior Vice President, Chief Financial Officer

February 24, 2025

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.