

REFINITIV

# DELTA REPORT

## 10-Q

SNX - TD SYNNEX CORP

10-Q - MAY 31, 2024 COMPARED TO 10-Q - FEBRUARY 29, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS 4417**

<span style="color: yellow;">█</span>	CHANGES	188
<span style="color: pink;">█</span>	DELETIONS	3749
<span style="color: green;">█</span>	ADDITIONS	480

---

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

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **February 29, 2024** **May 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: 001-31892



**TD SYNNEX CORPORATION**

**(Exact name of registrant as specified in its charter)**

**Delaware**

**94-2703333**

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

**44201 Nobel Drive, Fremont, California**

**94538**

(Address of principal executive offices)

(Zip Code)

**(510) 656-3333 668-3400**

(Registrant's telephone number, including area code)

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.001 per share	SNX	The New York Stock Exchange

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

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

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	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	o		

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. o

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

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

Class	Outstanding as of <b>March 25, 2024</b> <b>June 26, 2024</b>
Common Stock, \$0.001 par value	<b>87,658,438</b> <b>85,459,663</b>

## TD SYNNEX CORPORATION

### FORM 10-Q INDEX

		Page
<b>PART I</b>	<u><a href="#">FINANCIAL INFORMATION</a></u>	3
Item 1.	<u><a href="#">Financial Statements</a></u>	3
	<u><a href="#">Consolidated Balance Sheets</a></u>	3
	<u><a href="#">Consolidated Statements of Operations</a></u>	4
	<u><a href="#">Consolidated Statements of Comprehensive Income</a></u>	5
	<u><a href="#">Consolidated Statements of Stockholders' Equity</a></u>	6
	<u><a href="#">Consolidated Statements of Cash Flows</a></u>	7
	<u><a href="#">Notes to the Consolidated Financial Statements</a></u>	8
Item 2.	<u><a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a></u>	27 25
Item 3.	<u><a href="#">Quantitative and Qualitative Disclosures about Market Risk</a></u>	41
Item 4.	<u><a href="#">Controls and Procedures</a></u>	42 41
<b>PART II</b>	<u><a href="#">OTHER INFORMATION</a></u>	43 42
Item 1A.	<u><a href="#">Risk Factors</a></u>	43 42
Item 2.	<u><a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a></u>	43 42
Item 5.	<u><a href="#">Other Information</a></u>	45 43
Item 6.	<u><a href="#">Exhibits</a></u>	45 44
	<u><a href="#">Signatures</a></u>	46

## PART I - FINANCIAL INFORMATION

### ITEM 1. Financial Statements

**TD SYNNEX CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
 (currency and share amounts in thousands, except par value)  
 (unaudited)

	February	November
	29, 2024	30, 2023
	May 31, 2024	November 30, 2023
<b>ASSETS</b>		

**Current assets:**

**Current assets:**

**Current assets:**

Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Accounts receivable, net
Receivables from vendors, net
Inventories
Other current assets
Total current assets
Property and equipment, net
Goodwill
Intangible assets, net
Other assets, net
Total assets
<b>LIABILITIES AND EQUITY</b>
<b>LIABILITIES AND EQUITY</b>
<b>LIABILITIES AND EQUITY</b>
<b>Current liabilities:</b>
<b>Current liabilities:</b>
<b>Current liabilities:</b>
Borrowings, current
Borrowings, current
Borrowings, current
Accounts payable
Other accrued liabilities
Total current liabilities
Long-term borrowings
Other long-term liabilities
Deferred tax liabilities
Total liabilities
Total liabilities
Total liabilities

Commitments and contingencies ([Note 14](#))

Commitments and contingencies ([Note 13](#))

Stockholders' equity:

Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding

Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding

Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding

Common stock, \$0.001 par value, 200,000 shares authorized, 99,012 shares issued as of February 29, 2024 and November 30, 2023

Common stock, \$0.001 par value, 200,000 shares authorized, 99,012 shares issued as of both May 31, 2024 and November 30, 2023

Additional paid-in capital

Treasury stock, 12,171 and 10,343 shares as of February 29, 2024 and November 30, 2023, respectively

Treasury stock, 14,348 and 10,343 shares as of May 31, 2024 and November 30, 2023, respectively

Accumulated other comprehensive loss

Retained earnings

Total stockholders' equity

Total liabilities and equity

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

**TD SYNNEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(currency and share amounts in thousands, except per share amounts)  
(unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	Six Months Ended
	February 29,	February 29,	February 29,
	2024	2024	2024

	February 29, 2024	February 29, 2024			
	May 31, 2024			May 31, 2023	May 31, 2024
Revenue					
Revenue					
Revenue					
Cost of revenue					
Cost of revenue					
Cost of revenue					
Gross profit					
Gross profit					
Gross profit					
Selling, general and administrative expenses					
Selling, general and administrative expenses					
Selling, general and administrative expenses					
Acquisition, integration and restructuring costs					
Acquisition, integration and restructuring costs					
Acquisition, integration and restructuring costs					
Operating income					
Operating income					
Operating income					
Interest expense and finance charges, net					
Interest expense and finance charges, net					
Interest expense and finance charges, net					
Other expense, net					
Other expense, net					
Other expense, net					
Income before income taxes					
Income before income taxes					
Income before income taxes					
Provision for income taxes					

Provision for income taxes
Provision for income taxes
Net income
Net income
Net income
Earnings per common share:
Earnings per common share:
Earnings per common share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted-average common shares outstanding:
Weighted-average common shares outstanding:
Weighted-average common shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

**TD SYNNEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(currency in thousands)  
(unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended	
Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	
February 29, 2024	February 29, 2024	February 29, 2024	February 29, 2024	
Net income				
Net income				
	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Net income				
Other comprehensive (loss) income:				
Other comprehensive (loss) income:				
Other comprehensive (loss) income:				
Unrealized gains on cash flow hedges during the period, net of tax expense of \$0 and (\$289) for the three months ended February 29, 2024 and February 28, 2023, respectively				
Unrealized (losses) gains on cash flow hedges during the period, net of tax benefit (expense) of \$0 and \$53 for the three months ended May 31, 2024 and 2023, respectively, and \$0 and \$(235) for the six months ended May 31, 2024 and 2023, respectively				
Unrealized gains on cash flow hedges during the period, net of tax expense of \$0 and (\$289) for the three months ended February 29, 2024 and February 28, 2023, respectively				
Unrealized (losses) gains on cash flow hedges during the period, net of tax benefit (expense) of \$0 and \$53 for the three months ended May 31, 2024 and 2023, respectively, and \$0 and \$(235) for the six months ended May 31, 2024 and 2023, respectively				
Unrealized gains on cash flow hedges during the period, net of tax expense of \$0 and (\$289) for the three months ended February 29, 2024 and February 28, 2023, respectively				

Reclassification of net (gains) on cash flow hedges to net income, net of tax expense of \$0 and \$285 for the three months ended February 29, 2024 and February 28, 2023, respectively

Reclassification of net (gains) on cash flow hedges to net income, net of tax expense of \$0 and \$285 for the three months ended February 29, 2024 and February 28, 2023, respectively

Reclassification of net (gains) on cash flow hedges to net income, net of tax expense of \$0 and \$285 for the three months ended February 29, 2024 and February 28, 2023, respectively

Total change in unrealized gains on cash flow hedges, net of taxes

Total change in unrealized gains on cash flow hedges, net of taxes

Total change in unrealized gains on cash flow hedges, net of taxes

Foreign currency translation adjustments and other, net of tax (expense) benefit of (\$1,348) and \$1,919 for the three months ended February 29, 2024 and February 28, 2023, respectively

Foreign currency translation adjustments and other, net of tax (expense) benefit of (\$1,348) and \$1,919 for the three months ended February 29, 2024 and February 28, 2023, respectively

Foreign currency translation adjustments and other, net of tax (expense) benefit of (\$1,348) and \$1,919 for the three months ended February 29, 2024 and February 28, 2023, respectively

Unrealized (losses) gains on cash flow hedges during the period, net of tax benefit (expense) of \$0 and \$53 for the three months ended May 31, 2024 and 2023, respectively, and \$0 and \$(235) for the six months ended May 31, 2024 and 2023, respectively

Reclassification of net (gains) on cash flow hedges to net income, net of tax expense of \$0 and \$602 for the three months ended May 31, 2024 and 2023, respectively, and \$0 and \$886 for the six months ended May 31, 2024 and 2023, respectively

Total change in unrealized losses on cash flow hedges, net of taxes

Foreign currency translation adjustments and other, net of tax benefit (expense) of \$690 and \$1,629 for the three months ended May 31, 2024 and May 31, 2023, respectively, and \$(658) and \$3,548 for the six months ended May 31, 2024 and 2023, respectively

Other comprehensive (loss) income

Other comprehensive (loss) income

Other comprehensive (loss) income

Other comprehensive (loss) income

Comprehensive income

Comprehensive income

Comprehensive income

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

**TD SYNNEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(currency in thousands, except per share amounts)  
(unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	Six Months Ended
	February 29, 2024	February 29, 2024	February 29, 2024
<b>Total Stockholders' equity, beginning balance</b>			
<b>Total Stockholders' equity, beginning balance</b>			
	May 31, 2024	May 31, 2023	May 31, 2024
<b>Total Stockholders' equity, beginning balance</b>			May 31, 2023
Common stock and additional paid-in capital:			
Common stock and additional paid-in capital:			
Common stock and additional paid-in capital:			
Beginning balance			
Beginning balance			
Beginning balance			
Share-based compensation			
Share-based compensation			
Share-based compensation			
Common stock issued and treasury stock reissued for employee benefit plans			

Common stock issued and treasury stock reissued for employee benefit plans

Common stock issued and treasury stock reissued for employee benefit plans

Ending balance

Ending balance

Ending balance

Treasury stock:

Treasury stock:

Treasury stock:

Beginning balance

Beginning balance

Beginning balance

Repurchases of common stock for tax withholdings on equity awards

Repurchases of common stock for tax withholdings on equity awards

Repurchases of common stock for tax withholdings on equity awards

Reissuance of treasury stock for employee benefit plans

Reissuance of treasury stock for employee benefit plans

Reissuance of treasury stock for employee benefit plans

Repurchases of common stock

Repurchases of common stock

Repurchases of common stock

Ending balance

Ending balance

Ending balance

Retained earnings:

Retained earnings:

Retained earnings:

Beginning balance

Beginning balance

Beginning balance

Net income

Net income	
Net income	
Cash dividends declared	
Cash dividends declared	
Cash dividends declared	
Ending balance	
Ending balance	
Ending balance	
Accumulated other comprehensive loss:	
Accumulated other comprehensive loss:	
Accumulated other comprehensive loss:	
Beginning balance	
Beginning balance	
Beginning balance	
Other comprehensive (loss) income	
Other comprehensive (loss) income	
Other comprehensive (loss) income	
Ending balance	
Ending balance	
Ending balance	
<b>Total stockholders' equity, ending balance</b>	
<b>Total stockholders' equity, ending balance</b>	
<b>Total stockholders' equity, ending balance</b>	
Cash dividends declared per share	
Cash dividends declared per share	
Cash dividends declared per share	

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

**TD SYNNEX CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(currency in thousands)**

**(unaudited)**

	<b>Three Months Ended</b>	
	<b>February 29, 2024</b>	<b>February 28, 2023</b>
	<b>Six Months Ended</b>	
	<b>May 31, 2024</b>	<b>May 31, 2023</b>
<b>Cash flows from operating activities:</b>		
Net income		
Net income		
Net income		
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Share-based compensation		
Provision for doubtful accounts		
Other		
Other		
Other		
Changes in operating assets and liabilities, net of acquisition of businesses:		
Accounts receivable, net		
Accounts receivable, net		
Accounts receivable, net		
Receivables from vendors, net		
Inventories		
Accounts payable		
Other operating assets and liabilities		
Net cash provided by (used in) operating activities		
Net cash provided by operating activities		
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment		
Purchases of property and equipment		
Purchases of property and equipment		
Acquisition of businesses, net of cash acquired		
Other		
Net cash used in investing activities		

**Cash flows from financing activities:**

Dividends paid	
Dividends paid	
Dividends paid	
Proceeds from issuance of common stock and reissuances of treasury stock	
Repurchases of common stock	
Repurchases of common stock for tax withholdings on equity awards	
Net (repayments) borrowings on revolving credit loans	
Principal payments on long-term debt	
Net cash (used in) provided by financing activities	
Net cash (used in) provided by financing activities	
Net cash (used in) provided by financing activities	
Borrowings on long term debt	
Cash paid for debt issuance costs	
Other	
Net cash used in financing activities	
Effect of exchange rate changes on cash and cash equivalents	
Net (decrease) increase in cash and cash equivalents	
Net increase in cash and cash equivalents	
Cash and cash equivalents at beginning of period	
Cash and cash equivalents at end of period	

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**NOTE 1—ORGANIZATION AND BASIS OF PRESENTATION:**

TD SYNNEX Corporation (together with its subsidiaries, herein referred to as "TD SYNNEX", "SYNNEX" or the "Company") is a leading global distributor and solutions aggregator for the information technology ("IT") ecosystem, headquartered in Fremont, California and Clearwater, Florida and has operations in North and South America, Europe

and Asia-Pacific and Japan. The Company operates in three reportable segments based on its geographic regions: the Americas, Europe and Asia-Pacific and Japan ("APJ").

The Consolidated Financial Statements include the accounts of the Company, its wholly-owned subsidiaries, majority-owned subsidiaries in which no substantive participating rights are held by minority stockholders and variable interest entities if the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated. The Company operates on a fiscal year that ends on November 30.

The accompanying interim unaudited Consolidated Financial Statements as of **February 29, 2024** **May 31, 2024** and for the three and six months ended **February 29, 2024** **May 31, 2024** and **February 28, 2023** **May 31, 2023** have been prepared by the Company, without audit, in accordance with the rules and regulations of the United States ("U.S.") Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in the **United States** **U.S.** have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to state fairly the financial position of the Company and its results of operations and cash flows as of and for the periods presented. These financial statements should be read in conjunction with the annual audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2023.

Interim results of operations are not necessarily indicative of financial results for a full year, and the Company makes no representations related thereto. Certain columns and rows may not add or compute due to the use of rounded numbers.

## **NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

For a discussion of the Company's significant accounting policies, refer to the discussion in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2023.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. The Company evaluates these estimates on a regular basis and bases them on historical experience and on various assumptions that the Company believes are reasonable. Actual results could differ from the estimates.

### **Concentration of Credit Risk**

Financial instruments that potentially subject the Company to significant concentration of credit risk consist principally of cash and cash equivalents, accounts receivable, receivables from vendors and derivative instruments.

The Company's cash and cash equivalents and derivative instruments are transacted and maintained with financial institutions with high credit standing, and their compositions and maturities are regularly monitored by management. Through **February 29, 2024** **May 31, 2024**, the Company has not experienced any material credit losses on such deposits and derivative instruments.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)**

Accounts receivable include amounts due from customers, including related party customers. Receivables from vendors, net, includes amounts due from original equipment manufacturer ("OEM") vendors primarily in the technology industry. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary, but generally requires no collateral. The Company also maintains allowances for expected credit losses. In estimating the required allowances, the Company takes into consideration the overall quality and aging of its receivable portfolio, the existence of credit insurance and specifically identified customer and vendor risks.

The following table provides revenue generated from products purchased from vendors that exceeded 10% of our consolidated revenue for the periods indicated (as a percent of consolidated revenue):

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended		
	Three Months Ended		
	February 29, 2024		
	February 29, 2024		
	February 29, 2024		
Apple, Inc.	Apple, Inc.	May 31, 2024	May 31, 2023
Apple, Inc.		May 31, 2024	May 31, 2023
Apple, Inc.		May 31, 2024	May 31, 2023
Cisco Systems, Inc.		N/A (1)	10 %
HP Inc.		10 %	N/A (1)

<sup>(1)</sup> Revenue generated from products purchased from this vendor was less than 10% of consolidated revenue during the period presented.

One customer accounted for 10% 12% and 11% of the Company's total revenue during the three and six months ended February 29, 2024 both May 31, 2024 and February 28, 2023 May 31, 2023, respectively. As of February 29, 2024 May 31, 2024 and November 30, 2023, no single customer comprised more than 10% of the consolidated accounts receivable balance.

#### **Accounts Receivable**

The Company maintains an allowance for doubtful accounts as an estimate to cover the future expected credit losses resulting from uncertainty regarding collections from customers or OEM vendors to make payments for outstanding balances. In estimating the required allowance, the Company takes into consideration historical credit losses, current conditions and reasonable and supportable forecasts. Adjustments to historical loss information are made for differences in current conditions as well as changes in forecasted macroeconomic conditions, such as changes in unemployment rates or gross domestic product growth. Expected credit losses are estimated on a pool basis when similar risk characteristics exist using an age-based reserve model. Receivables that do not share risk characteristics are evaluated on an individual basis.

The Company has uncommitted accounts receivable purchase agreements with global financial institutions under which trade accounts receivable of certain customers and their affiliates may be acquired, without recourse, by the financial institutions. Available capacity under these programs is dependent on the level of the Company's trade accounts receivable with these customers and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that the Company continue to service, administer and collect the sold accounts receivable. As of **February 29, 2024** **May 31, 2024** and November 30, 2023, accounts receivable sold to and held by the financial institutions under these programs were \$1.2 billion and \$864.6 million, respectively. Discount fees related to the sale of trade accounts receivable under these facilities are included in "Interest expense and finance charges, net" in the Consolidated Statements of Operations. Discount fees for these programs totaled **\$16.0** **\$16.6** million and **\$11.7** **\$32.6** million in the three and six months ended **February 29, 2024** **May 31, 2024**, respectively, and **February 28, 2023** **\$12.0** million and **\$23.7** million for the three and six months ended **May 31, 2023**, respectively.

### **Seasonality**

The Company's operating results are affected by the seasonality of the IT products industry. The Company has historically experienced slightly higher sales in the first and fourth fiscal quarters due to patterns in capital budgeting, federal government spending and purchasing cycles of its customers and end-users. These historical patterns may not be repeated in subsequent periods.

### **Revenue Recognition**

The Company generates revenue primarily from the sale of various IT products.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

The Company recognizes **revenues** **revenue** from the sale of IT hardware and software as control is transferred to customers, which is at the point in time when the product is shipped or delivered. The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding purchase orders from customers together with agreement to the Company's terms and conditions of sale by

way of an executed agreement or other signed documents are considered to be the contract with a customer. Products sold by the Company are delivered via shipment from the Company's facilities, drop-shipment directly from the vendor, or by electronic delivery of software products. In situations where arrangements include customer acceptance provisions, revenue is recognized when the Company can objectively verify the products comply with specifications underlying acceptance and the customer has control of the products. Revenue is presented net of taxes collected from customers and remitted to government authorities. The Company generally invoices a customer upon shipment, or in accordance with specific contractual provisions. Payments are due as per contract terms and do not contain a significant financing component. In relation to product support, supply chain management and other services performed by the Company, revenue is recognized over time as the services are performed. Service revenues revenue represents less than 10% of the total revenue for the periods presented.

Provisions for sales returns and allowances are estimated based on historical data and are recorded concurrently with the recognition of revenue. A liability is recorded at the time of sale for estimated product returns based upon historical experience and an asset is recognized for the amount expected to be recorded in inventory upon product return. These provisions are reviewed and adjusted periodically by the Company. Revenue is reduced for early payment discounts and volume incentive rebates offered to customers, which are considered variable consideration, at the time of sale based on an evaluation of the contract terms and historical experience.

The Company recognizes revenue on a net basis on certain contracts, where the Company's performance obligation is to arrange for the products or services to be provided by another party or the rendering of logistics services for the delivery of inventory for which the Company does not assume the risks and rewards of ownership, by recognizing the margins earned in revenue with no associated cost of revenue. Such arrangements include supplier service contracts, post-contract software support services, cloud computing and software as a service arrangements, certain fulfillment contracts, extended warranty contracts and certain of the Company's systems design and integration solutions arrangements which operate under a customer-owned procurement model.

The Company considers shipping and handling activities as costs to fulfill the sale of products. Shipping revenue is included in revenue when control of the product is transferred to the customer, and the related shipping and handling costs are included in cost of revenue.

The Company disaggregates its operating segment revenue by geography, which the Company believes provides a meaningful depiction of the nature of its revenue. Disaggregated revenue disclosure is presented in [Note 12 - Segment Information](#).

### **Recently Adopted Accounting Pronouncements**

In September 2022, the FASB issued an accounting standards update, ASU 2022-04, which requires new enhanced disclosures by the buyer in supplier finance programs. Disclosures will include key terms of the program, including payment terms, along with the amount of related obligations, the financial statement caption that includes such obligations, and a rollforward of activity related to the obligations during the period. The new accounting standard must be adopted retrospectively to the earliest comparative period presented, except for the rollforward requirement, which should be adopted prospectively. The Company adopted this standard during the fiscal quarter ended February 29, 2024, except for the rollforward requirement which will be effective for the Company beginning with the quarter ending February 28, 2025. The adoption of the new standard did not have an impact on the Company's results of

operations, financial condition, or cash flows. For the required disclosures of key terms and amounts outstanding under the Company's supplier finance programs, see [Note 11](#) – Supplier Finance Programs.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

#### **Recently Issued Accounting Pronouncements**

In November 2023, the FASB issued an accounting standards update, ASU 2023-07, which requires the following enhanced segment disclosures on an annual and interim basis: (1) significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, (2) other segment items by reportable segment and a description of its composition, and (3) the title of the chief operating decision maker, an explanation of how they use the reported measures of segment profit/loss in assessing segment performance and decide how to allocate resources, as well as clarifications if they use more than one measure of a segment's profit or loss in assessing segment performance. The amendments in this ASU 2023-07 are effective for annual periods beginning after December 15, 2023, which for the Company would be for the fiscal year ending November 30, 2025, and for subsequent interim periods. Early adoption is permitted. The Company is currently evaluating the impact the new accounting standard will have on its segment reporting disclosures in the notes to the consolidated financial statements.

In December 2023, the FASB issued an accounting standards update, ASU 2023-09, which requires enhanced income tax disclosures. The enhanced disclosures required include disclosure of specific categories and disaggregation of information in the rate reconciliation table. The ASU 2023-09 also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The amendments in this ASU 2023-09 are effective for annual periods beginning after December 15, 2024, which for the Company would be the fiscal year ending November 30, 2026. Early adoption is permitted and the amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact the new accounting standard will have on its income tax disclosures in the notes to the consolidated financial statements.

#### **NOTE 3—ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS:**

Acquisition, integration and restructuring costs are primarily comprised of costs related to the Merger (as defined below), along with \$3.5 million of costs during the three months ended February 28, 2023 related to the Global Business Optimization 2 Program initiated by Tech Data Corporation prior to the Merger (the "GBO 2 Program"), of \$3.9 million during the three and six months ended May 31, 2024 and \$2.6 million and \$6.1 million during the three and six months ended May 31, 2023, respectively, and \$1.2 million of costs during the three and six months ended May 31, 2024 related to other acquisitions. The Company does not expect to incur additional costs under the GBO 2 Program was completed in fiscal year 2023. future periods.

##### **The Merger**

On March 22, 2021, the Company entered into an agreement and plan of merger (the "Merger Agreement") which provided that legacy SYNNEX Corporation would acquire legacy Tech Data Corporation, a Florida corporation ("Tech Data") through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNNEX Corporation (collectively, the "Merger"). On September 1, 2021, pursuant to the terms of the Merger Agreement, the Company acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNNEX valued at approximately \$5.6 billion.

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended May 31, 2024 and 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

The Company incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, long-lived assets charges and termination fees, and stock-based compensation expense. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs. Long-lived asset assets charges and termination fees include accelerated depreciation and amortization expense of \$0.4 million \$5.1 million and \$6.2 million \$5.5 million recorded during the three and six months ended February 29, 2024 May 31, 2024, respectively, and February 28, 2023 \$5.3 million and \$11.5 million recorded during the three and six months ended May 31, 2023, respectively, due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, along with \$6.6 million \$10.4 million and \$10.2 million \$17.0 million recorded during the three and six months ended February 29, 2024 May 31, 2024, respectively, and February 28, 2023 \$2.3 million and \$12.5 million recorded during the three and six months ended May 31, 2023, respectively, for termination fees related to certain IT systems. Stock-based compensation expense primarily relates to costs associated with the conversion of certain Tech Data performance-based equity awards issued prior to the Merger into restricted shares of TD SYNNEX (refer to [Note 4](#) - Share-Based Compensation for further information) and expenses for certain restricted stock awards issued in conjunction with the Merger.

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

In July 2023, the Company offered a voluntary severance program ("VSP") to certain co-workers in the United States as part of the Company's cost optimization efforts related to the Merger. The Company incurred \$7.2 million \$2.9 million and \$10.1 million of costs in connection with the VSP during the three and six months ended February 29, 2024 May 31, 2024, respectively, including \$6.0 million \$2.0 million and \$8.0 million of severance costs and \$1.2 million \$0.9 million and \$2.1 million of duplicative labor costs, costs, respectively.

During the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 May 31, 2023, acquisition and integration expenses related to the Merger were composed of the following:

		Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
		February 29, 2024	February 29, 2024	February 29, 2024	May 31, 2024	May 31, 2023
Professional services costs						
Professional services costs						
Professional services costs						
Personnel and other costs						
Personnel and other costs						
Personnel and other costs						
Long-lived assets charges and termination fees						
Long-lived assets charges and termination fees						
Long-lived assets charges and termination fees						
Stock-based compensation						
Stock-based compensation						

Stock-based compensation
Voluntary severance program costs
Voluntary severance program costs
Voluntary severance program costs
Total
Total
Total

**NOTE 4—SHARE-BASED COMPENSATION:**

**Overview of TD SYNNEX Stock Incentive Plans**

The Company recognizes share-based compensation expense for all share-based awards made to employees and outside directors, including employee stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance-based RSUs ("PRSUs") and employee stock purchase rights, based on estimated fair values.

The following tables summarize the Company's share-based awards activity for TD SYNNEX stock incentive plans during the **three six** months ended **February 29, 2024** **May 31, 2024**.

A summary of the changes in the Company's stock options is set forth below:

(shares in thousands)	Stock options
Balances as of November 30, 2023	594
Exercised	(33) (74)
Balances as of <b>February 29, 2024</b> <b>May 31, 2024</b>	<b>561 520</b>

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the **three and six** months ended **February 29, 2024** **May 31, 2024** and **February 28, 2023** **2023****

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

A summary of the changes in the Company's non-vested RSAs and RSUs is presented below:

(shares in thousands)	RSAs and RSUs
Non-vested as of November 30, 2023	1,307
Granted	148 193
Vested	(138) (184)
Attainment adjustments <sup>(1)</sup>	(12)
Cancelled	(26) (35)
Non-vested as of <b>February 29, 2024</b> <b>May 31, 2024</b>	<b>1,279 1,269</b>

<sup>(1)</sup> During the **three** **six** months ended **February 29, 2024** **May 31, 2024**, the attainment on PRSUs vested was adjusted to reflect actual performance.

A summary of share-based compensation expense in the Consolidated Statements of Operations for TD SYNNEX stock incentive plans is presented below:

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended		
	February 29, 2024	February 29, 2024	February 29, 2024	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
				(currency in thousands)			
				(currency in thousands)			
				(currency in thousands)			
Selling, general and administrative expenses							
Selling, general and administrative expenses							
Selling, general and administrative expenses							
Acquisition, integration and restructuring costs							
Acquisition, integration and restructuring costs							

Acquisition, integration and restructuring costs
Total share-based compensation expense
Total share-based compensation expense
Total share-based compensation expense

### **Tech Data Equity Awards**

Prior to the Merger, certain of Tech Data's employees were granted performance-based equity awards in Tiger Parent Holdings L.P., a partnership entity that was the parent company of Tiger Parent (AP) Corporation and Tech Data, that were unvested at the time of the closing of the Merger. Upon closing of the Merger, the unvested performance-based equity awards were converted into restricted shares of TD SYNNEX that vested over two years.

The restricted shares had a fair value of \$127.60 per share upon closing of the Merger which was recorded as share-based compensation expense on a straight-line basis over the vesting period in "Acquisition, integration, and restructuring costs" in the Consolidated Statement of Operations. Vesting of the restricted shares was completed as of September 1, 2023, therefore there was no related share-based compensation expense recorded by the Company during the three or six months ended February 29, 2024 May 31, 2024. The Company recorded \$10.0 million \$9.5 million and \$19.6 million of share-based compensation expense related to these restricted shares in "Acquisition, integration, and restructuring costs" during the three and six months ended February 28, 2023. May 31, 2023, respectively.

### **NOTE 5—STOCKHOLDERS' EQUITY:**

#### **Share Repurchase Program**

In January 2023, the Board of Directors authorized a three-year \$1.0 billion share repurchase program, pursuant to which the Company may repurchase its outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934.

### **TD SYNNEX CORPORATION**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)**

On January 31, 2024, the Company announced the closing of a secondary public offering (the "January Offering") of an aggregate of 8.8 million shares (which includes approximately 1.1 million additional shares that underwriters had the option to purchase) of its common stock that were sold by certain entities managed by affiliates of Apollo Global Management, Inc (the "Selling Stockholders"). All the shares in the January Offering were sold by the Selling Stockholders. The Company did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the January Offering. Also pursuant to the related underwriting agreement, the Company repurchased

1.4 million shares of its common stock from the underwriters as part of the January Offering, at a repurchase price of \$100.50 per share, resulting in a purchase price of approximately \$138.2 million (the "January Concurrent Share Repurchase"). The January Concurrent Share Repurchase was made under the Company's existing \$1.0 billion share repurchase program, and is included within the caption "Shares of treasury stock purchased under share repurchase program" in the table below.

As of February 29, 2024, the Company had \$196.7 million available for future repurchases of its common stock under the authorized share repurchase program.

The Company's common share repurchase activity for the three months ended February 29, 2024 is summarized as follows:

(shares in thousands, except per share amounts)	Shares	Weighted-average price per share
Treasury stock balance as of November 30, 2023	10,343	\$ 91.82
Shares of treasury stock repurchased under share repurchase program <sup>(1)</sup>	1,961	101.60
Shares of treasury stock repurchased for tax withholdings on equity awards	47	101.86
Shares of treasury stock reissued for employee benefit plans	(180)	92.70
Treasury stock balance as of February 29, 2024	12,171	\$ 93.58

<sup>(1)</sup> Weighted-average price per share excludes broker's commissions and excise taxes. "Repurchases of common stock" in the Consolidated Statements of Cash Flows for the three months ended February 29, 2024 excludes amounts related to accrued excise tax that is included in "Other current liabilities" and "Treasury stock" on the Consolidated Balance Sheets at February 29, 2024. Excise taxes when paid are classified as operating activities in the Consolidated Statements of Cash Flows.

In March 2024, the Board of Directors authorized a new \$2.0 billion share repurchase program (the "March 2024 share repurchase program"), supplementing the amount \$196.7 million remaining authorization under the existing prior program, pursuant to which the Company may repurchase its outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. The new March 2024 share repurchase authorization program does not have an expiration date.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three and six months ended May 31, 2024 and 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

On January 31, 2024, March 27, 2024, and April 4, 2024, the Company announced the closing of secondary public offering offerings (the "March Offering" "Offerings"), of an aggregate of 12.1 million 26.2 million shares of its common stock in total (which includes approximately 1.6 million 2.7 million of additional shares that underwriters had

the option to purchase) of its common stock that were sold by the Selling Stockholders, certain entities managed by affiliates of Apollo Global Management, Inc (the "Selling Stockholders"). All the shares in the March Offering Offerings were sold by the Selling Stockholders. The Company did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the March Offering Offerings. Also pursuant to the related underwriting agreement, agreements, the Company repurchased 500 thousand a total of 3.6 million shares of its common stock from the respective underwriters as part of the March Offering Offerings, for a total purchase price in the aggregate of approximately \$392.3 million (the "March Concurrent Share Repurchases"). The Offerings reduced the Selling Stockholders' ownership interest in the Company to zero.

The Concurrent Share Repurchase") at a repurchase price of \$108.60 per share, resulting in a purchase price of \$54.3 million. The March Concurrent Share Repurchase was Repurchases were all made under the Company's existing share repurchase programs described above, and are included within the caption "Shares of treasury stock purchased under share repurchase program" in the table below.

As of May 31, 2024, the Company had \$1.9 billion available for future repurchases of its common stock under the March 2024 share repurchase program.

The Company's common share repurchase activity for the six months ended May 31, 2024 is summarized as follows:

(shares in thousands, except per share amounts)	Weighted-average	
	Shares	price per share
Treasury stock balance as of November 30, 2023	10,343	\$ 91.82
Shares of treasury stock repurchased under share repurchase program <sup>(1)</sup>	4,211	107.67
Shares of treasury stock repurchased for tax withholdings on equity awards	60	104.19
Shares of treasury stock reissued for employee benefit plans	(266)	93.40
Treasury stock balance as of May 31, 2024	14,348	\$ 96.80

<sup>(1)</sup> Weighted-average price per share excludes broker's commissions and excise taxes. "Repurchases of common stock" in the Consolidated Statements of Cash Flows for the six months ended May 31, 2024 excludes amounts related to accrued excise tax that is included in "Other current liabilities" and "Treasury stock" on the Consolidated Balance Sheets at May 31, 2024. Excise taxes when paid are classified as operating activities in the Consolidated Statements of Cash Flows.

## Dividends

On March 26, 2024 June 25, 2024, the Company announced that its Board of Directors declared a quarterly cash dividend of \$0.40 per common share payable on April 26, 2024 July 26, 2024 to stockholders of record as of the close of business on April 12, 2024 July 12, 2024. Dividends are subject to continued capital availability and the declaration by the Board of Directors in the best interest of the Company's stockholders.

## TD SYNNEX CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023

(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)

## NOTE 6—EARNINGS PER COMMON SHARE:

The following table sets forth the computation of basic and diluted earnings per common share for the periods indicated:

Weighted-average number of common shares - basic

Basic earnings per common share

Basic earnings per common share

Basic earnings per common share

**Diluted earnings per common share:**

**Diluted earnings per common share:**

**Diluted earnings per common share:**

Net income attributable to common stockholders<sup>(1)</sup>

Net income attributable to common stockholders<sup>(1)</sup>

Net income attributable to common stockholders<sup>(1)</sup>

Weighted-average number of common shares - basic

Weighted-average number of common shares - basic

Weighted-average number of common shares - basic

Effect of dilutive securities:

Effect of dilutive securities:

Effect of dilutive securities:

Stock options and RSUs

Stock options and RSUs

Stock options and RSUs

Weighted-average number of common shares - diluted

Weighted-average number of common shares - diluted

Weighted-average number of common shares - diluted

Diluted earnings per common share

Diluted earnings per common share

Diluted earnings per common share

Anti-dilutive shares excluded from diluted earnings per share calculation

Anti-dilutive shares excluded from diluted earnings per share calculation

Anti-dilutive shares excluded from diluted earnings per share calculation

<sup>(1)</sup> RSAs granted by the Company are considered participating securities. Income available to participating securities was immaterial in all periods presented.

#### NOTE 7—BALANCE SHEET COMPONENTS:

##### Accounts receivable, net:

The following table summarizes accounts receivable, net:

	As of	
	February 29, 2024	November 30, 2023
	May 31, 2024	November 30, 2023
(currency in thousands)		
(currency in thousands)		
(currency in thousands)		
Accounts receivable		
Less: Allowance for doubtful accounts		
Accounts receivable, net		

#### TD SYNNEX CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023

(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)

##### Receivables from vendors, net:

The following table summarizes receivables from vendors, net:

	As of	
	February 29, 2024	November 30, 2023
	May 31, 2024	November 30, 2023
(currency in thousands)		
(currency in thousands)		

(currency in thousands)

Receivables from vendors
Less: Allowance for doubtful accounts
Receivables from vendors, net

**Allowance for doubtful trade receivables:**

The following table summarizes the changes to the allowance for doubtful trade receivables (currency in thousands):

Balance as of November 30, 2023	\$ 150,753
Additions	11,194 4,922
Write-offs, recoveries, reclassifications and foreign exchange translation	(5,657) (25,284)
Balance as of February 29, 2024 May 31, 2024	\$ 156,290 130,391

**Allowance for receivables from vendors:**

The following table summarizes the changes to the allowance for receivables from vendors (currency in thousands):

Balance as of November 30, 2023	\$ 12,119
AdditionsCharged to income	7,623 (2,255)
Write-offs, recoveries, reclassifications and foreign exchange translation	(157) (103)
Balance as of February 29, 2024 May 31, 2024	\$ 19,585 9,761

**Accumulated other comprehensive loss:**

The following table summarizes the components of accumulated other comprehensive income (loss) ("AOCL"), net of taxes:

(currency in thousands)	Foreign currency translation adjustment and other, net of taxes
Balance as of November 30, 2023	\$ (507,248)
Other comprehensive income (loss) before reclassification	(31,824)
Reclassifications from accumulated other comprehensive loss	—
Balance as of February 29, 2024	\$ (539,072)

Refer to [Note 8](#) - Derivative Instruments for the location of gains and losses reclassified from accumulated other comprehensive income (loss) to the Consolidated Statements of Operations on derivative instruments.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended February 29, 2024 and February 28, 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**NOTE 8—DERIVATIVE INSTRUMENTS:**

In the ordinary course of business, the Company is exposed to foreign currency risk, interest rate risk, equity risk, commodity price changes and credit risk. The Company enters into transactions, and owns monetary assets and liabilities, that are denominated in currencies other than the legal entity's functional currency. The Company may enter into forward contracts, option contracts, swaps, or other derivative instruments to offset a portion of the risk on expected future cash flows, earnings, net investments in certain international subsidiaries and certain existing assets and liabilities. However, the Company may choose not to hedge certain exposures for a variety of reasons including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign currency exchange or interest rates. The Company does not use derivative instruments to cover equity risk and credit risk. The Company's hedging program is not used for trading or speculative purposes.

All derivatives are recognized on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded in the Consolidated Statements of Operations, or as a component of **AOCI** accumulated other comprehensive income (loss) ("AOCI") in the Consolidated Balance Sheets, as discussed below.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three and six months ended May 31, 2024 and 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**Cash Flow Hedges**

The Company uses interest rate swap derivative contracts to economically convert a portion of its variable-rate debt to fixed-rate debt. Gains and losses on cash flow hedges are recorded in AOCI until the hedged item is recognized in earnings. Deferred gains and losses associated with cash flow hedges of interest payments are recognized in "Interest expense and finance charges, net" in the same period as the related expense is recognized. Derivative instruments designated as cash flow hedges must be de-designated as hedges when it is probable the forecasted hedged transaction will not occur in the initially identified time period or within a subsequent two-month time period. Deferred gains and losses in AOCI associated with such derivative instruments are reclassified into earnings in the

period of de-designation. Any subsequent changes in fair value of such derivative instruments are recorded in earnings unless they are re-designated as hedges of other transactions. The Company classifies cash flows related to the settlement of its cash flow hedges as operating activities in the Consolidated Statements of Cash Flows. The Company terminated its remaining interest rate swaps in May 2023 and had no interest rate swaps designated as cash flow hedges outstanding as of **February 29, 2024** **May 31, 2024**.

### Net Investment Hedges

The Company has entered into foreign currency forward contracts to hedge a portion of its net investment in euro denominated foreign operations which are designated as net investment hedges. The Company entered into the net investment hedges to offset the risk of change in the U.S. dollar value of the Company's investment in a euro functional subsidiary due to fluctuating foreign exchange rates. Gains and losses on the net investment hedges, **which** have been recorded in AOCI and will remain in AOCI until the sale or substantial liquidation of the underlying assets of the Company's **investment**, **investment**, are included within the "Foreign currency translation adjustments and other" caption on the Consolidated Statements of Comprehensive Income. The initial fair value of hedge components excluded from the assessment of effectiveness is being recognized in the Consolidated Statements of Operations under a systematic and rational method over the life of the hedging instrument. The Company classifies cash flows related to the settlement of its net investment hedges as investing activities in the Consolidated Statements of Cash Flows.

### Non-Designated Derivatives

The Company uses short-term forward contracts to offset the foreign exchange risk of assets and liabilities denominated in currencies other than the functional currency of the respective entities. These contracts, which are not designated as hedging instruments, mature or settle within twelve months. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings in the financial statement line item to which the derivative relates.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

### Fair Values of Derivative Instruments in the Consolidated Balance Sheets

The fair values of the Company's derivative instruments are disclosed in [Note 9](#) - Fair Value Measurements and summarized in the table below:

Balance Sheet Line Item (currency in thousands)	Balance Sheet Line Item (currency in thousands)	Value as of		May 31, 2024	November 30, 2023
		February 29, 2024	November 30, 2023		

**Derivative instruments not designated as hedging instruments:**

Foreign exchange forward contracts (notional value)

Foreign exchange forward contracts (notional value)

Foreign exchange forward contracts (notional value)

Other current assets

Other accrued liabilities

**Derivative instruments designated as net investment hedges:**

**Derivative instruments designated as net investment hedges:**

**Derivative instruments designated as net investment hedges:**

Foreign currency forward contracts (notional value)

Foreign currency forward contracts (notional value)

Foreign currency forward contracts (notional value)

Other accrued liabilities

Other long-term liabilities

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended May 31, 2024 and 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**

**(unaudited)**

**Volume of Activity**

The notional amounts of foreign exchange forward contracts represent the gross amounts of foreign currency, including, principally, the Australian dollar, Brazilian real, British pound, Canadian dollar, Chinese yuan, Czech koruna, Danish krone, Euro, Indian rupee, Indonesian rupiah, Japanese yen, Mexican peso, Norwegian krone, Philippine peso, Polish zloty, Singapore dollar, Swedish krona, Swiss franc and Turkish lira that will be bought or sold at maturity. The notional amounts for outstanding derivative instruments provide one measure of the transaction volume outstanding and do not represent the amount of the Company's exposure to credit or market loss. The Company's exposure to credit loss and market risk will vary over time as currency and interest rates change.

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**

**(unaudited)**

**The Effect of Derivative Instruments on AOCI and the Consolidated Statements of Operations**

The following table shows the gains and losses, before taxes, of the Company's derivative instruments designated as cash flow hedges and net investment hedges in Other Comprehensive Income ("OCI") and not designated as hedging instruments in the Consolidated Statements of Operations for the periods presented:

		Three Months Ended		Six Months Ended	
		Three Months Ended		Three Months Ended	
		Three Months Ended		Three Months Ended	
Location of Gains (Losses) in Income	Location of Gains (Losses) in Income				
Location of Gains (Losses) in Income	Location of Gains (Losses) in Income	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
		(currency in thousands)		(currency in thousands)	
		(currency in thousands)		(currency in thousands)	
		(currency in thousands)		(currency in thousands)	
<b>Derivative instruments not designated as hedging instruments:</b>					
<b>Derivative instruments not designated as hedging instruments:</b>					
<b>Derivative instruments not designated as hedging instruments:</b>					
Gains (losses) recognized from foreign exchange contracts, net <sup>(1)</sup>					
Gains (losses) recognized from foreign exchange contracts, net <sup>(1)</sup>					

Gains (losses) recognized from foreign exchange contracts, net<sup>(1)</sup>

(Losses) gains recognized from foreign exchange contracts, net<sup>(1)</sup>

Total

Total

Total

**Derivative instruments designated as cash flow hedges:**

**Derivative instruments designated as cash flow hedges:**

**Derivative instruments designated as cash flow hedges:**

Gains recognized in OCI on interest rate swaps

Gains recognized in OCI on interest rate swaps

Gains recognized in OCI on interest rate swaps

Gains on interest rate swaps reclassified from AOCI into income

Gains on interest rate swaps reclassified from AOCI into income

(Losses) gains recognized in OCI on interest rate swaps

(Losses) gains recognized in OCI on interest rate swaps

(Losses) gains recognized in OCI on interest rate swaps

Gains on interest rate swaps reclassified from AOCI into income

**Derivative instruments designated as net investment hedges:**

**Derivative instruments designated as net investment hedges:**

**Derivative instruments designated as net investment hedges:**

Gains (losses) recognized in OCI on foreign exchange forward contracts

Gains (losses) recognized in OCI on foreign exchange forward contracts

Gains (losses) recognized in OCI on foreign exchange forward contracts

Gains recognized in income (amount excluded from effectiveness testing)

Gains recognized in income (amount excluded from effectiveness testing)

(Losses) gains recognized in OCI on foreign exchange forward contracts

(Losses) gains recognized in OCI on foreign exchange forward contracts

(Losses) gains recognized in OCI on foreign exchange forward contracts

Gains recognized in income (amount excluded from effectiveness testing)

---

<sup>(1)</sup> The gains and losses largely offset the currency gains and losses that resulted from changes in the assets and liabilities denominated in nonfunctional currencies.

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended May 31, 2024 and 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)**

Except for the net investment hedge amounts shown above, there were no gain or loss amounts excluded from the assessment of effectiveness. There are no existing gains or losses in AOCI expected to be reclassified into earnings in the normal course of business within the next 12 months.

Credit exposure for derivative financial instruments is limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the Company's obligations to the counterparties. The Company manages the potential risk of credit losses through careful evaluation of counterparty credit standing and selection of counterparties from a limited group of financial institutions.

**TD SYNNEX CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**NOTE 9—FAIR VALUE MEASUREMENTS:**

The Company's fair value measurements are classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the valuation of the Company's financial instruments that are measured at fair value on a recurring basis:

	<b>As of February 29, 2024</b>
	<b>As of February 29, 2024</b>
	<b>As of February 29, 2024</b>
	<b>As of May 31, 2024</b>
	<b>As of May 31, 2024</b>
	<b>As of May 31, 2024</b>
	<b>Fair value measurement category</b>
	<b>Fair value measurement category</b>
	<b>Fair value measurement category</b>
	<b>Total</b>
	<b>Total</b>
	<b>Total</b>
	<b>(currency in thousands)</b>
	<b>(currency in thousands)</b>
	<b>(currency in thousands)</b>

**Assets:****Assets:****Assets:**

Forward foreign currency exchange contracts not designated as hedges

Forward foreign currency exchange contracts not designated as hedges

Forward foreign currency exchange contracts not designated as hedges

**Liabilities:****Liabilities:****Liabilities:**

Forward foreign currency exchange contracts not designated as hedges

Forward foreign currency exchange contracts not designated as hedges

Forward foreign currency exchange contracts not designated as hedges

Forward foreign currency exchange contracts designated as net investment hedges

Forward foreign currency exchange contracts designated as net investment hedges

Forward foreign currency exchange contracts designated as net investment hedges

The fair values of forward exchange contracts are measured based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. Fair values of interest rate swaps are measured using standard valuation models using inputs that are readily available in public markets, or can be derived from observable market transactions, including spot and forward rates. There were no interest rate swaps outstanding as of February 29, 2024. The effect of nonperformance risk on the fair value of derivative instruments was not material as of February 29, 2024 May 31, 2024 and November 30, 2023.

The carrying values of accounts receivable, accounts payable and short-term debt approximate fair value due to their short maturities and interest rates which are variable in nature. The carrying value of the Company's term loans approximate their fair value since they bear interest rates that are similar to existing market rates. The estimated fair value of the Senior Notes (inclusive of the newly issued 2034 Senior Notes, defined in [Note 10 - Borrowings below](#)) was approximately \$2.9 billion and \$2.2 billion as of February 29, 2024 May 31, 2024 and November 30, 2023, respectively.

During the three six months ended February 29, 2024 May 31, 2024, there were no transfers between the fair value measurement category levels.

**TD SYNNEX CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)**

## NOTE 10—BORROWINGS:

Borrowings consist of the following:

	As of	
	February 29, 2024	November 30, 2023
	May 31, 2024	November 30, 2023
	(currency in thousands)	(currency in thousands)
	(currency in thousands)	(currency in thousands)
Current portion of TD SYNNEX Senior Notes		
Current portion of TD SYNNEX term loan		
Current portion of term loans		
Other short-term borrowings		
Short-term borrowings before debt discount and issuance costs		
Less: current portion of unamortized debt discount and issuance costs		
Borrowings, current		
TD SYNNEX term loan		
TD SYNNEX term loan		
TD SYNNEX term loan		
Term loans		
Term loans		
Term loans		
TD SYNNEX Senior Notes		
Other credit agreements and long-term debt		
Other credit agreements and long-term debt		
Other credit agreements and long-term debt		
Long-term borrowings, before unamortized debt discount and issuance costs		
Less: unamortized debt discount and issuance costs		
Long-term borrowings		

### TD SYNNEX **United States** U.S. Accounts Receivable Securitization Arrangement

In the **United States, U.S.**, the Company has an accounts receivable securitization program to provide additional capital for its operations (the “U.S. AR Arrangement”). Under the terms of the U.S. AR Arrangement, as amended December 11, 2023 and March 29, 2024, the Company and its subsidiaries that are party to the U.S. AR Arrangement can borrow up to a maximum of \$1.5 billion based upon eligible trade accounts receivable. The U.S. AR Arrangement has a maturity date of December 2025. The effective borrowing cost under the U.S. AR Arrangement is a blended rate based upon the composition of the lenders, that includes prevailing dealer commercial paper rates and a rate based upon SOFR. In addition, a program fee payable on the used portion of the lenders’ commitment accrues at

0.85% per annum. A facility fee is payable on the adjusted commitment of the lenders, to accrue at different tiers ranging between 0.30% per annum and 0.40% per annum depending on the amount of outstanding advances from time to time.

Under the terms of the U.S. AR Arrangement, the Company and certain of its U.S. subsidiaries sell, on a revolving basis, their receivables to a wholly-owned, bankruptcy-remote subsidiary. Such receivables, which are recorded in the Consolidated Balance Sheet, totaled approximately \$2.8 billion \$3.1 billion and \$3.4 billion as of **February 29, 2024** **May 31, 2024** and November 30, 2023, respectively. The borrowings are funded by pledging all of the rights, title and interest in the receivables acquired by the Company's bankruptcy-remote subsidiary as security. Any amounts received under the U.S. AR Arrangement are recorded as debt on the Company's Consolidated Balance Sheets. There were no amounts outstanding under the U.S. AR Arrangement at **February 29, 2024** **May 31, 2024** or November 30, 2023.

#### TD SYNNEX CORPORATION

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended **February 29, 2024** **May 31, 2024** and **February 28, 2023** **2023**

(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)

#### TD SYNNEX Credit Agreement

The Company is party to **a** **an amended and restated** credit agreement, dated as of **April 16, 2021** and **amended May 22, 2023** **April 16, 2024** (as amended, the "TD SYNNEX Credit Agreement") with the lenders party thereto and Citibank, N.A., as agent, pursuant to which the Company received commitments for the extension of a senior unsecured revolving credit facility not to exceed an aggregate principal amount of \$3.5 billion, which revolving credit facility (the "TD SYNNEX **revolving credit facility**" **Revolving Credit Facility**") may, at the request of the Company but subject to the lenders' discretion, potentially be increased by up to an aggregate amount of \$500.0 million. There were no amounts outstanding under the TD SYNNEX **revolving credit facility** **Revolving Credit Facility** at **February 29, 2024** **May 31, 2024** or November 30, 2023. The TD SYNNEX Credit Agreement also includes a senior unsecured term loan (the "TD SYNNEX **term loan**" and, together with the TD SYNNEX revolving credit facility, the "TD SYNNEX **credit facilities**" **Term Loan**") in an original aggregate principal amount of \$1.5 billion, that was fully funded in connection with the closing of the Merger. The **borrower** **borrowers** under the TD SYNNEX Credit Agreement **is** **are** TD SYNNEX Corporation and certain subsidiaries of the Company. **There are no guarantors of the TD SYNNEX Credit Agreement.** The maturity of the TD SYNNEX **Credit Agreement** **Term Loan** is on the fifth anniversary of the September 2021 closing date, to occur in September **2026** **2026**. As amended, the TD SYNNEX Revolving Credit Facility will mature on April 16, 2029, subject, in the **case of the revolving credit facility**, **lender's discretion**, to two one-year extensions upon the Company's **Company's** prior notice to the **lenders** **lenders**. There was \$581.3 million and the agreement of the lenders to extend such maturity date.

**The \$1.4 billion** outstanding **principal amount of** **on** the TD SYNNEX **term loan** is payable in quarterly installments in an amount equal to **1.25%** **Term Loan** as of the original \$1.5 billion principal balance, with the outstanding principal amount of the term loans due in full on the maturity date. **May 31, 2024** and **November 30, 2023**, respectively.

Loans borrowed under the TD SYNNEX Credit Agreement bear interest in the case of SOFR rate loans, at a per annum rate equal to the applicable SOFR rate, plus 0.100% credit spread adjustment, plus the applicable margin, which may range from 1.000% to 1.750%, for borrowings under the TD SYNNEX Revolving Credit Facility and 1.125% to 1.750%, for the TD SYNNEX Term Loan, in each case based on the Company's public debt rating Public Debt Rating (as defined in the TD SYNNEX Credit Agreement). The applicable margin on base rate loans is 1.00% less than the corresponding margin on SOFR rate based loans. In addition to these borrowing rates, there is a commitment fee that ranges from 0.125% 0.100% to 0.300% on any unused commitment under the TD SYNNEX revolving credit facility Revolving Credit Facility based on the Company's public debt rating. Public Debt Rating. The effective interest rate for the TD SYNNEX term loan Term Loan was 6.80% and 6.82% as of February 29, 2024 May 31, 2024 and November 30, 2023, respectively.

### TD SYNNEX Term Loan Credit Agreement

On April 19, 2024, the Company entered into a Term Loan Credit Agreement (the "2024 Term Loan Credit Agreement") with the initial lenders party thereto, Bank of America N.A., as administrative agent for the lenders, and BOFA Securities, Inc. as lead arranger and lead bookrunner. The Company 2024 Term Loan Credit Agreement provides for a senior unsecured term loan in an aggregate principal amount of \$750.0 million (the "2024 Term Loan"). The proceeds from the 2024 Term Loan were used interest rate swap derivative contracts to economically convert repay a portion of the TD SYNNEX term loan Term Loan. The borrower under the 2024 Term Loan is the Company. The 2024 Term Loan will mature on September 1, 2027.

Loans borrowed under the 2024 Term Loan Credit Agreement bear interest at a per annum rate equal to fixed-rate debt. the applicable SOFR rate, plus 0.10% credit spread adjustment, plus the applicable margin, which may range from 1.000% to 1.625%, based on the Company's Public Debt Rating (as defined in the 2024 Term Loan Credit Agreement). The effective interest rate swaps were terminated in May 2023 (see Note 8 - Derivative Instruments for further discussion).

The TD SYNNEX Credit Agreement contains various loan covenants that are customary for similar facilities for similarly rated borrowers that restricts the ability 2024 Term Loan was 6.67% as of the Company and its subsidiaries to take certain actions. The TD SYNNEX Credit Agreement also contains financial covenants which require compliance with a maximum debt to EBITDA ratio and a minimum interest coverage ratio, in each case tested on the last day of each fiscal quarter. The TD SYNNEX Credit Agreement also contains various customary events of default, including with respect to a change of control of the Company. May 31, 2024.

### TD SYNNEX Senior Notes

On August 9, 2021, the Company completed its offering of \$2.5 billion aggregate principal amount of senior unsecured notes, consisting of \$700.0 million of 1.25% 1.250% senior notes due August 9, 2024, \$700.0 million of 1.75% 1.750% senior notes due August 9, 2026, \$600.0 million of 2.375% senior notes due August 9, 2028, and \$500.0 million of 2.65% 2.650% senior notes due August 9, 2031 (collectively, the "Senior Notes," and such offering, the "Senior Notes Offering"). The Company pays interest semi-annually on the notes on each of February 9 and August 9.

## TD SYNNEX CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended February 29, 2024 and February 28, 2023

(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)

(unaudited)

The interest rate payable on each series of the Senior Notes will be subject to adjustment from time to time if the credit rating assigned to such series of Senior Notes is downgraded (or downgraded and subsequently upgraded). The Company may redeem

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Senior Notes, at any time three and six months ended May 31, 2024 and 2023**

(Except per share amounts or as otherwise indicated, currency and share amounts in whole or from time to time in part, prior to (i) August 9, 2022 (the "2024 Par Call Date" thousands) in the case of the 2024 Senior Notes, (ii) July 9, 2026 (the "2026 Par Call Date") in the case of the 2026 Senior Notes, (iii) June 9, 2028 (the "2028 Par Call Date") in the case of the 2028 Senior Notes, and (iv) May 9, 2031 in the case of the 2031 Senior Notes (the "2031 Par Call Date" and, together with the 2024 Par Call Date, the 2026 Par Call Date and the 2028 Par Call Date, each, a "Par Call Date" and together, the "Par Call Dates"), at a redemption price equal to the greater of (x) 100% of the aggregate principal amount of the applicable Senior Notes to be redeemed and (y) the sum of the present values of the remaining scheduled payments of the principal and interest on the Senior Notes, discounted to the date of redemption on a semi-annual basis at a rate equal to the sum of the applicable treasury rate plus 15 basis points for the 2024 Senior Notes, 20 basis points for the 2026 Senior Notes and 25 basis points for the 2028 Senior Notes and 2031 Senior Notes, plus in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. The Company may also redeem the Senior Notes of any series at its option, at any time in whole or from time to time in part, on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed.

(unaudited)

In July 2022, the Company completed an offer to exchange (the "Exchange Offer") its outstanding unregistered Senior Notes for new registered notes (the "Exchange Notes"). The aggregate principal amount of Exchange Notes that were issued was equal to the aggregate principal amount of Senior Notes that were surrendered pursuant to the Exchange Offer. The terms of the Exchange Notes are substantially identical to the terms of the respective series of the Senior Notes, except that the Exchange Notes are registered under the Securities Act, and certain transfer restrictions, registration rights, and additional interest provisions relating to the Senior Notes do not apply to the Exchange Notes.

With respect On April 12, 2024, the Company issued and sold \$600.0 million of 6.100% senior notes due April 12, 2034 (the "2034 Senior Notes" and such offering, the "2034 Senior Notes Offering"). The Company will pay interest semi-annually on the 2034 Senior Notes on each of April 12 and October 12, commencing on October 12, 2024. The Company incurred \$5.7 million towards issuance costs on the 2034 Senior Notes. The Company will use the net proceeds from the 2034 Senior Notes Offering, together with other available funds, to repay or redeem on or prior to maturity the outstanding \$700.0 million aggregate principal amount of the 1.250% Senior Notes due August 9, 2024 and for general corporate purposes. References to the collective Senior Notes hereafter also include the 2034 Senior Notes.

The Company may redeem the Senior Notes, in whole or in part, at any time and from time to time, prior to (i) August 9, 2022 (the "2024 Par Call Date") in the case of the 2024 Senior Notes, (ii) July 9, 2026 (the "2026 Par Call Date") in the Company is currently assessing its debt structure ahead case of the August 9, 2024 maturity 2026 Senior Notes, (iii) June 9, 2028 (the "2028 Par Call Date") in the case of the 2028 Senior Notes, (iv) May 9, 2031 in the case of the 2031 Senior Notes (the "2031 Par Call Date") and (v) January 12, 2034 (the "2034 Par Call Date" and, together with the 2024 Par Call Date, the 2026 Par Call Date, the 2028 Par Call Date, and the 2031 Par Call Date, each, a "Par Call Date" and together, the "Par Call Dates") in the case of the 2034 Senior Notes, in each case, at a redemption price equal to the greater of (x) 100% of the aggregate principal amount of the applicable Senior Notes to be redeemed and (y) the sum of the present values of the remaining scheduled payments of the principal and interest on the Senior Notes, in each case discounted to the date of redemption (assuming the applicable Senior Notes matured on the applicable Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the sum of the applicable treasury rate (as defined in the supplemental indenture establishing the terms of the applicable Senior Notes) plus 15 basis points for the 2024 Senior Notes, 20 basis points for the 2026 Senior Notes, 25 basis points for the 2028 Senior Notes and 2031 Senior Notes and 30 basis points for the 2034 Senior Notes, plus in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. The Company may also redeem the Senior Notes of any series at its **current intention is** option, in whole or in part, at any time and from time to refinance some time on or all after the applicable Par Call Date, at a redemption price equal to 100% of that debt prior the principal amount of the Senior Notes to its maturity. be redeemed.

### Other Short-Term Borrowings

The Company has various other committed and uncommitted lines of credit with financial institutions, short-term loans, term loans, credit facilities and book overdraft facilities, totaling approximately **\$577.3 million** **\$569.6 million** in borrowing capacity as of **February 29, 2024** **May 31, 2024**. Most of these facilities are provided on a short-term basis and are reviewed periodically for renewal. Interest rates and other terms of borrowing under these lines of credit vary by country, depending on local market conditions. There was **\$151.8 million** **\$160.1 million** outstanding on these facilities at **February 29, 2024** **May 31, 2024**, at a weighted average interest rate of **6.24%** **5.93%**, and there was \$208.7 million outstanding at November 30, 2023, at a weighted average interest rate of 7.52%. Borrowings under these lines of credit facilities are guaranteed by the Company or secured by eligible accounts receivable.

At **February 29, 2024** **May 31, 2024**, the Company was also contingently liable for reimbursement obligations with respect to issued standby letters of credit in the aggregate outstanding amount of **\$81.1 million** **\$74.4 million**. These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions.

The maximum commitment amounts for local currency credit facilities have been translated into **United States Dollars** **U.S. dollars** at **February 29, 2024** **May 31, 2024** exchange rates.

### Covenant Compliance

The Company's credit facilities have a number of covenants and restrictions that require the Company to maintain specified financial ratios, including a maximum debt to EBITDA ratio and a minimum interest coverage ratio, in each case tested on the last day of each fiscal quarter. The covenants also limit the Company's ability to incur additional debt, create liens, enter into agreements with affiliates, modify the nature of the Company's business, and merge or consolidate. As of **February 29, 2024** **May 31, 2024**, the Company was in compliance with the financial covenant requirements for the above arrangements.

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023 2023**  
**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**NOTE 11 – SUPPLIER FINANCE PROGRAMS:**

The Company has certain agreements with third-party financial institutions ("supplier finance programs"), which facilitate the participating vendors' ability to sell their receivables from the Company to the third-party financial institutions, at the sole discretion of these vendors. The Company is not party to the agreements between the vendor and the third-party financial institution. As part of these arrangements, the Company generally receives more favorable payment terms from its vendors. The Company's rights and obligations to its vendors, including amounts due, are generally not impacted by supplier finance programs. However, the Company agrees to make all payments to the third-party financial institutions, and the Company's right to offset balances due from vendors against payment obligations is restricted by the agreements for those payment obligations that have been sold by the respective vendors. The Company generally does not incur any fees under supplier finance programs; however, the Company did recognize an immaterial amount of fees during the three and six months ended February 29, 2024 May 31, 2024 within "Cost of revenue" in the Company's Consolidated Statements of Operations related to an arrangement with a certain vendor. As of both February 29, 2024 May 31, 2024 and November 30, 2023, the Company had \$2.5 billion and \$2.7 billion, respectively, in obligations outstanding under these programs included in "Accounts payable" in the Company's Consolidated Balance Sheets and all activity related to the obligations is presented within operating activities in the Consolidated Statements of Cash Flows.

**NOTE 12—SEGMENT INFORMATION:**

Summarized financial information related to the Company's reportable business segments for the periods presented is shown below:

	<b>Americas</b>
<b>Three Months Ended February 29, 2024</b>	<b>Americas</b>
<b>Three Months Ended February 29, 2024</b>	<b>Americas</b>
<b>Three Months Ended February 29, 2024</b>	<b>(currency in thousands)</b>
<b>Three Months Ended May 31, 2024</b>	<b>(currency in thousands)</b>
<b>Three Months Ended May 31, 2024</b>	<b>(currency in thousands)</b>

**Three Months Ended February 29, 2024**

**Three Months Ended February 29, 2024**

**Three Months Ended February 29, 2024**

**Three Months Ended May 31, 2024**

**Three Months Ended May 31, 2024**

**Three Months Ended May 31, 2024**

Revenue

Revenue

Revenue

Operating income

Operating income

Operating income

**Three Months Ended February 28, 2023****Three Months Ended May 31, 2023****Three Months Ended February 28, 2023****Three Months Ended May 31, 2023****Three Months Ended February 28, 2023****Three Months Ended May 31, 2023**

Revenue

Revenue

Revenue

Operating income

Operating income

Operating income

**Six Months Ended May 31, 2024****Six Months Ended May 31, 2024****Six Months Ended May 31, 2024**

Revenue

Revenue

Revenue

Operating income

Operating income

Operating income

**Six Months Ended May 31, 2023****Six Months Ended May 31, 2023****Six Months Ended May 31, 2023**

Revenue

Revenue

Revenue

Operating income  
Operating income  
Operating income

#### **NOTE 13—RELATED PARTY TRANSACTIONS:**

The Company has a business relationship with MiTAC Holdings Corporation (“MiTAC Holdings”), a publicly-traded company in Taiwan, which began in 1992 when MiTAC Holdings became one of the Company’s primary investors through its affiliates. As of February 29, 2024 and November 30, 2023, MiTAC Holdings and its affiliates beneficially owned approximately 9.5% and 9.3% of the Company’s outstanding common stock, respectively. Mr. Matthew Miau, who served as Chairman Emeritus of the Company’s Board of Directors and a director until his retirement from the Board effective as of March 20, 2024, is the Chairman of MiTAC Holdings and a director or officer of MiTAC Holdings’ affiliates. Also effective as of March 20, 2024, the Company appointed Mr. Ting Herh to serve on the Board as a director. Mr. Herh also serves as an independent director on the board of MiTAC Holdings, a position he has held since May 2022.

#### **TD SYNNEX CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)  
(unaudited)**

#### **Beneficial Ownership of the Company’s Common Stock by MiTAC Holdings**

As noted above, MiTAC Holdings and its affiliates in the aggregate beneficially owned approximately 9.5% of the Company’s outstanding common stock as of February 29, 2024. These shares are owned by the following entities:

<b>(shares in thousands)</b>	<b>As of February 29, 2024</b>
MiTAC Holdings <sup>(1)</sup>	4,770
Synnex Technology International Corp. <sup>(2)</sup>	3,474
<b>Total</b>	<b>8,244</b>

<sup>(1)</sup> Shares are held as follows: 302 thousand shares by Silver Star Developments Ltd. and 2,065 thousand shares by MiTAC International Corp., both of which are wholly-owned subsidiaries of MiTAC Holdings, along with 2,403 thousand shares held directly by MiTAC Holdings. Excludes 146 thousand shares held directly by Mr. Miau, 217 thousand shares indirectly held by Mr. Miau through a charitable remainder trust, and 190 thousand shares held by his spouse.

<sup>(2)</sup> Synnex Technology International Corp. (“Synnex Technology International”) is a separate entity from the Company and is a publicly-traded corporation in Taiwan. Shares are held via Peer Development Ltd., a wholly-owned subsidiary of Synnex

Technology International. MiTAC Holdings owns a noncontrolling interest of 14.1% in MiTAC Incorporated, a privately-held Taiwanese company, which in turn holds a noncontrolling interest of 15.7% in Synnex Technology International. Neither MiTAC Holdings nor Mr. Miau is affiliated with any person(s), entity, or entities that hold a majority interest in MiTAC Incorporated.

The following table presents the Company's transactions with MiTAC Holdings and its affiliates for the periods indicated:

	Three Months Ended	
	February 29, 2024	February 28, 2023
	(currency in thousands)	
Purchases of inventories and services	\$ 56,130	\$ 40,443
Sale of products to MiTAC Holdings and affiliates	8,380	3,748
Payments made for rent and overhead costs for use of facilities of MiTAC Holdings and affiliates, net	212	307

The following table presents the Company's receivable from and payable to MiTAC Holdings and its affiliates for the periods presented:

	As of	
	February 29, 2024	November 30, 2023
	(currency in thousands)	
Receivable from related parties (included in Accounts receivable, net)	\$ 6,782	\$ 4,330
Payable to related parties (included in Accounts payable)	28,017	16,538

**TD SYNNEX CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months ended February 29, 2024 and February 28, 2023**

**(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)**  
**(unaudited)**

**NOTE 14—13—COMMITMENTS AND CONTINGENCIES:**

As is customary in the technology industry, to encourage certain customers to purchase products from us, the Company also has other financing agreements with financial institutions to provide inventory financing facilities to the Company's customers and allow certain customers of the Company to finance their purchases directly with the financial institutions. The Company is contingently liable to repurchase inventory sold under these agreements in the event of any default by its customers under the agreement and such inventory being repossessed by the financial institutions. As the Company does not have access to information regarding the amount of inventory purchased from the Company still on hand with the customer at any point in time, the Company's repurchase obligations relating to inventory cannot be reasonably estimated. Losses, if any, would be the difference between the repossession cost and the resale value of

the inventory. Repurchases under these arrangements have been insignificant to date and the Company is not aware of any pending customer defaults or repossession obligations. The Company believes that, based on historical experience, the likelihood of a material loss pursuant to these inventory repurchase obligations is remote.

The French Autorité de la Concurrence ("Competition Authority") began in 2013 an investigation into the French market for certain products of Apple, Inc. ("Apple") for which the Company is a distributor. In March 2020, the Competition Authority imposed fines on the Company, on another distributor, and on Apple, finding that the Company entered into an anticompetitive agreement with Apple regarding volume allocations of Apple products. The initial fine imposed on the Company was €76.1 million. The Company appealed its determination to the French courts, seeking to set aside or reduce the fine. On October 6, 2022, the appeals court issued a ruling that reduced the fine imposed on the Company from €76.1 million to €24.9 million. As a result of the appeals court ruling, the Company has determined that the best estimate of probable loss related to this matter is paid €24.9 million (approximately \$27.0 million as of February 29, 2024), which was paid in full in fiscal year 2022. The Company continues to contest the arguments of the Competition Authority and has further appealed this matter. A civil lawsuit related to this matter, alleging anticompetitive actions in association with the established distribution networks for Apple, the Company and another distributor was filed by eBizcuss. The Company is currently evaluating this matter and cannot currently estimate the probability or amount of any potential loss.

From time to time, the Company receives notices from third parties, including customers and suppliers, seeking indemnification, payment of money or other actions in connection with claims made against them. Also, from time to time, the Company has been involved in various bankruptcy preference actions where the Company was a supplier to the companies now in bankruptcy. In addition, the Company is subject to various other claims, both asserted and unasserted, that arise in the ordinary course of business. The Company evaluates these claims, and records the related liabilities. Liabilities in cases where a contingent obligation is deemed probable and reasonably estimable. It is possible that the ultimate liabilities could differ from the amounts recorded.

The Company does not believe that the above commitments and contingencies will have a material adverse effect on the Company's results of operations, financial position or cash flows.

## Table of contents

### **ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and related Notes included elsewhere in this Report. Amounts in certain tables may not add or compute due to rounding.

*When used in this Quarterly Report on Form 10-Q, or this "Report", the words "anticipates," "believes," "estimates," "expects," "intends," "allows," "can," "may," "could," "designed," "will," and similar expressions are intended to identify forward-looking statements. These are statements that relate to future periods and include statements about our business model and our services, our business and market strategy, future growth, demand, our infrastructure, our investment in our information technology or IT, ("IT") systems, our employee hiring and retention, our Merger-related acquisition-related integration plans, our revenue, sources of revenue, our gross margins, our operating costs*

and results, timing of payment, our competition, our future needs and sources for additional financing, contract terms, relationships with our suppliers, adequacy of our facilities, our operations, foreign currency exchange rates and hedging activities, our strategic acquisitions including anticipated cost savings and other benefits, seasonality of sales, adequacy of our cash resources, our debt and financing arrangements, **including our plans with respect to refinancing the same**, including the impact of any change to our credit rating, interest rate risk and impact thereof, cash held by our international subsidiaries and repatriation, changes in fair value of derivative instruments, our tax liabilities, adequacy of our disclosure controls and procedures, cybersecurity, impact of our pricing policies, impact of economic and industry trends, changes to the markets in which we compete, impact of new reporting rules and accounting policies, our estimates and assumptions, impact of inventory repurchase obligations and commitments and contingencies, our effective tax rates, and our share repurchase and dividend program. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, those risks discussed herein and others, including risks related to the buying patterns of our customers, concentration of sales to large customers, the loss or consolidation of one or more of our significant original equipment manufacturer ("OEM") suppliers or customers, market acceptance of the products we assemble and distribute, competitive conditions in our industry and their impact on our margins, pricing and other terms with our OEM suppliers, our ability to gain market share, variations in supplier-sponsored programs, changes in our costs and operating expenses, increased inflation, dependence upon and trends in capital spending budgets in the IT industry, fluctuations in general economic conditions, changes in tax laws, risks associated with our international operations, uncertainties and variability in demand by our reseller and integration customers, supply shortages or delays, any termination or reduction in our floor plan financing arrangements, changes in value of foreign currencies and interest rates and other risk factors contained in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended November 30, 2023 **and below under Part II, Item 1A, "Risk Factors."** These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless otherwise required by law.

*In the Management's Discussion and Analysis of Financial Condition and Results of Operations, all references to "TD SYNNEX," "SYNNEX," "we," "us," "our" or the "Company" mean TD SYNNEX Corporation and its subsidiaries, except where it is made clear that the term means only the parent company or one of its segments.*

**TD SYNNEX, the TD SYNNEX  logo and all other TD SYNNEX company, product and services names and slogans are trademarks or registered trademarks of TD SYNNEX Corporation. Other names and marks are the property of their respective owners.**

## Overview

We are a Fortune 100 corporation and a leading global distributor and solutions aggregator for the information technology ("IT") ecosystem. We serve a critical role, bringing products from the world's leading and emerging technology vendors to market, and helping our customers create solutions best suited to maximize business outcomes for their end-user customers.

## [Table of contents](#)

Digital transformation and the migration to cloud computing is reshaping our industry, enabling businesses and consumers to evaluate, procure, acquire, and consume technology products and services in a variety of ways. Hybrid models of IT consumption, supporting both physical and virtual delivery methods are emerging, as hardware and software-based solutions become increasingly combined. As a result, customers are seeking greater integration of products, services and solutions that tie technologies together. Therefore, we believe it is important to provide a broad, end-to-end portfolio, with deep capabilities across the computing continuum to help customers manage the increasingly complex IT ecosystem and deliver the solutions and business outcomes the market desires. Our vision for the future is to be the vital solutions aggregator and orchestrator that connects the IT ecosystem.

Our global strategy is to deliver higher value by focusing on the following strategic priorities:

- **Invest** in strategic technologies such as hybrid cloud, security, data analytics, artificial intelligence ("AI"), hyperscale infrastructure and services.
- **Strengthen** our end-to-end portfolio of products, services and solutions, including technology-as-a-service and recurring revenue models.
- **Transform** our company digitally through greater automation and advanced analytics, which we believe will enhance the customer experience, broaden our customer base, increase sales and augment our presence in strategic technologies.
- **Expand** our global footprint and enhance the operational excellence of our businesses around the world.

We offer a comprehensive catalog of technology products from original equipment manufacturers ("OEM"), such as personal computing devices, mobile phones and accessories, and strategic technologies such as cloud, security, data/analytics, AI and hyperscale infrastructure. This enables us to offer comprehensive solutions to our reseller and retail customers. Our reseller customers include value-added resellers, corporate resellers, government resellers, system integrators, direct marketers, retailers and managed service providers. We combine our core strengths in distribution with demand generation, supply chain management and design and integration solutions to help our customers achieve greater efficiencies in time to market, cost minimization, real-time linkages in the supply chain and aftermarket product support. We also provide comprehensive IT solutions in key vertical markets such as government and healthcare and we provide specialized service offerings that increase efficiencies in the areas of global computing components, logistics services and supply chain management. Additionally, we provide systems design and integration solutions for data center servers and networking solutions built specific to our customers' workloads and data center environments.

We group the majority of our offerings into two primary solutions portfolios, Endpoint Solutions and Advanced Solutions. Our Endpoint Solutions portfolio primarily includes personal computing devices and peripherals, mobile phones and accessories, printers, peripherals, and supplies. Our Advanced Solutions portfolio primarily includes data center technologies such as hybrid cloud, security, storage, networking, servers, software, converged and hyper-converged infrastructure and hyperscale infrastructure, via our Hyve business.

Our business is characterized by low gross profit as a percentage of revenue, or gross margin, and low operating income as a percentage of revenue, or operating margin. The market for IT products has generally been characterized by declining unit prices and short product life cycles, although unit prices for certain products have increased during certain periods due to factors such as supply chain constraints and inflation. We set our sales price based on the market supply and demand characteristics for each particular product or bundle of products we distribute and services we provide.

We are highly dependent on the end-market demand for IT products, and on our partners' strategic initiatives and business models. This end-market demand is influenced by many factors including the introduction of new IT products and software by OEM suppliers, replacement cycles for existing IT products, trends toward cloud computing and AI, overall economic growth and general business activity. A difficult and challenging economic environment, including the continued persistence of inflation and elevated interest rates, may also lead to consolidation or decline in the IT industries and increased price-based competition. Our systems design and integration solutions business is highly dependent on the demand for cloud infrastructure, and the number of key customers and suppliers in the market. Our business includes operations in the Americas, Europe and Asia-Pacific and Japan ("APJ") so we are affected by demand for our products in those regions, as well as the impact of fluctuations in foreign currency exchange rates compared to the United States ("U.S.") dollar.

## [Table of contents](#)

### **Acquisitions**

On March 22, 2021, the Company entered into an agreement and plan of merger (the "Merger Agreement") which provided that legacy SYNNEX Corporation would acquire legacy Tech Data Corporation, a Florida corporation ("Tech Data") through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNNEX Corporation (collectively, the "Merger"). On September 1, 2021, pursuant to the terms of the Merger Agreement, the Company acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNNEX, valued at approximately \$5.6 billion.

We continually seek to augment organic growth in our business with strategic acquisitions of businesses and assets that complement and expand our existing capabilities. We also divest businesses that we deem no longer strategic to our ongoing operations. We seek to acquire new OEM relationships, enhance our supply chain and integration capabilities, the services we provide to our customers and OEM suppliers, and expand our geographic footprint.

### **Results of Operations**

The following table sets forth, for the indicated periods, data as percentages of total revenue:

Three Months Ended	Three Months Ended	Six Months Ended
Three Months Ended		

		Three Months Ended				
Consolidated Statements of Operations Data:						
Consolidated Statements of Operations Data:		Consolidated Statements of Operations Data:	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Consolidated Statements of Operations Data:	Revenue	Revenue	100.00 %	100.00 %	100.00 %	100.00 %
Revenue	Revenue					
Revenue						
Cost of revenue	Cost of revenue	Cost of revenue	(93.02)%	(93.15)%	(92.91)%	(93.26)%
Cost of revenue	Gross profit	Gross profit	6.98 %	6.85 %	7.09 %	6.74 %
Gross profit	Gross profit					
Gross profit						
Selling, general and administrative expenses	Selling, general and administrative expenses	Selling, general and administrative expenses	(4.82)%	(4.79)%	(4.82)%	(4.55)%
Selling, general and administrative expenses	Acquisition, integration and restructuring costs	Acquisition, integration and restructuring costs	(0.27)%	(0.26)%	(0.24)%	(0.30)%
Acquisition, integration and restructuring costs	Acquisition, integration and restructuring costs					
Acquisition, integration and restructuring costs						
Operating income	Operating income	Operating income	1.89 %	1.80 %	2.03 %	1.89 %
Operating income	Interest expense and finance charges, net	Interest expense and finance charges, net	(0.55)%	(0.53)%	(0.55)%	(0.54)%
Interest expense and finance charges, net	Interest expense and finance charges, net					
Interest expense and finance charges, net						

Other expense, net					
Other expense, net					
Other expense, net	Other expense, net	(0.02)%	(0.03)%	(0.02)%	(0.01)%
Income before income taxes	Income before income taxes	1.32 %	1.24 %	1.46 %	1.34 %
Income before income taxes					
Income before income taxes					
Provision for income taxes					
Provision for income taxes					
Provision for income taxes	Provision for income taxes	(0.29)%	(0.29)%	(0.33)%	(0.31)%
Net income					
Net income					
Net income		1.03 %	0.95 %	1.13 %	1.03 %

### Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with GAAP, we also disclose certain non-GAAP financial information, including:

- Revenue in constant currency, which is revenue adjusted for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of our business performance. Revenue in constant currency is calculated by translating the revenue for the three and six months ended **February 29, 2024** **May 31, 2024** in the billing currency using the comparable prior period currency conversion rate. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates will be higher or lower than growth reported at actual exchange rates.
- Non-GAAP gross profit, which is gross profit, adjusted to exclude the portion of purchase accounting adjustments that affected cost of revenue.
- Non-GAAP gross margin, which is non-GAAP gross profit, as defined above, divided by revenue.
- Non-GAAP operating income, which is operating income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense and purchase accounting adjustments.

### [Table of contents](#)

- Non-GAAP operating margin, which is non-GAAP operating income, as defined above, divided by revenue.

- Non-GAAP net income, which is net income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense, purchase accounting adjustments and income taxes related to the aforementioned items.
- Non-GAAP diluted earnings per common share (“EPS”), which is diluted EPS excluding the per share impact of acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense, purchase accounting adjustments and income taxes related to the aforementioned items.

Acquisition, integration and restructuring costs, which are expensed as incurred, primarily represent professional services costs for legal, banking, consulting and advisory services, severance and other personnel related costs, share-based compensation expense and debt extinguishment fees that are incurred in connection with acquisition, integration, restructuring and divestiture activities. From time to time, this category may also include transaction-related gains/losses on divestitures/spin-off of businesses, costs related to long-lived assets including impairment charges and accelerated depreciation and amortization expense due to changes in asset useful lives, as well as various other costs associated with the acquisition or divestiture.

Our acquisition activities have resulted in the recognition of finite-lived intangible assets which consist primarily of customer relationships and vendor lists. Finite-lived intangible assets are amortized over their estimated useful lives and are tested for impairment when events indicate that the carrying value may not be recoverable. The amortization of intangible assets is reflected in our Consolidated Statements of Operations. Although intangible assets contribute to our revenue generation, the amortization of intangible assets does not directly relate to the sale of our products. Additionally, intangible asset amortization expense typically fluctuates based on the size and timing of our acquisition activity. Accordingly, we believe excluding the amortization of intangible assets, along with the other non-GAAP adjustments which neither relate to the ordinary course of our business nor reflect our underlying business performance, enhances our and our investors' ability to compare our past financial performance with our current performance and to analyze underlying business performance and trends. Intangible asset amortization excluded from the related non-GAAP financial measure represents the entire amount recorded within our GAAP financial statements, and the revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. Intangible asset amortization is excluded from the related non-GAAP financial measure because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised.

Share-based compensation expense is a non-cash expense arising from the grant of equity awards to employees and non-employee members of our Board of Directors based on the estimated fair value of those awards. Although share-based compensation is an important aspect of the compensation of our employees, the fair value of the share-based awards may bear little resemblance to the actual value realized upon the vesting or future exercise of the related share-based awards and the expense can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Given the variety and timing of awards and the subjective assumptions that are necessary when calculating share-based compensation expense, we believe this additional information allows investors to make additional comparisons between our operating results from period to period.

Purchase accounting adjustments are primarily related to the impact of recognizing the acquired vendor and customer liabilities from the Merger at fair value. These adjustments benefited our non-GAAP operating income through

the third fiscal quarter of fiscal 2023 based on historical settlement patterns with our vendors and in accordance with the timing defined in our policy for releasing vendor and customer liabilities we deem remote to be paid.

We believe that providing this additional information is useful to the reader to better assess and understand our base operating performance, especially when comparing results with previous periods and for planning and forecasting in future periods, primarily because management typically monitors the business adjusted for these items in addition to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be used as a complement to, and in conjunction with data presented in accordance with GAAP.

## Table of contents

**Three and Six Months Ended February 29, 2024 May 31, 2024 and February 28, 2023: 2023:**

### **Revenue**

The following table summarizes our revenue and change in revenue by segment for the three and six months ended February 29, 2024 May 31, 2024 and February 28, 2023: 2023:

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	
Revenue in constant currency	February 29, 2024	February 29, 2024	February 29, 2024
Revenue in constant currency	May 31, 2024	May 31, 2023	May 31, 2023
Revenue in constant currency	Percent Change	Percent Change	Percent Change
Revenue in constant currency	May 31, 2024	May 31, 2023	May 31, 2023

**Revenue in constant currency**

**Revenue in constant currency**

**Revenue in  
constant  
currency**

**Consolidated**

**Consolidated**

**Consolidated**

Revenue

Revenue

Revenue	\$13,947,908	\$	\$14,062,124	(0.8)	(0.8)	%	\$27,923,161	\$	\$29,187,495	(4.3)	(4.3)	%
---------	--------------	----	--------------	-------	-------	---	--------------	----	--------------	-------	-------	---

Impact of  
changes in  
foreign  
currencies

Impact of  
changes in  
foreign  
currencies

Impact of  
changes in  
foreign  
currencies

Revenue in  
constant  
currency

Revenue in  
constant  
currency

Revenue in  
constant  
currency

**Americas**

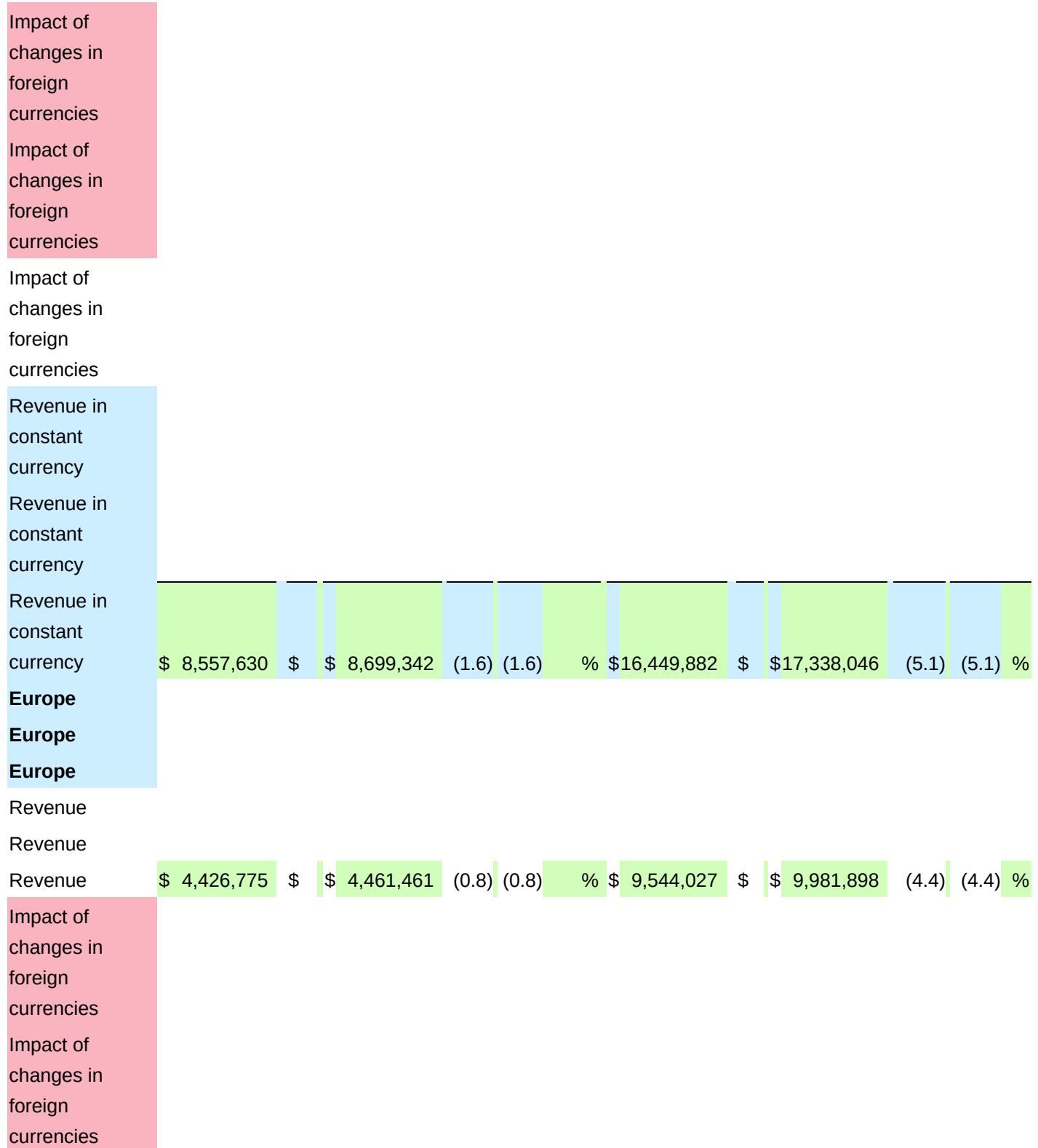
**Americas**

**Americas**

Revenue

Revenue

Revenue	\$ 8,557,573	\$	\$ 8,699,342	(1.6)	(1.6)	%	\$16,460,669	\$	\$17,338,046	(5.1)	(5.1)	%
---------	--------------	----	--------------	-------	-------	---	--------------	----	--------------	-------	-------	---

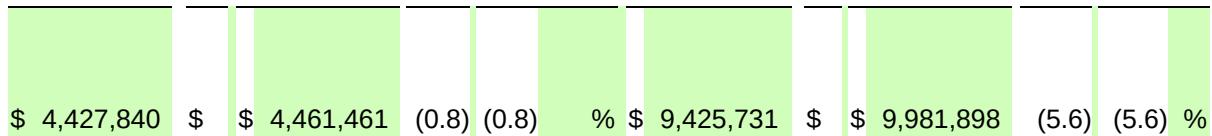


Impact of  
changes in  
foreign  
currencies

Revenue in  
constant  
currency

Revenue in  
constant  
currency

Revenue in  
constant  
currency



**APJ**

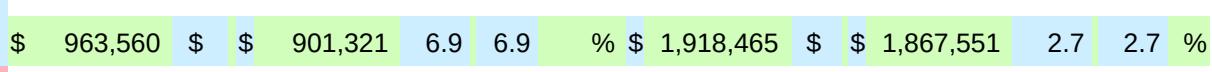
**APJ**

**APJ**

Revenue

Revenue

Revenue



Impact of  
changes in  
foreign  
currencies

Impact of  
changes in  
foreign  
currencies

Impact of  
changes in  
foreign  
currencies

Revenue in  
constant  
currency

Revenue in  
constant  
currency

Revenue in constant currency	\$ 1,000,247	\$ 901,321	11.0	11.0	%	\$ 1,982,877	\$ 1,867,551	6.2	6.2	%
------------------------------	--------------	------------	------	------	---	--------------	--------------	-----	-----	---

#### *Consolidated Commentary*

During the three months ended **February 29, 2024** **May 31, 2024**, consolidated revenue and revenue in constant currency slightly decreased by **\$1.2 billion** **\$114.2 million** and **\$1.3 billion** **\$76.4 million**, respectively, as compared to the prior year period. The decreases are primarily driven by our Advanced Solutions portfolio due to market dynamics the presentation of the prior year which resulted in higher revenues from strong demand and backlog conversion, as well as a decline in our Endpoint Solutions portfolio. A greater percentage of our revenues were presented additional revenue on a net basis, which negatively impacted our revenue compared to the prior three months ended **February 28, 2023** **May 31, 2023** by approximately **\$450 million** **\$550 million**, or 4%, partially offset by growth in our Advanced Solutions and Endpoint Solutions portfolios. The impact of changes in foreign currencies is primarily due to the weakening of the Japanese yen against the U.S. dollar.

During the six months ended May 31, 2024, both consolidated revenue and revenue in constant currency decreased by **\$1.3 billion**, as compared to the prior year period. The decreases are primarily driven by the presentation of additional revenue on a net basis, which negatively impacted our revenue compared to the prior six months ended May 31, 2023 by approximately **\$1 billion**, or 3%, and a decline in our Endpoint Solutions portfolio. The impact of changes in foreign currencies is primarily due to the strengthening of the euro against the U.S. dollar, partially offset by the weakening of the Japanese yen against the U.S. dollar.

#### [Table of contents](#)

#### *Americas Commentary*

During the three months ended **February 29, 2024** **May 31, 2024**, both Americas revenue and revenue in constant currency decreased by **\$141.8 million** as compared to the prior year period. The decreases are primarily driven by the presentation of additional revenue on a net basis, which negatively impacted our revenue compared to the three months ended May 31, 2023 by approximately **\$440 million**, or 5%, partially offset by growth in our Advanced Solutions portfolio.

During the six months ended May 31, 2024, Americas revenue and revenue in constant currency decreased by **\$735.6 million** **\$877.4 million** and **\$746.5 million** **\$888.2 million**, respectively, as compared to the prior year period. The decreases are primarily driven by our Advanced Solutions portfolio due to market dynamics the presentation of the prior year which resulted in higher revenues from strong demand and backlog conversion, as well as a decline in our Endpoint Solutions portfolio. A greater percentage of our revenues were presented additional revenue on a net basis, which negatively impacted our revenue by approximately **\$350 million**, or 4%, compared to the **three** **six** months ended February 28, 2023.

#### [Table of contents](#)

May 31, 2023 by approximately **\$780 million**, or 5%, and a decline in our Endpoint Solutions portfolio in the region.

## Europe Commentary

During the three months ended February 29, 2024 May 31, 2024, Europe revenue and revenue in constant currency decreased by \$403.2 million \$34.7 million and \$522.5 million \$33.6 million, respectively, as compared to the prior year period. The decreases are primarily driven by the presentation of additional revenue on a net basis, which negatively impacted our Advanced revenue compared to the three months ended May 31, 2023 by approximately \$90 million, or 2%, partially offset by an increase in our Endpoint Solutions portfolio due to portfolio.

During the six months ended May 31, 2024, Europe revenue and revenue in constant currency decreased by \$437.9 million and \$556.2 million, respectively, as compared to the prior year period. The decrease from the prior year period was primarily driven by the market dynamics of the prior year which resulted in higher revenues revenue from strong demand and backlog conversion as well as a decline in our Endpoint Advanced Solutions portfolio. A greater percentage of our revenues were revenue was presented on a net basis, which negatively impacted our revenue by approximately \$100 million \$200 million, or 2%, compared to the three six months ended February 28, 2023 May 31, 2023. The impact of changes in foreign currencies is primarily due to the strengthening of the euro against the U.S. dollar.

## APJ Commentary

During the three months ended February 29, 2024 May 31, 2024, APJ revenue decreased by \$11.3 million, primarily due to the impact of changes in foreign currencies. During the three months ended February 29, 2024, APJ and revenue in constant currency increased by \$16.4 million \$62.2 million and \$98.9 million, respectively, as compared to the prior year period, period. During the six months ended May 31, 2024, APJ revenue and revenue in constant currency increased by \$50.9 million and \$115.3 million, respectively, as compared to the prior year period. The increases are primarily driven primarily by growth in our Advanced Solutions portfolio in the region, region, partially offset by a decline in our Endpoint Solutions portfolio. The impact of changes in foreign currencies is primarily due to the weakening of the Japanese yen against the U.S. dollar.

## Gross Profit

	Three Months Ended		
	February 29, 2024	February 28, 2023	Percent Change
<b>Non-GAAP gross profit &amp; non-GAAP gross margin - Consolidated</b>		<i>(in thousands)</i>	
Revenue	\$ 13,975,253	\$ 15,125,371	(7.6)%
Gross profit	\$ 1,005,766	\$ 1,003,567	0.2 %
Purchase accounting adjustments	—	7,450	
Non-GAAP gross profit	\$ 1,005,766	\$ 1,011,017	(0.5)%
Gross margin	7.20 %	6.63 %	
Non-GAAP gross margin	7.20 %	6.68 %	
		Three Months Ended	Six Months Ended

	May 31, 2024	May 31, 2023	Percent Change	May 31, 2024	May 31, 2023	Percent Change
<b>Non-GAAP gross profit &amp; non-GAAP gross margin -</b>						
<b>Consolidated</b>						
(in thousands)						
Revenue	\$ 13,947,908	\$ 14,062,124	(0.8)%	\$ 27,923,161	\$ 29,187,495	(4.3)%
Gross profit	\$ 973,547	\$ 963,410	1.1 %	\$ 1,979,313	\$ 1,966,977	0.6 %
Purchase accounting adjustments	—	5,170		—	12,620	
Non-GAAP gross profit	\$ 973,547	\$ 968,580	0.5 %	\$ 1,979,313	\$ 1,979,597	— %
Gross margin	6.98 %	6.85 %		7.09 %	6.74 %	
Non-GAAP gross margin	6.98 %	6.89 %		7.09 %	6.78 %	

Our gross margin is affected by a variety of factors, including competition, selling prices, mix of products, the percentage of revenue that is presented on a net basis, product costs along with rebate and discount programs from our suppliers, reserves or settlement adjustments, freight costs, inventory losses and fluctuations in revenue.

## [Table of contents](#)

Our gross profit increased during the three and six months ended **February 29, 2024** **May 31, 2024**, compared to the prior year period, primarily due to **our improved gross margin along with** a decrease in purchase accounting adjustments related to the **Merger**, partially offset by the decrease in revenues. **Merger**. Our gross margin increased during the three and six months ended **February 29, 2024** **May 31, 2024**, compared to the prior year period, primarily due to **margin expansion in strategic technologies**, the presentation of additional **revenues** **revenue** on a net basis, which positively impacted our gross margin by approximately **23** **27** and **25** basis points, **respectively**, and the decrease in purchase accounting adjustments related to the **Merger**.

During the three and six months ended **February 29, 2024** **May 31, 2024**, non-GAAP gross profit decreased, was relatively flat, as compared to the prior year period, primarily due to **the** **a** decrease in revenues, **revenue**, partially offset by an improvement in gross margin. During the three and six months ended **February 29, 2024** **May 31, 2024**, non-GAAP gross margin increased, as compared to the prior year period, primarily due to **margin expansion in strategic technologies and** the presentation of additional **revenues** **revenue** on a net basis.

## [Table of contents](#)

### **Selling, General and Administrative Expenses**

	Three Months Ended		Three Months Ended		Six Months Ended	
	Three Months Ended		Three Months Ended		Six Months Ended	
	February 29, 2024	February 29, 2024	February 29, 2024	May 31, 2024	May 31, 2023	Percent Change
	(in thousands)	(in thousands)	(in thousands)			
Selling, general and administrative expenses						
Selling, general and administrative expenses						
Selling, general and administrative expenses	\$ 671,714	\$ 673,698	(0.3) (0.3)	%	\$ 1,343,259	\$ 1,327,921
Percentage of revenue	Percentage of revenue	4.82 %	4.79 %		4.82 %	4.55 %
Percentage of revenue						
Percentage of revenue						

Our selling, general and administrative expenses consist primarily of personnel costs such as salaries, commissions, bonuses **share-based compensation** and temporary personnel costs. Selling, general and administrative expenses also include cost of warehouses, delivery centers and other non-integration facilities, **share-based compensation expense**, utility expenses, legal and professional fees, depreciation on certain of our capital equipment,

bad debt expense, amortization of our intangible assets, and marketing expenses, offset in part by reimbursements from our OEM suppliers.

During the three months ended **February 29, 2024** **May 31, 2024**, selling, general and administrative expenses slightly decreased, compared to the prior year period, primarily due to lower personnel costs in the quarter, partially offset by higher share-based compensation expense. During the six months ended **May 31, 2024**, selling, general and administrative expenses increased, compared to the prior year period, primarily due to higher personnel costs. **Selling, share-based compensation expense**. During the three and six months ended **May 31, 2024**, selling, general and administrative expenses increased as a percentage of revenue, compared to the prior year period, primarily due to **the decrease in revenue and higher personnel costs**. **revenue**. A greater percentage of our revenue was presented on a net basis which contributed to the increase in selling, general and administrative expenses as a percentage of revenue for the three and six months ended **May 31, 2024** by approximately **15** **19** and **18** basis points. **points**, respectively.

### ***Acquisition, Integration and Restructuring Costs***

Acquisition, integration and restructuring costs are primarily comprised of costs related to the Merger, **along with \$3.5 million of costs in fiscal year 2023** related to the Global Business Optimization 2 Program initiated by Tech Data prior to the Merger (the “GBO 2 Program”). **The** **of \$3.9 million** **during the three and six months ended May 31, 2024** and **\$2.6 million** and **\$6.1 million** during the three and six months ended **May 31, 2023**, respectively, and **\$1.2 million** of costs during the three and six months ended **May 31, 2024** related to other acquisitions. We do not expect to incur additional costs under the GBO 2 Program **was completed in fiscal year 2023**. **future periods**.

### **Table of contents**

#### ***The Merger***

We incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, long-lived assets charges and termination fees, and stock-based compensation expense. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs. Long-lived assets charges and termination fees include **\$0.4 million** **accelerated depreciation** and **\$6.2 million** **amortization expense** of **\$5.1 million** and **\$5.5 million** recorded during the three and six months ended **February 29, 2024** **May 31, 2024**, respectively, and **February 28, 2023** **\$5.3 million** and **\$11.5 million** recorded during the three and six months ended **May 31, 2023**, respectively, due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, along with **\$6.6 million** **\$10.4 million** and **\$10.2 million** **\$17.0 million** recorded during the three and six months ended **February 29, 2024** **May 31, 2024**, respectively, and **February 28, 2023** **\$2.3 million** and **\$12.5 million** recorded during the three and six months ended **May 31, 2023**, respectively, for termination fees related to certain IT systems. Stock-based compensation expense primarily relates to costs associated with the conversion of certain Tech Data performance-based equity awards issued prior to the Merger into restricted shares of TD SYNNEX (refer to [Note 4](#) – Share-Based Compensation to the Consolidated Financial

Statements in Part I, Item 1 of this Report for further information) and expenses for certain restricted stock awards issued in conjunction with the Merger.

In July 2023, we offered a voluntary severance program ("VSP") to certain co-workers in the **United States** U.S. as part of our cost optimization efforts related to the Merger. We incurred **\$7.2 million** **\$2.9 million** and **\$10.1 million** of costs in connection with the VSP during the three and six months ended **February 29, 2024** **May 31, 2024**, respectively, including **\$6.0 million** **\$2.0 million** and **\$8.0 million** of severance costs and **\$1.2 million** **\$0.9 million** and **\$2.1 million** of duplicative labor costs.

**Table of contents****costs, respectively.**

During the three and six months ended **February 29, 2024** **May 31, 2024** and **February 28, 2023**, **2023**, acquisition and integration expenses related to the Merger were composed of the following:

	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended
	February 29, 2024	February 29, 2024	February 29, 2024	May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
Professional services costs				(in thousands)			
Personnel and other costs				(in thousands)			
Personnel and other costs				(in thousands)			
Personnel and other costs							
Long-lived assets charges and termination fees							
Long-lived assets charges and termination fees							

Long-lived assets charges and termination fees
Stock-based compensation
Stock-based compensation
Stock-based compensation
Voluntary severance program costs
Voluntary severance program costs
Voluntary severance program costs
Total
Total
Total

During the three months ended **February 29, 2024** **May 31, 2024**, acquisition and integration expenses related to the Merger slightly decreased, compared to the prior year period, primarily due to a decrease in stock-based compensation expense, partially offset by increases in long-lived assets charges and termination fees. During the six months ended **May 31, 2024**, acquisition and integration expenses related to the Merger decreased, compared to the prior year period, primarily due to **decreases** **a decrease** in stock-based compensation expense, and long-lived assets charges and termination fees, partially offset by voluntary severance program costs.

## [Table of contents](#)

### ***Operating Income***

The following tables provide an analysis of operating income and non-GAAP operating income on a consolidated and regional basis as well as a reconciliation of operating income to non-GAAP operating income on a consolidated and regional basis for the three **and six** months ended **February 29, 2024** **May 31, 2024** and **February 28, 2023**: **2023**:

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	
	February	Three Months Ended	
	29, 2024	February	
		29, 2024	
		February	
		29, 2024	

	May 31, 2024	May 31, 2023	Percent Change	May 31, 2024	May 31, 2023	Percent Change				
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Consolidated</b>										
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Consolidated</b>										
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Consolidated</b>										
Revenue										
Revenue										
Revenue										
Operating income										
Operating income										
Operating income	\$263,948	\$252,883	4.4	4.4	%	\$566,520	\$551,045	2.8	2.8	%
Acquisition, integration and restructuring costs										
Acquisition, integration and restructuring costs										
Acquisition, integration and restructuring costs										
Amortization of intangibles										
Amortization of intangibles										
Amortization of intangibles										
Share-based compensation										
Share-based compensation										
Share-based compensation										
Purchase accounting adjustments										

Purchase accounting adjustments												
Purchase accounting adjustments												
Non-GAAP operating income												
Non-GAAP operating income												
Non-GAAP operating income	\$388,022	\$	\$376,049	3.2	3.2	%	\$812,610	\$	\$818,940	(0.8)	(0.8)	%
GAAP operating margin												
GAAP operating margin												
GAAP operating margin												
Non-GAAP operating margin												
Non-GAAP operating margin												
Non-GAAP operating margin												

Consolidated operating income increased during the three months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to an increase in gross profit, including the impact of lower purchase accounting adjustments related to the Merger, as well as lower personnel costs, partially offset by higher share-based compensation expense. Consolidated operating income increased during the six months ended May 31, 2024, compared to the prior year period, primarily due to decreases in acquisition, integration and restructuring costs and purchase accounting adjustments related to the improvement in gross margin due to margin expansion in strategic technologies, Merger, partially offset by the decline in revenues and higher personnel costs, share-based compensation expense.

Consolidated operating margin increased during the three months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to the improvement in gross presentation of additional revenue on a net basis and lower purchase accounting adjustments related to the Merger. Consolidated operating margin increased during the six months ended May 31, 2024, compared to the prior year period, primarily due to margin expansion in strategic technologies, the presentation of additional revenues revenue on a net basis, and decreases in acquisition, integration and restructuring costs and purchase accounting adjustments related to the Merger, partially offset by higher selling, general and administrative expenses as a percentage of revenue due to the decline in revenues and higher personnel costs, share-based compensation expense.

Consolidated non-GAAP operating income decreased increased during the three months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to the decline in revenues and higher personnel costs, partially offset by an increase in gross margin profit and lower personnel costs. Consolidated non-GAAP operating income decreased during the six months ended May 31, 2024, compared to the prior year period, primarily due to margin expansion in strategic technologies.

## Table of contents

slightly higher selling, general and administrative expenses.

Consolidated non-GAAP operating margin increased during the three months ended **February 29, 2024** **May 31, 2024**, compared to the prior year period, primarily due to the presentation of additional revenue on a net basis and lower personnel costs. Consolidated non-GAAP operating margin increased during the six months ended **May 31, 2024**, compared to the prior year period, primarily due to the presentation of additional revenue on a net basis.

## [Table of contents](#)

	Three Months Ended			Six Months Ended		
			Percent			Percent
	May 31, 2024	May 31, 2023	Change	May 31, 2024	May 31, 2023	Change
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Americas</b>						
(in thousands)						
Revenue	\$ 8,557,573	\$ 8,699,342		\$ 16,460,669	\$ 17,338,046	
Operating income	\$ 209,284	\$ 187,259	11.8 %	\$ 368,966	\$ 366,764	0.6 %
Acquisition, integration and restructuring costs	25,395	27,156		52,767	62,289	
Amortization of intangibles	41,518	42,382		82,971	84,796	
Share-based compensation	8,925	5,389		20,723	14,751	
Non-GAAP operating income	\$ 285,122	\$ 262,186	8.7 %	\$ 525,427	\$ 528,600	(0.6)%
GAAP operating margin	2.45 %	2.15 %		2.24 %	2.12 %	
Non-GAAP operating margin	3.33 %	3.01 %		3.19 %	3.05 %	

Americas operating income increased during the three months ended May 31, 2024, as compared to the prior year period, primarily due to increased gross profit in the region along with decreases in personnel costs and credit costs. Americas operating income slightly increased during the six months ended May 31, 2024, as compared to the prior year period, primarily due to a decrease in acquisition, integration and restructuring costs, partially offset by the decrease in revenue.

Americas non-GAAP operating income increased during the three months ended May 31, 2024, as compared to the prior year period, primarily due to increased gross profit in the region along with decreases in personnel costs and credit costs. Americas non-GAAP operating income slightly decreased during the six months ended May 31, 2024, as compared to the prior year period, primarily due to the decrease in revenue.

Americas operating margin, on both a GAAP and non-GAAP basis, increased during the three months ended May 31, 2024, compared to the prior year period, primarily due to the presentation of additional revenue on a net basis, increased gross profit in the region, and decreases in personnel costs and credit costs. Americas operating margin, on both a GAAP and non-GAAP basis, increased during the six months ended May 31, 2024, compared to the prior year period, primarily due to the presentation of additional revenue on a net basis.

	Three Months Ended			Six Months Ended		
			Percent			Percent
	May 31, 2024	May 31, 2023	Change	May 31, 2024	May 31, 2023	Change
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Europe</b>						
<b>(in thousands)</b>						
Revenue	\$ 4,426,775	\$ 4,461,461		\$ 9,544,027	\$ 9,981,898	
Operating income	\$ 34,360	\$ 40,057	(14.2)%	\$ 142,685	\$ 128,262	11.2 %
Acquisition, integration and restructuring costs	12,049	8,863		16,001	23,446	
Amortization of intangibles	30,621	30,514		61,423	60,499	
Share-based compensation	3,811	1,866		8,574	5,042	
Purchase accounting adjustments	—	5,170		—	12,620	
Non-GAAP operating income	\$ 80,841	\$ 86,470	(6.5)%	\$ 228,683	\$ 229,869	(0.5)%
GAAP operating margin	0.78 %	0.90 %		1.50 %	1.28 %	
Non-GAAP operating margin	1.83 %	1.94 %		2.40 %	2.30 %	

## [Table of contents](#)

Europe operating income and margin decreased during the three months ended May 31, 2024, compared to the prior year period, primarily due to an increase in acquisition, integration and restructuring costs and a decline in gross margin, partially offset by a decrease in purchase accounting adjustments.

Europe operating income and margin increased during the six months ended May 31, 2024, compared to the prior year period, primarily due to an increase in gross margin due to margin expansion in strategic technologies, a decrease in purchase accounting adjustments and the presentation of additional revenues on a net basis, decrease in

acquisition, integration and restructuring costs, partially offset by higher selling, general and administrative expenses as a percentage of revenue due to the decline in revenues and higher personnel costs.

	Three Months Ended		
	February 29, 2024	February 28, 2023	Percent Change
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Americas</b>	(in thousands)		
Revenue	\$ 7,903,096	\$ 8,638,704	
Operating income	\$ 159,682	\$ 179,505	(11.0)%
Acquisition, integration and restructuring costs	27,372	35,133	
Amortization of intangibles	41,453	42,414	
Share-based compensation	11,798	9,362	
Non-GAAP operating income	\$ 240,305	\$ 266,414	(9.8)%
GAAP operating margin	2.02 %	2.08 %	
Non-GAAP operating margin	3.04 %	3.08 %	

Americas Europe non-GAAP operating income on both a GAAP and non-GAAP basis, margin decreased during the three months ended February 29, 2024, as compared to the prior year period, primarily due to the decrease in revenues in the region.

Americas operating margin, on both a GAAP and non-GAAP basis, decreased during the three months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to higher selling, general and administrative expenses as a percentage of revenue due to the decrease in revenues, partially offset by increased gross margin due to the presentation of additional revenues on a net basis.

	Three Months Ended		
	February 29, 2024	February 28, 2023	Percent Change
<b>Non-GAAP operating income &amp; non-GAAP operating margin - Europe</b>	(in thousands)		
Revenue	\$ 5,117,252	\$ 5,520,437	
Operating income	\$ 108,325	\$ 88,205	22.8 %
Acquisition, integration and restructuring costs	3,952	14,583	
Amortization of intangibles	30,802	29,985	
Share-based compensation	4,763	3,176	
Purchase accounting adjustments	—	7,450	
Non-GAAP operating income	\$ 147,842	\$ 143,399	3.1 %
GAAP operating margin	2.12 %	1.60 %	

Non-GAAP operating margin	2.89 %	2.60 %
---------------------------	--------	--------

Europe operating income increased during the three months ended February 29, 2024, compared to the prior year period, primarily due to an increase in gross margin due to margin expansion in strategic technologies, along with decreases in acquisition, integration and restructuring costs and purchase accounting adjustments, partially offset by the decline in revenues and an increase in personnel costs.

## Table of contents

Europe operating margin increased during the three months ended February 29, 2024, compared to the prior year period, primarily due to an increase in gross margin due to margin expansion in strategic technologies and the presentation of additional revenues on a net basis, along with decreases in acquisition, integration and restructuring costs and purchase accounting adjustments, partially offset by higher selling, general and administrative expenses as a percentage of revenue due to the decrease in revenues and higher personnel costs.

margin. Europe non-GAAP operating income increased was flat during the three six months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to an increase in gross margin due to margin expansion in strategic technologies, partially offset by the decline decrease in revenues and an increase in personnel costs.

revenue. Europe non-GAAP operating margin increased during the three six months ended February 29, 2024 May 31, 2024, compared to the prior year period, primarily due to an increase in gross margin due to margin expansion in strategic technologies and the presentation of additional revenues on a net basis, partially offset by higher selling, general and administrative expenses as a percentage of revenue due to the decrease in revenues and higher personnel costs. technologies.

	Three Months Ended		Three Months Ended		Six Months Ended	
	Three Months Ended		Three Months Ended		Six Months Ended	
	February	29, 2024	February	29, 2024	February	29, 2024
	May	May	Percent	May	May	Percent
	31,	31,	Change	31,	31,	Change
	2024	2023		2024	2023	
Non-GAAP operating income & non-GAAP operating margin - APJ						
Non-GAAP operating income & non-GAAP operating margin - APJ						

**Non-GAAP operating income &  
non-GAAP operating margin - APJ**

Revenue												
Revenue												
Revenue												
Operating income												
Operating income												
Operating income	\$ 20,304	\$	\$ 25,567	(20.6)	(20.6)	%	\$ 54,869	\$	\$ 56,019	(2.1)	(2.1)	%
Acquisition, integration and restructuring costs												
Acquisition, integration and restructuring costs												
Amortization of intangibles												
Amortization of intangibles												
Amortization of intangibles												
Share-based compensation												
Share-based compensation												
Share-based compensation												
Non-GAAP operating income												
Non-GAAP operating income												
Non-GAAP operating income	\$ 22,059	\$	\$ 27,393	(19.5)	(19.5)	%	\$ 58,500	\$	\$ 60,471	(3.3)	(3.3)	%
GAAP operating margin												
GAAP operating margin												
GAAP operating margin												
Non-GAAP operating margin												
Non-GAAP operating margin												
Non-GAAP operating margin												

During the three months ended February 29, 2024, APJ operating income, and margin increased, on both a GAAP and non-GAAP basis, decreased during the three months ended May 31, 2024, compared to the prior year period, primarily due to increased gross profit and decreased gross margin in the region and an increase in personnel costs, partially offset by an increase in revenue. APJ operating income, on both a GAAP and non-GAAP basis, slightly decreased during the six months ended May 31, 2024, compared to the prior year period, primarily due to higher personnel costs in the region, partially offset by the increase in revenue.

APJ operating margin, expansion on both a GAAP and non-GAAP basis, decreased during the three months ended May 31, 2024, compared to the prior year period, primarily due to decreased gross margin in strategic technologies, the region and an increase in personnel costs. APJ operating margin, on both a GAAP and non-GAAP basis, decreased during the six months ended May 31, 2024, compared to the prior year period, primarily due to higher personnel costs in the region.

## Table of contents

### **Interest Expense and Finance Charges, Net**

	Three Months Ended		
			Percent Change
	February 29, 2024	February 28, 2023	
(in thousands)			
Interest expense and finance charges, net	\$ 75,891	\$ 80,200	(5.4)%
Percentage of revenue	0.54 %	0.53 %	
Three Months Ended			
		Percent Change	
May 31, 2024	May 31, 2023	May 31, 2024	May 31, 2023
(in thousands)			
Interest expense and finance charges, net	\$ 76,701	\$ 74,285	3.3 %
Percentage of revenue	0.55 %	0.53 %	0.55 %
(in thousands)			
Interest expense and finance charges, net	\$ 152,592	\$ 154,485	(1.2)%
Percentage of revenue	0.55 %	0.54 %	

Amounts recorded in interest expense and finance charges, net, consist primarily of interest expense paid on our Senior Notes, our lines of credit, our accounts receivable securitization facility and our term loans, and fees associated with the sale of accounts receivable, partially offset by income earned on our cash investments.

During the three months ended February 29, 2024 May 31, 2024, our interest expense and finance charges, net increased, compared to the prior year period. The increase was primarily driven by increased costs associated with the sale of accounts receivable due to higher discount fees. During the six months ended May 31, 2024, our interest expense and finance charges, net decreased, compared to the prior year period, period. The decrease was primarily due to higher income earned on our cash investments, partially offset by increased costs associated with the sale of accounts receivable due to higher discount fees. Accounts receivable discount fees which totaled \$16.0 \$16.6 million

and \$32.6 million in the three and six months ended May 31, 2024, respectively, compared to \$12.0 million and \$23.7 million in the three and six months ended February 29, 2024 May 31, 2023, compared to \$11.7 million in the three months ended February 28, 2023, respectively.

## [Table of contents](#)

### **Other Expense, Net**

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	
	February 29, 2024		
	February 29, 2024		
	February 29, 2024		
		May 31, 2024	
		May 31, 2023	Change in Dollars
		May 31, 2024	May 31, 2023
		Change in Dollars	
Other expense, net		(in thousands)	
Other expense, net		(in thousands)	
Other expense, net		(in thousands)	
Percentage of revenue			
Percentage of revenue			
Percentage of revenue			

Amounts recorded as other expense, net include foreign currency transaction gains and losses on certain financing transactions and the related derivative instruments used to hedge such financing transactions, the cost of hedging, investment gains and losses, and other non-operating gains and losses, such as settlements received from class action lawsuits.

During the three months ended **February 29, 2024** **May 31, 2024**, our other expense, net was relatively flat compared to the prior year period. During the six months ended **May 31, 2024**, our other expense, net increased, compared to the prior year period, primarily due to increased hedging costs.

#### **Provision for Income Taxes**

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	
February			
<b>29, 2024</b>			
February			
<b>29, 2024</b>			
February			
<b>29, 2024</b>			
	May 31, 2024	May 31, 2023	May 31, 2024
	Percent Change		Percent Change
	(in thousands)		
		(in thousands)	
		(in thousands)	
Provision for income taxes			
Provision for income taxes			
Provision for income taxes	\$ 40,551	\$ 41,347	\$ 92,220
		(1.9) (1.9)	\$ 92,133
			0.1 0.1 %
Percentage of income before income taxes			
Percentage of income before income taxes			
Percentage of income before income taxes			

Income taxes consist of our current and deferred tax expense resulting from our income earned in domestic and foreign jurisdictions. Income taxes for the interim periods presented have been included in the accompanying Consolidated Financial Statements on the basis of an estimated annual effective tax rate.

#### **Table of contents**

During the three months ended **February 29, 2024** **May 31, 2024**, our income tax expense **slightly increased**, **decreased**, compared to the prior year period, primarily due to **a lower effective tax rate, which was partially**

offset by higher income during the period. The effective tax rate was lower during the three months ended May 31, 2024 as compared to the three months ended May 31, 2023, primarily due to the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

During the six months ended May 31, 2024, our income tax expense was flat, compared to the prior year period, as higher income during the period partially was offset by a slightly lower effective tax rate. The effective tax rate was slightly lower during the three six months ended February 29, 2024 May 31, 2024 as compared to the three six months ended February 28, 2023 May 31, 2023, primarily due to the relative mix of earnings and losses within the taxing jurisdictions in which we operate.

### **Net Income and Diluted EPS**

The following tables present net income and diluted EPS as well as a reconciliation of our most comparable GAAP measures to the related non-GAAP measures presented:

		Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
		February 29, 2024	February 29, 2024	February 29, 2024	May 31, 2024
					May 31, 2024
Non-GAAP net income - Consolidated					May 31, 2024
Non-GAAP net income - Consolidated				May 31, 2023	May 31, 2024
Non-GAAP net income - Consolidated			(in thousands)		(in thousands)
Net Income					
Acquisition, integration and restructuring costs					
Acquisition, integration and restructuring costs					
Acquisition, integration and restructuring costs					
Amortization of intangibles					
Amortization of intangibles					
Amortization of intangibles					
Share-based compensation					

Share-based compensation
Share-based compensation
Purchase accounting adjustments
Purchase accounting adjustments
Purchase accounting adjustments
Income taxes related to the above
Income taxes related to the above
Income taxes related to the above
Non-GAAP net income
Non-GAAP net income
Non-GAAP net income

## [Table of contents](#)

	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	Three Months Ended	
Non-GAAP diluted EPS				
Non-GAAP diluted EPS				
Non-GAAP diluted EPS	Non-GAAP diluted EPS	May 31, 2024	May 31, 2023	May 31, 2024
Diluted EPS <sup>(1)</sup>				
Diluted EPS <sup>(1)</sup>				
Diluted EPS <sup>(1)</sup>	Acquisition, integration and restructuring costs			
	Acquisition, integration and restructuring costs			
	Acquisition, integration and restructuring costs			
Amortization of intangibles				
Amortization of intangibles				
Amortization of intangibles				

Share-based compensation
Share-based compensation
Share-based compensation
Purchase accounting adjustments
Purchase accounting adjustments
Purchase accounting adjustments
Income taxes related to the above
Income taxes related to the above
Income taxes related to the above
Non-GAAP diluted EPS
Non-GAAP diluted EPS
Non-GAAP diluted EPS

<sup>(1)</sup> Diluted EPS is calculated using the two-class method. Unvested restricted stock awards granted to employees are considered participating securities. For purposes of calculating Diluted EPS, net income allocated to participating securities was approximately 0.9% of net income for both the three and six months ended May 31, 2024, and was approximately 0.8% of net income for both the three and six months ended February 29, 2024 and February 28, 2023, respectively, May 31, 2023.

## [Table of contents](#)

### **Liquidity and Capital Resources**

#### ***Cash Conversion Cycle***

	Three Months Ended		
	February 29, 2024	November 30, 2023	February 28, 2023
	May 31, 2024	November 30, 2023	May 31, 2023
(Amounts in thousands)			
(Amounts in thousands)			
(Amounts in thousands)			

#### **Days sales outstanding ("DSO")**

Revenue
Revenue
Revenue
Accounts receivable, net
Days sales outstanding

<b>Days inventory outstanding ("DIO")</b>
<b>Days inventory outstanding ("DIO")</b>
<b>Days inventory outstanding ("DIO")</b>
Cost of revenue
Cost of revenue
Cost of revenue
Inventories
Days inventory outstanding
<b>Days payable outstanding ("DPO")</b>
<b>Days payable outstanding ("DPO")</b>
<b>Days payable outstanding ("DPO")</b>
Cost of revenue
Cost of revenue
Cost of revenue
Accounts payable
Days payable outstanding
<b>Cash conversion cycle ("CCC")</b>
<b>Cash conversion cycle ("CCC")</b>
<b>Cash conversion cycle ("CCC")</b>

## [Table of contents](#)

### **Cash Flows**

Our business is working capital intensive. Our working capital needs are primarily to finance accounts receivable and inventory. We rely heavily on term loans, sales of accounts receivable, our securitization program, our revolver programs and net trade credit from vendors for our working capital needs. We have financed our growth and cash needs to date primarily through cash generated from operations and financing activities. As a general rule, when sales volumes are increasing, our net investment in working capital dollars typically increases, which generally results in decreased cash flow generated from operating activities. Conversely, when sales volumes decrease, our net investment in working capital dollars typically decreases, which generally results in increases in cash flows generated from operating activities. We calculate CCC as days of the last fiscal quarter's revenue outstanding in accounts receivable plus days of supply on hand in inventory, less days of the last fiscal quarter's cost of revenue outstanding in accounts payable. Our CCC was 21 days and 23 days as of February 29, 2024 both May 31, 2024 and November 30, 2023, respectively. Our CCC decreased remained flat as compared to November 30, 2023 primarily due to a decrease, with offsetting decreases in DSO partially offset by a decrease in and DPO as both our accounts receivable and accounts payable balances declined due to the timing of cash receipts and payments. Our CCC was 21 23 days

and 26 days as of February 29, 2024 May 31, 2024 and February 28, 2023 May 31, 2023, respectively. The decrease was primarily due to an increase in our DPO related to the timing of payments, along with a decrease in our DIO due to a decline in our inventory balances, which were higher partially offset by an increase in our DSO due to the prior year as a result of strategic inventory purchases that occurred during fiscal year 2022 cash receipts.

To increase our market share and better serve our customers, we may further expand our operations through investments or acquisitions. We expect that any such expansions would require an initial investment in working capital, personnel, facilities and operations. These investments or acquisitions would likely be funded primarily by our existing cash and cash equivalents, additional borrowings, or the issuance of securities.

## Table of contents

### *Operating Activities*

Net cash provided by operating activities was \$384.7 \$270.0 million during the three six months ended February 29, 2024 May 31, 2024, compared to net cash used in provided by operating activities of \$102.8 \$604.8 million during the three six months ended February 28, 2023 May 31, 2023. The increase decrease in net cash provided by operating activities was primarily due to a decrease in accounts receivable during the three months ended February 29, 2024 related to timing of cash receipts, partially offset by a larger decrease in inventory during the three six months ended February 28, 2023 due to the ongoing sell-through of strategic inventory purchases that occurred during fiscal year 2022, partially offset by a larger decrease in accounts payable during the six months ended May 31, 2023 correlated with the decrease in inventory.

### *Investing Activities*

Net cash used in investing activities during the three six months ended February 29, 2024 May 31, 2024 and February 28, 2023 May 31, 2023 was \$67.9 million \$100.8 million and \$34.2 \$64.5 million, respectively. The increase in cash used in investing activities is primarily due to cash paid for the acquisition of a business of \$28.4 \$26.2 million.

### *Financing Activities*

Net cash used in financing activities during the three six months ended February 29, 2024 May 31, 2024 was \$311.2 17.5 million as compared to net cash provided by used in financing activities during the three six months ended February 28, 2023 May 31, 2023 of \$129.5 \$247.1 million. The increase decrease in cash used in financing activities is primarily due to a decrease in net short-term borrowings needed to fund working capital requirements, which totaled \$56.1 million the issuance of net repayments during the three months ended February 29, 2024 compared to \$303.3 million of net borrowings during the three months ended February 28, 2023. Additionally, there was 2034 Senior Notes for \$600.0 million, partially offset by an increase in repurchases of common stock under our share repurchase program, which totaled \$199.2 million \$453.4 million during the three six months ended February 29, 2024 May 31, 2024, compared to \$114.8 \$174.8 million during the three six months ended February 28, 2023 May 31, 2023, coupled with \$45.4 million of net repayments of short-term borrowings during the six months ended May 31, 2024 compared to \$29.4 million of net short-term borrowings during the six months ended May 31, 2023.

We believe our current cash balances, cash flows from operations and credit availability are sufficient to support our operating activities for at least the next twelve months.

### **Capital Resources**

Our cash and cash equivalents totaled \$1.2 billion and \$1.0 billion as of February 29, 2024 May 31, 2024 and November 30, 2023, respectively. Our cash and cash equivalents held by international subsidiaries are no longer subject to U.S. federal tax on repatriation into the United States. Repatriation of some foreign balances is restricted by local laws. If in the future we repatriate foreign cash back to the United States, we will report in our Consolidated Financial Statements the impact of state and withholding taxes depending upon the planned timing and manner of such repatriation. Presently, we believe we have sufficient resources, cash flow and liquidity within the United States to fund current and expected future working capital, investment and other general corporate funding requirements.

### [Table of contents](#)

We believe that our available cash and cash equivalents balances, cash flows from operations and our existing sources of liquidity, including available capacity under our borrowing facilities, will be sufficient to enable the repayment of \$700.0 million of our Senior Notes due in August 2024 and satisfy our current and planned working capital and investment needs for the next twelve months in all geographies. We also believe that our longer-term working capital, planned capital expenditures, anticipated stock repurchases, dividend payments and other general corporate funding requirements will be satisfied through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

### *Credit Facilities and Borrowings*

In the United States, we have an accounts receivable securitization program to provide additional capital for our operations (the "U.S. AR Arrangement"). Under the terms of the U.S. AR Arrangement, we and our subsidiaries that are party to the U.S. AR Arrangement can borrow up to a maximum of \$1.5 billion based upon eligible trade accounts receivable. The U.S. AR Arrangement, as amended December 11, 2023 and March 29, 2024, has a maturity date of December 2025. We also have an amended and restated credit agreement, dated as of April 16, 2021 and amended May 22, 2023 April 16, 2024 (as amended, the "TD SYNNEX Credit Agreement"), pursuant to which we received commitments for the extension of a senior unsecured revolving credit facility not to exceed an aggregate principal amount of \$3.5 billion, which revolving credit facility (the "TD SYNNEX revolving credit facility" Revolving Credit Facility) may, at our request but subject to the lenders' discretion, potentially be increased by up to an aggregate amount of \$500.0 million. The TD SYNNEX Credit Agreement also includes a \$1.5 billion term loan facility that was fully funded in connection with the Merger. The TD SYNNEX Credit Agreement has a maturity date of September 2026 and, in the case of the TD SYNNEX revolving credit facility, subject to two one-year extensions upon our prior notice to the lenders and the agreement of the lenders to extend such maturity date. The outstanding amount of our borrowings under the U.S. AR Arrangement and the TD SYNNEX revolving credit facility may fluctuate in response to changes in our working capital and other liquidity requirements. There were no amounts outstanding under the U.S. AR Arrangement or the TD SYNNEX revolving credit Revolving Credit Facility at May 31, 2024 or November 30, 2023.

## Table of contents

The TD SYNNEX Credit Agreement also includes a \$1.5 billion term loan facility at February 29, 2024 or November 30, 2023 (the "TD SYNNEX Term Loan") that was fully funded in connection with the Merger. The TD SYNNEX Term Loan has a maturity date of September 2026. As amended, the TD SYNNEX Revolving Credit Facility will mature on April 16, 2029, subject, in the lender's discretion, to two one-year extensions upon our prior notice to the lenders.

On April 19, 2024, we entered into a Term Loan Credit Agreement (the "2024 Term Loan Credit Agreement") which provides for a senior unsecured term loan in the amount of \$750.0 million (the "2024 Term Loan"). The proceeds from the 2024 Term Loan were used to repay a portion of the TD SYNNEX Term Loan. The 2024 Term Loan will mature on September 1, 2027.

We have various other committed and uncommitted lines of credit with financial institutions, finance leases, short-term loans, term loans, credit facilities and book overdraft facilities, totaling approximately \$577.3 million \$569.6 million in borrowing capacity as of February 29, 2024 May 31, 2024. Our borrowings on these facilities vary within the period primarily based on changes in our working capital. There was \$151.8 million \$160.1 million outstanding on these facilities at February 29, 2024 May 31, 2024, at a weighted average interest rate of 6.24% 5.93%, and there was \$208.7 million outstanding on these facilities at November 30, 2023, at a weighted average interest rate of 7.52%.

Historically, we have renewed our accounts receivable securitization program and our parent company credit facilities on, or prior to, their respective expiration dates. We have no reason to believe that these and other arrangements will not be renewed or replaced as we continue to be in good credit standing with the participating financial institutions. We have had similar borrowing arrangements with various financial institutions throughout our years as a public company.

We had total outstanding borrowings of approximately \$4.0 billion \$4.6 billion and \$4.1 billion as of February 29, 2024 May 31, 2024 and November 30, 2023, respectively. Our outstanding borrowings include Senior Notes of \$3.1 billion and \$2.5 billion at both February 29, 2024 as of May 31, 2024 and November 30, 2023, respectively, and term loans under the term loan facility of described above as the TD SYNNEX Credit Agreement Term Loan and 2024 Term Loan of approximately \$1.3 billion and \$1.4 billion at February 29, 2024 May 31, 2024 and November 30, 2023, respectively. For additional information on our borrowings, see [Note 10](#) - Borrowings to the Consolidated Financial Statements included in Part I, Item 1 of this Report. With respect to our \$700.0 million of 1.25% 1.250% Senior Notes due August 9, 2024, we are currently assessing our debt structure ahead of the maturity date, and our current intention is to refinance some repay these notes on or all before their maturity date primarily using funds received from the issuance of that debt prior to its maturity. our \$600.0 million of 6.10% Senior Notes due April 12, 2034.

### Accounts Receivable Purchase Agreements

We have uncommitted accounts receivable purchase agreements under which trade accounts receivable owed by certain customers may be acquired, without recourse, by certain financial institutions. Available capacity under these programs is dependent upon the level of our trade accounts receivable eligible to be sold into these programs and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that

we continue to service, administer and collect the sold accounts receivable. At **February 29, 2024** **May 31, 2024** and November 30, 2023, we had a total of \$1.2 billion and \$864.6 million, respectively, of trade accounts receivable sold to and held by financial institutions under these programs. Discount fees for these programs totaled **\$16.0 million** **\$16.6 million** and **\$32.6 million** in the three and six months ended **February 29, 2024** **May 31, 2024**, respectively, and **\$11.7 million** **\$12.0 million** and **\$23.7 million** in the three and six months ended **February 28, 2023** **May 31, 2023**, respectively.

## [Table of contents](#)

### *Share Repurchase Program*

In January 2023, the Board of Directors authorized a three-year \$1.0 billion share repurchase program pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions. We repurchased 2.0 million shares of common stock for \$199.2 million and 1.2 million shares of common stock for \$114.8 million in the three months ended February 29, 2024 and February 28, 2023, respectively. As of February 29, 2024, we had \$196.7 million available for future repurchases of our common stock.

program. In March 2024, the Board of Directors authorized a new \$2.0 billion share repurchase program, supplementing the amount remaining under the existing program, of which \$196.7 million remains, pursuant to which the Company we may repurchase its our outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. The new March 2024 share repurchase authorization does not have an expiration date. We repurchased 2.3 million shares of common stock for \$254.2 million and 4.2 million shares for \$453.4 million in the three and six months ended May 31, 2024, respectively and 0.7 million shares for \$60.0 million and 1.8 million shares for \$174.8 million during the three and six months ended May 31, 2023, respectively. As of May 31, 2024, we had \$1.9 billion available for future repurchases of our common stock. For additional information on our share repurchase program, see [Note 5](#) - Stockholders' Equity to the Consolidated Financial Statements included in Part I, Item 1 of this Report.

## [Table of contents](#)

### **Covenant Compliance**

Our credit facilities have a number of covenants and restrictions that require us to maintain specified financial ratios. They also limit our (or our subsidiaries', as applicable) ability to incur additional debt or liens, enter into agreements with affiliates, modify the nature of our business, and merge or consolidate. As of **February 29, 2024** **May 31, 2024**, we were in compliance with the financial covenant requirements for the above arrangements.

### **Related Party Transactions**

For a summary of related party transactions, see [Note 13](#) - Related Party Transactions to the Consolidated Financial Statements, which can be found under Part I, Item 1 of this Report.

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

During the ~~three~~ six months ended ~~February 29, 2024~~ May 31, 2024, there were no material changes to our critical accounting policies and estimates previously disclosed in our Annual Report on Form 10-K for the fiscal year ended November 30, 2023.

### **Recently Issued Accounting Pronouncements**

For a summary of recent accounting pronouncements and the anticipated effects on our consolidated financial statements, see [Note 2](#) - Summary of Significant Accounting Policies to the Consolidated Financial Statements, which can be found under Part I, Item 1 of this Report.

### **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

For a description of the Company's market risks, see "Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the fiscal year ended November 30, 2023.

No material changes have occurred in our market risks since November 30, 2023.

### **Table of contents**

### **ITEM 4. Controls and Procedures**

(a) 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 (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 the U.S. Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. 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. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures 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.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer) have

concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal control over financial reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with management's evaluation during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## [Table of contents](#)

## **PART II - OTHER INFORMATION**

### **ITEM 1A. Risk Factors**

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended November 30, 2023. There have been no material changes to the risk factors disclosed in our 2023 Annual Report on Form 10-K.

### **ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds**

In January 2023, our Board of Directors authorized a three-year \$1.0 billion share repurchase program (the "share repurchase program") pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions.

On January 31, 2024, we announced the closing of a secondary public offering (the "January Offering") of an aggregate of 8.8 million shares (which includes approximately 1.1 million additional shares that underwriters had the option to purchase) of our common stock that were sold by certain entities managed by affiliates of Apollo Global Management, Inc (the "Selling Stockholders"). All the shares in the January Offering were sold by the Selling Stockholders. We did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the January Offering. Also pursuant to the related underwriting agreement, we repurchased approximately 1.4 million shares of our common stock from the underwriters as part of the January Offering, at a repurchase price of \$100.50 per share, resulting in a purchase price of approximately \$138.2 million (the "January Concurrent Share Repurchase"). The January Concurrent Share Repurchase was made under our existing \$1.0 billion share repurchase program, and is included within the activity for the month of January shown in the table below.

The following table presents information with respect to purchases of common stock by the Company under the share repurchase program during the quarter ended February 29, 2024:

<b>Issuer Purchases of Equity Securities (amounts in thousands except for per share amounts)</b>

Period	Total number of shares purchased	Average price paid per share <sup>(1)</sup>	Total number of shares purchased as part of publicly announced plans or program	Maximum dollar value of shares that may yet be purchased under the plans or programs	
				announced plans or program	the plans or programs
December 1 - December 31, 2023	282	\$ 104.16	282	\$ 366,538	
January 1 - January 31, 2024	1,633	101.21	1,633		201,258
February 1 - February 29, 2024	46	100.00	46		196,658
<b>Total</b>	<b>1,961</b>	<b>\$ 101.60</b>	<b>1,961</b>		

<sup>(1)</sup> Excludes excise taxes, whether accrued or paid, and excludes broker's commissions.

program. In March 2024, the Board of Directors authorized a new \$2.0 billion share repurchase program, supplementing the amount \$196.7 million remaining authorization under the existing prior program (collectively, the "share repurchase program"), pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. 1934 (the "Exchange Act"). The new March 2024 share repurchase authorization does not have an expiration date.

On March 27, 2024, we announced a secondary public offering (the "March Offering") of an aggregate of 12.1 million shares of our common stock (which includes approximately 1.6 million shares that underwriters had the option to purchase) that were sold by the Selling Stockholders. certain entities managed by affiliates of Apollo Global Management, Inc (the "Selling Stockholders"). All the shares in the March Offering were sold by the Selling Stockholders. We did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the March Offering. Also pursuant to the related underwriting agreement, we repurchased 500 thousand shares of our common stock from the underwriters as part of the March Offering (the "March Concurrent Share Repurchase") at a repurchase price of \$108.60 per share, resulting in a purchase price of \$54.3 million.

On April 4, 2024, we announced a secondary public offering (the "April Offering") of an aggregate of 5.3 million shares of our common stock that were sold by the Selling Stockholders. All the shares in the April Offering were sold by the Selling Stockholders. The Company did not receive any of the proceeds from the sale of shares by the Selling Stockholders in the April Offering. The April Offering reduced the Selling Stockholders' ownership interest in the Company to zero. Also pursuant to the related underwriting agreement, the Company repurchased 1.8 million shares of its common stock from the underwriters as part of the April Offering (the "April Concurrent Share Repurchase") at a repurchase price of \$114.20 per share, resulting in a purchase price of approximately \$199.9 million.

The March Concurrent Share Repurchase was and the April Concurrent Share Repurchase were both made under our existing share repurchase program, program, and are included within the respective activity for the months of March and April shown in the table below.

The following table presents information with respect to purchases of common stock by the Company under the share repurchase program described above, during the quarter ended May 31, 2024:

Period	Issuer Purchases of Equity Securities (amounts in thousands except for per share amounts)					Maximum dollar value of shares that may yet be purchased under the plans or programs	
	Total number of shares purchased	Average price paid per share <sup>(1)</sup>	Total number of shares purchased as part of publicly announced plans or program	Value of shares that may yet be purchased under the plans or programs			
				Period			
March 1 - March 31, 2024	500	\$ 108.60	500	\$ 2,142,358			
April 1 - April 30, 2024	1,750	114.20	1,750	1,942,508			
May 1 - May 31, 2024	—	—	—	1,942,508			
<b>Total</b>	<b>2,250</b>	<b>\$ 112.96</b>	<b>2,250</b>				

<sup>(1)</sup> Excludes excise taxes, whether accrued or paid, and excludes broker's commissions.

## Table of contents

## ITEM 5. Other Information

### *Trading Arrangements*

On March 29, 2024 May 1, 2024, Merline Saintil, a member of the Company, and its subsidiary SIT Funding Corporation ("SIT"), which Company's Board of Directors, adopted a trading arrangement for the sale of securities of the Company's common stock that is intended to satisfy the borrower thereunder, amended affirmative defense conditions of Rule 10b5-1(c) of the Company's accounts receivable securitization program (the "Trade Receivables Securitization") by entering into Amendment No. 4 (the "Amendment") Exchange Act. Ms. Saintil's Rule 10b5-1 trading arrangement provides for the sale of up to 468 shares of common stock until March 31, 2025 pursuant to the Fifth Amended and Restated Receivables Funding and Administration Agreement (the "RFA") terms of the plan.

On May 8, 2024, among Marshall Witt, the Company, SIT, the lenders and managing agents party thereto, and The Toronto-Dominion Bank Ltd., as administrative agent. The Amendment (i) provides that the Dilution Trigger Ratio has no effect Company's Chief Financial Officer, adopted a trading arrangement for the period sale of securities of the Company's common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. Mr. Witt's Rule 10b5-1 trading arrangement provides for the sale of up to (i) 17,480 shares of common stock (of which 7,549 shares are to be acquired upon the exercise of employee stock options) and (ii) 100% net shares (not yet determinable) of common stock resulting from March 31, 2024 to April 22, 2024 the vesting of certain equity awards (net shares are net of tax withholding), (ii) provides that on and after April 22, 2024, no termination event relating until June 23, 2025 pursuant to the Dilution Trigger Ratio will occur if at the time of such event the outstanding principal amount is zero, and (iii) provides SIT will not be permitted to draw on the facility at any time the Dilution Trigger Ratio is above 5.75% (the current threshold for a termination event). The foregoing description terms of the

Amendment is qualified in its entirety by reference to the Amendment which is attached hereto and filed as Exhibit 10.3 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

### **Trading Arrangements**

During the three months ended February 29, 2024, none of the Company's directors or officers adopted, amended, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement", as those terms are defined in Regulation S-K, Item 408. plan.

### **Table of contents**

### **ITEM 6. Exhibits**

Exhibit Number	Description of Document
3(i).1	<a href="#">Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3(i).1 to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2022).</a>
3(ii).1	<a href="#">Amended and Restated Bylaws (incorporated by reference to Exhibit 3(ii).1 to the Company's Annual Report on Form 10-K filed on January 24, 2023).</a>
10.1# 4.1	<a href="#">Offer Letter Indenture, dated November 28, 2023 as of August 9, 2021, by and between TD SYNNEX Corporation and Patrick Zammit Citibank, N.A., as trustee (incorporated by reference to Exhibit 10.1 4.1 to the Company's Current Report on Form 8-K filed on August 9, 2021).</a>
4.2	<a href="#">Fifth Supplemental Indenture, dated as of April 12, 2024, by and between TD SYNNEX Corporation and Citibank, N.A., as trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 12, 2024).</a>
4.3	<a href="#">Form of 6.100% Senior Notes due 2034 (included as Exhibit A to Exhibit 4.2) (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on November 30, 2023 April 12, 2024).</a>
10.1+	<a href="#">Amended and Restated Credit Agreement, dated as of April 16, 2024, by and among TD SYNNEX Corporation, the lenders party thereto and Citibank, N.A., as agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 22, 2024).</a>
10.2+	<a href="#">Second Omnibus Credit Agreement, dated as of April 19, 2024, by and among TD SYNNEX Corporation, the lenders party thereto and Bank of America, N.A., as agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on April 22, 2024).</a>
10.3+	<a href="#">Fourth Amendment to the Fifth Amended and Restated Receivables Funding and Administration Agreement, and the Third Amended and Restated Receivables Sale and Servicing Agreement, dated as of December 11, 2023 March 29, 2024 by and among TD SYNNEX Corporation, SIT Funding Corporation, the originators party thereto, the lenders party thereto and the Toronto-Dominion Bank,</a>

as agent (incorporated by reference to Exhibit 10.1 10.3 to the Company's Current Company's Quarterly Report on Form 8-K filed on December 14, 2023 10-Q for the quarter ended February 29, 2024).

10.3+10.4# [F Advisor Agreement with Duane Zitzner dated March 21, 2024](#) [ourth Amendment \(incorporated by reference to Exhibit 10.4 to the Fifth Amended and Restated Receivables Funding and Administration Agreement, dated as of March 29, 2024 by and among TD SYNNEX Corporation, SIT Funding Corporation, Company's Quarterly Report on Form 10-Q for the originators party thereto, the lenders party thereto and the Toronto-Dominion Bank, as agent.](#) [quarter ended February 29, 2024\).](#)

10.4# 10.5# [Advisor Agreement with Duane Zitzner dated March 21, 2024](#) [TD SYNNEX Corporation 2024 Employee Stock Purchase Plan \(incorporated by reference to the Company's 2024 Proxy Statement on Schedule 14A \(File No. 001-31892\) filed on February 5, 2024\)](#)

31.1 [Rule 13a-14\(a\) Certification of Chief Executive Officer.](#)

31.2 [Rule 13a-14\(a\) Certification of Chief Financial Officer.](#)

32.1\* [Statement of the Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 1350\).](#)

101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

101.SCH Inline XBRL Taxonomy Extension Schema Document.

101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.

101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.

101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

# Indicates management contract or compensatory plan or arrangement.

\* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

## [Table of contents](#)

+Schedules (or similar attachments) and certain information have been omitted pursuant to Items 601(a)(5), 601(a)(6) and/or 601(b)(10)(iv) of Regulation S-K. TD SYNNEX hereby undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the U.S. Securities and Exchange Commission upon request; provided, however, that TD SYNNEX may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

## [\*\*Table of contents\*\*](#)

### **SIGNATURES**

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

Date: **April 4, 2024** July 3, 2024

TD SYNNEX CORPORATION

By: /s/ Richard T. Hume

**Richard T. Hume**

**President and Chief Executive Officer**

**(Duly authorized officer and principal executive officer)**

By: /s/ Marshall W. Witt

**Marshall W. Witt**

**Chief Financial Officer**

**(Duly authorized officer and principal financial officer)**

46

### **EXHIBIT 31.1**

#### **CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**

I, Richard T. Hume, certify that:

1. I have reviewed this Form 10-Q of TD SYNNEX 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Richard T. Hume  
Chief Executive Officer and Director  
(Principal Executive Officer)

**EXHIBIT 31.2**

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

I, Marshall W. Witt, certify that:

1. I have reviewed this Form 10-Q of TD SYNNEX 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

- 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
- 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: **April 4, 2024** **July 3, 2024**

*/s/ Marshall W. Witt*

Marshall W. Witt

Chief Financial Officer

(Principal Financial Officer)

## **EXHIBIT 32.1**

### **STATEMENT OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER UNDER 18 U.S.C. § 1350**

We, Richard T. Hume, the chief executive officer and director of TD SYNNEX Corporation (the "Company"), and Marshall W. Witt, the chief financial officer of the Company, certify for the purposes of section 1350 of chapter 63 of title 18 of the United States Code that, to the best of our knowledge,

- the Quarterly Report of the Company on Form 10-Q for the period ended **February 29, 2024** **May 31, 2024** (the "Report"), fully complies with the requirements of section 13(a) of the Securities Exchange Act of 1934, and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Richard T. Hume

(Principal Executive Officer)

/s/ Marshall W. Witt

Marshall W. Witt

(Principal Financial Officer)

## ADVISOR AGREEMENT

This Advisor Agreement ("Agreement") is entered into as of March 21, 2024 (the "Effective Date") by and among TD SYNNEX Corporation, a Delaware corporation ("Company") and Duane Zitzner ("Advisor").

The parties agree as follows:

**1. Services.** Advisor agrees to act as an Advisor to the Board of Directors (the "Board") and the Audit Committee of the Board and provide strategic and operational advice from time to time, as requested by the Board Chair or Audit Committee Chair; to attend Audit Committee meetings during the term of this Agreement; to participate in discussions with the Chief Financial Officer of the Company and the Company's auditors, as requested by the Audit Committee Chair; and to attend such other meetings of the Board as may be requested by the Chair of the Board (collectively, the "Services").

**2. Compensation.** As full consideration for the Services performed by Advisor under this Agreement, the Company agrees to pay Advisor \$71,250 per quarter for a period of up to three (3) quarters from the Effective Date. Each quarterly payment shall be made at the beginning of the relevant quarter. Additionally, in the event the Company determines to terminate this Agreement, other than by reason of Advisor's material breach of this Agreement or by reason of Advisor's death or total and permanent disability prior the end of the Term, any fees for unpaid quarters will be paid as soon as practicable, but in no event later than four (4) business days, following the date of termination of this Agreement.

**3. Expenses.** Company shall reimburse Advisor for reasonable travel and related expenses incurred in the course of performing Services hereunder.

**4. Confidentiality.** Advisor shall maintain in confidence and not publish or otherwise disclose to third parties or use for any purpose other than providing the Services hereunder any Confidential Information of the Company, unless otherwise approved in writing by the Company. As used in this Agreement “Confidential Information” shall mean any information or other subject matter disclosed to Advisor by the Company in connection with Advisor’s performance of the Services or other information about the Company that Advisor should reasonably understand to be confidential information of the Company. Notwithstanding the foregoing, Confidential Information shall not include information that: (i) was publicly known and generally available in the public domain prior to the time of disclosure to Advisor; (ii) becomes publicly known and generally available after disclosure to Advisor through no action or inaction of Advisor; or (iii) is in the possession of Advisor, without confidentiality restrictions, at the time of disclosure as shown by Advisor’s files and records immediately prior to the time of disclosure.

**5. Ownership of Materials.** All Confidential Information including without limitation, tangible materials received from the Company shall remain the property of the Company, and Advisor shall deliver all Confidential Information to the Company upon the expiration or termination of this Agreement, or earlier if so requested by the Company.

**6. No Conflict.** Advisor represents that Advisor’s compliance with the terms of this Agreement and provision of Services hereunder will not violate any duty which Advisor may have to any other person or entity (such as a present or former employer), including obligations under the Company’s Insider Trading Policy, and obligations concerning providing services to others, confidentiality of proprietary information and assignment of inventions, ideas, patents or copyrights, and Advisor agrees that Advisor will not do anything in the performance of Services hereunder that would violate any such duty.

1

---

**7. Legal Relationship.** Advisor is an independent contractor and will not act as agent nor shall the Advisor be deemed a Director or employee of the Company or any of its affiliates, or entitled to participate in any employee benefit plan of the Company or receive any benefit available to employees of the Company, including insurance, worker’s compensation, retirement and vacation benefits. Advisor shall not have any authority to, and shall not, make any representation or promise or enter into any agreement on behalf of the Company.

8. **Term and Termination.** This Agreement may be terminated by Advisor, with or without cause, upon ten (10) days' notice. The term of this Agreement shall end upon the expiration of the three (3) quarters after the Effective Date (the "Term"). The provisions of Sections 4, 5 and 9 shall survive expiration or termination of this Agreement for any reason.

9. **Indemnification.** The Company agrees to continue Advisor's current indemnification agreement, with such changes as are necessary to reflect that Advisor is an advisor and not a board member, through the Term of this Agreement.

10. **Miscellaneous.** This Agreement shall be governed by the laws of the State of California, without reference to its conflicts of laws provisions. This Agreement and the agreements referred to herein are the only and entire agreements between the parties and supersede all prior agreements and representations with respect to the subject matter hereof. This Agreement may be amended or modified only by a written document signed by both parties. If any provision of this Agreement shall be found by a court to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of the remainder of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ADVISOR

/s/ Duane Zitzner

Print Name: Duane Zitzner

TD SYNNEX CORPORATION

By: /s/ David R. Vetter

Name: David R. Vetter

Title: Chief Legal Officer

2

Certain information in this document has been omitted and replaced with "[\*\*]". Such identified information has been omitted from this document because it is not material and is of the type that the registrant treats as private or confidential.

#### **FOURTH AMENDMENT TO FIFTH AMENDED AND RESTATED RECEIVABLES FUNDING AND ADMINISTRATION AGREEMENT**

This FOURTH AMENDMENT to FIFTH AMENDED AND RESTATED RECEIVABLES FUNDING AND ADMINISTRATION AGREEMENT (this “Amendment”), dated as of March 29, 2024, is entered into by and among SIT FUNDING CORPORATION (the “Borrower”), TD SYNNEX CORPORATION (“TD Synnex”), individually and in its capacity as servicer (in such capacity, the “Servicer”), the MANAGING AGENTS, COMMITTED LENDERS and DISCRETIONARY LENDERS listed on the signature pages hereto, and THE TORONTO-DOMINION BANK, as administrative agent (the “Administrative Agent”).

## RECITALS

A. WHEREAS, the Borrower, the Servicer, the Administrative Agent and each of the Managing Agents, Committed Lenders and Discretionary Lenders party thereto are parties to that certain Fifth Amended and Restated Receivables Funding and Administration Agreement, dated as of December 22, 2021 (together with all exhibits and schedules thereto, and as heretofore amended, restated or supplemented, the “RFA”); and

B. WHEREAS, the Borrower, the Administrative Agent, the Servicer and each of the Managing Agents and Lenders desire to amend and modify certain terms of the RFA as hereinafter set forth.

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

1. Certain Defined Terms. Capitalized terms that are used herein without definition shall have the same meanings herein as in Annex X to the RFA.

2. Amendments to the RFA. Effective as of the date hereof, the parties hereto hereby agree that the RFA, together with all Exhibits, Schedules and Annexes thereto (other than Annex X) is hereby amended and restated in its entirety in the form of Exhibit A attached hereto.

3. Representations and Warranties. Each of the Borrower and the Servicer represents and warrants, for itself, as of the date hereof, as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Amendment.

(b) This Amendment has been duly executed and delivered by such Person and constitutes such Person’s legal, valid and binding obligation, enforceable in accordance with

its terms, except as such enforceability may be subject to (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws

affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No consent, approval, authorization or order of, or filing (except for any filing required by federal securities laws), registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by such Person of this Amendment that has not already been obtained.

(d) The execution and delivery of this Amendment does not (i) violate, contravene or conflict with any provision of its organization documents or (ii) violate, contravene or conflict in any material respect with any laws applicable to such Person.

(e) Immediately after giving effect to this Amendment, (i) the representations and warranties of the Borrower and the Servicer set forth in the RFA shall be true and correct (other than any such representations or warranties that, by their terms, are specifically made as of a date other than the date hereof, in which case, such representations and warranties shall be true and correct as of such other date), (ii) no Termination Event, Incipient Termination Event, Servicer Termination Event or Incipient Servicer Termination Event shall have occurred and be continuing, (iii) no Funding Excess exists and (iv) the Facility Termination Date has not occurred.

4. Effect of Amendment. Except as expressly amended and modified by this Amendment, all provisions of the RFA shall remain in full force and effect. After this Amendment becomes effective, all references in the RFA to "this Agreement", "hereof", "herein" or words of similar effect referring to the RFA shall be deemed to be references to the RFA as amended by this Amendment. This Amendment shall not be deemed to expressly or impliedly waive, amend or supplement any provision of the RFA other than as set forth herein.

5. Effectiveness. This Amendment shall become effective as of the date hereof upon receipt by the Administrative Agent of counterparts of this Amendment (whether by facsimile or otherwise) executed by each of the other parties hereto.

6. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered (including by facsimile or electronic mail), will be deemed an original and all of which shall together constitute one and the same instrument.

7. Governing Law. THIS AMENDMENT (EXCEPT TO THE EXTENT THAT ANY RELATED DOCUMENT EXPRESSLY PROVIDES TO THE CONTRARY) AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES),

2

---

EXCEPT TO THE EXTENT THAT THE PERFECTION, EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF THE ADMINISTRATIVE AGENT IN THE BORROWER COLLATERAL OR REMEDIES HEREUNDER OR THEREUNDER, IN RESPECT THEREOF, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

8. Severability. Each provision of this Amendment shall be severable from every other provision of this Amendment for the purpose of determining the legal enforceability of any provision hereof, and the unenforceability of one or more provisions of this Amendment in one jurisdiction shall not have the effect of rendering such provision or provisions unenforceable in any other jurisdiction.

**9. Section Headings.** The various headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the RFA or any provision hereof or thereof.

**10. Related Document.** This Amendment is a Related Document and all references to a "Related Document" in the RFA and the other Related Documents (including, without limitation, all such references in the representations and warranties in the RFA and the other Related Documents) shall be deemed to include this Amendment.

**11. Reaffirmation of Originator Support Agreement.** After giving effect to this Amendment and each of the other transactions contemplated hereby, all of the provisions of the Originator Support Agreement shall remain in full force and effect and Parent hereby ratifies and affirms the Originator Support Agreement and acknowledges that the Originator Support Agreement has continued and shall continue in full force and effect in accordance with its terms.

[Signature Pages Follow]

3

---

**IN WITNESS WHEREOF**, the parties have executed this Amendment as of the date first written above.

**SIT FUNDING CORPORATION,**  
as the Borrower

By: s/Scott Walker  
Name: Scott Walker  
Title: Treasurer

**TD SYNNEX CORPORATION**, individually and  
as Servicer and as Parent

By: s/Scott Walker

Name: Scott Walker

Title: Treasurer

S-1

---

**MUFG LENDER GROUP:**

**MUFG BANK, LTD.**, as Administrator for Victory  
Receivables Corporation, as Managing Agent for the  
MUFG Lender Group and as the MUFG Committed  
Lender

By: s/Eric Williams

Name: Eric Williams

Title: Managing Director

**VICTORY RECEIVABLES CORPORATION**, as the MUFG  
Discretionary Lender

By: s/Kevin J. Corrigan

Name: Kevin J. Corrigan

Title: Vice President

**BNS LENDER GROUP:**

**THE BANK OF NOVA SCOTIA,**  
as Administrator for Liberty Street Funding LLC, as  
Managing Agent for the BNS Lender Group and as the  
BNS Committed Lender

By: s/Doug Noe  
Name: Doug Noe  
Title: Managing Director

**LIBERTY STREET FUNDING LLC,**  
as the BNS Discretionary Lender

By: s/Kevin J. Corrigan  
Name: Kevin J. Corrigan  
Title: Vice President

**SMBC LENDER GROUP:**

**SMBC NIKKO SECURITIES AMERICA, INC., as  
Administrator for Manhattan Asset Funding Company LLC  
and as Managing Agent for the SMBC Lender Group**

By: s/Takashi Fueno  
Name: Takashi Fueno  
Title: Managing Director

**MANHATTAN ASSET FUNDING COMPANY LLC, as the  
SMBC Discretionary Lender**

By: MAF Receivables Corp., its Sole Member

By: s/Irina Khaimova  
Name: Irina Khaimova  
Title: Vice President

**SUMITOMO MITSUI BANKING CORPORATION, as the  
SMBC Committed Lender**

By: s/Irlen Mak  
Name: Irlen Mak  
Title: Director

S-4

**BANA LENDER GROUP:**

**BANK OF AMERICA, N.A., as Managing Agent for the  
BANA Lender Group and as the BANA Committed Lender**

By: s/Ross Glynn

Name: Ross Glynn

Title: Senior Vice President

S-5

---

**WELLS LENDER GROUP:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Managing Agent for the Wells Lender Group and as the  
Wells Committed Lender**

By: s/Dale Abernathy

Name: Dale Abernathy

Title: Director

S-6

---

**TD LENDER GROUP:**

**THE TORONTO-DOMINION BANK,**

as Administrator for Reliant Trust and GTA Funding LLC,

as Managing Agent for the TD Lender Group and as the

TD Committed Lender

By: s/Luna Mills

Name: Luna Mills

Title: Managing Director

**COMPUTERSHARE TRUST COMPANY OF CANADA, in**

its capacity as trustee of **RELIANT TRUST**, by its U.S.

Financial Services Agent, **THE TORONTO-DOMINION**

**BANK**, as a TD Discretionary Lender

By: s/Luna Mills

Name: Luna Mills

Title: Managing Director

**GTA FUNDING LLC,**

as a TD Discretionary Lender

By: s/Kevin J. Corrigan

Name: Kevin J. Corrigan

Title: Vice President

**ADMINISTRATIVE AGENT:**

**THE TORONTO-DOMINION BANK**, as Administrative

Agent

By: s/Luna Mills

Name: Luna Mills

**CRÉDIT AGRICOLE LENDER GROUP:**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT  
BANK,**

as Administrator for Atlantic Asset Securitization LLC, as  
Managing Agent for the Crédit Agricole Lender Group and  
as the Crédit Agricole Committed Lender

By: s/David R. Nunez

Name: David R. Nunez

Title: Director

By: s/Michael Regan

Name: Michael Regan

Title: Managing Director

**ATLANTIC ASSET SECURITIZATION LLC,**

as the Crédit Agricole Discretionary Lender

By: Crédit Agricole Corporate and Investment Bank, as its  
attorney-in-fact

By: s/David R. Nunez

Name: David R. Nunez

Title: Director

By: s/Michael Regan

Name: Michael Regan

Title: Managing Director

S-8

---

**PNC LENDER GROUP:**

**PNC BANK, NATIONAL ASSOCIATION**, as Managing Agent for the PNC Lender Group and as the PNC Committed Lender

By: s/Eric Bruno

Name: Eric Bruno

Title: Senior Vice President

S-9

---

**MIZUHO LENDER GROUP:**

**MIZUHO BANK, LTD., as Managing Agent for the Mizuho  
Lender Group and as the Mizuho Committed Lender**

By: s/Jeremy Ebrahim

Name: Jeremy Ebrahim

Title: Managing Director

S-10

---

**EXHIBIT A**

**AMENDMENTS TO RECEIVABLES FUNDING AND ADMINISTRATION AGREEMENT (OTHER  
THAN ANNEX X)**

**[Attached]**

Exhibit A

---

**EXECUTION VERSION**

**EXHIBIT A TO AMENDMENT NO. 4, DATED MARCH 29, 2024**

**FIFTH AMENDED AND RESTATED  
RECEIVABLES FUNDING AND ADMINISTRATION AGREEMENT**

**Dated as of December 22, 2021**

**by and among**

**SIT FUNDING CORPORATION,**

**as Borrower,**

**TD SYNNEX CORPORATION,**

**as Servicer,**

**THE FINANCIAL INSTITUTIONS SIGNATORY HERETO FROM TIME TO TIME,**

**as Lenders and Managing Agents,**

**THE TORONTO-DOMINION BANK,**

**as a Lender and as Administrative Agent**

---

**TABLE OF CONTENTS**

	Page
<b>ARTICLE I. DEFINITIONS AND INTERPRETATION</b>	<b>1</b>
Section	
1.01.      Definitions	1
Section	
1.02.      Rules of Construction	1
Section	
1.03.      Amendment and Restatement	2
<b>ARTICLE II. AMOUNTS AND TERMS OF ADVANCES</b>	<b>2</b>
Section	
2.01.      Advances	2
Section	
2.02.      Optional Changes in Facility Limit	3
Section	
2.03.      Procedures for Making Advances	7
Section	
2.04.      Pledge and Release of Transferred Receivables	9
Section	
2.05.      Facility Termination Date	10
Section	
2.06.      Interest, Charges	10
Section	
2.07.      Fees	10
Section	
2.08.      Application of Collections; Time and Method of Payments	11
Section	
2.09.      Capital Requirements; Additional Costs	14
Section	
2.10.      Brokerage Costs	17

2.10.	Breakage Costs	11
Section		
2.11.	Benchmark Replacement Setting	17
Section		
2.12.	Defaulting Lenders	20
<b>ARTICLE III.</b>	<b>CONDITIONS PRECEDENT</b>	<b>20</b>
Section		
3.01.	Conditions to Effectiveness of Agreement	20
Section		
3.02.	Conditions to Precedent to All Advances	22
Section		
3.03.	Conditions Precedent to All Releases	23
<b>ARTICLE IV.</b>	<b>REPRESENTATIONS AND WARRANTIES</b>	<b>23</b>
Section		
4.01.	Representations and Warranties of the Borrower	23
Section		
4.02.	Representations and Warranties of the Servicer	34
<b>GENERAL COVENANTS OF THE BORROWER AND</b>		
<b>ARTICLE V.</b>	<b>THE SERVICER</b>	<b>34</b>
Section		
5.01.	Affirmative Covenants of the Borrower	34
Section		
5.02.	Reporting Requirements of the Borrower	37
Section		
5.03.	Negative Covenants of the Borrower	37
Section		
5.04.	Supplemental Disclosure	40

---

## TABLE OF CONTENTS

(continued)

		<b>Page</b>
<b>Section</b>		
5.05	Tax Covenant of the Servicer	41
<b>ARTICLE VI. ACCOUNTS</b>		41
<b>Section</b>		
6.01.	Establishment of Accounts	41
<b>ARTICLE VII. GRANT OF SECURITY INTERESTS</b>		44
<b>Section</b>		
7.01.	Borrower's Grant of Security Interest	44
<b>Section</b>		
7.02.	Borrower's Agreements	46
<b>Section</b>		
7.03.	Delivery of Collateral	46
<b>Section</b>		
7.04.	Borrower Remains Liable	46
<b>Section</b>	Covenants of the Borrower Regarding the	
7.05.	Borrower Collateral	47
<b>ARTICLE VIII. TERMINATION EVENTS</b>		49
<b>Section</b>		
8.01.	Termination Events	50
<b>ARTICLE IX. REMEDIES</b>		53
<b>Section</b>		
9.01.	Actions Upon Termination Event	53
<b>Section</b>		
9.02.	Exercise of Remedies	55

9.02.	EXERCISE OF REMEDIES	55
Section		
9.03.	Power of Attorney	55
Section		
9.04.	Continuing Security Interest	56
ARTICLE X.	INDEMNIFICATION	56
Section		
10.01.	Indemnities by the Borrower	56
ARTICLE XI.	ADMINISTRATIVE AGENT	58
Section		
11.01.	Appointment and Authorization	58
Section		
11.02.	Delegation of Duties	58
Section		
11.03.	Liability of Administrative Agent and Managing Agents	58
Section		
11.04.	Reliance by the Administrative Agent and the Managing Agents	59
Section		
11.05.	Notice of Termination Event, Incipient Termination Event, Event of Servicer Termination or Incipient Servicer Termination Event	59
Section		
11.06.	Credit Decision; Disclosure of Information	60
Section		
11.07.	Indemnification	60
Section		
11.08.	Individual Capacity	61
Section		
11.09.	Resignation	61

---

## TABLE OF CONTENTS

(continued)

		Page
Section	Payments by the Administrative Agent and the	
11.10.	Managing Agents	62
Section		
11.11.	Setoff and Sharing of Payments	62
Section		
11.12.	Erroneous Payments	62
<b>ARTICLE XII. MISCELLANEOUS</b>		<b>65</b>
Section		
12.01.	Notices	65
Section		
12.02.	Binding Effect; Assignability	66
Section		
12.03.	Termination; Survival of Borrower Obligations Upon Facility Termination Date	70
Section		
12.04.	Costs, Expenses and Taxes	70
Section		
12.05.	Confidentiality	72
Section		
12.06.	Complete Agreement; Modification of Agreement	73
Section		
12.07.	Amendments and Waivers	73
Section		
12.08.	No Waiver; Remedies	75
Section	<b>GOVERNING LAW; CONSENT TO</b>	

12.09.	JURISDICTION; WAIVER OF JURY TRIAL	75
Section		
12.10.	Counterparts	77
Section		
12.11.	Severability	77
Section		
12.12.	Section Titles	77
Section		
12.13.	Further Assurances	77
Section		
12.14.	No Proceedings	78
Section		
12.15.	Limitation on Payments	78
Section		
12.16.	Limited Recourse	78
Section		
12.17.	Agreement Not to Petition	79
Section		
12.18.	USA Patriot Act and Beneficial Ownership Rule	79
Section		
12.19.	Acknowledgement Regarding Any Supported QFCs	79
Section		
12.20.	Post-Closing Covenants	80
Section		
12.21.	Rebalancing	81
ARTICLE XIII. EXTENSIONS AND RELACEMENT OF LENDERS		82
Section		
13.01.	Extension of Final Advance Date; Non-Renewing Committed Lenders	82

---

## TABLE OF CONTENTS

(continued)

		<b>Page</b>
<b>Section</b>		
13.02.	Replacement of Lenders	82
<b>ARTICLE XIV. EUROPEAN PROVISIONS</b>		<b>84</b>
<b>Section</b>	<b>Acknowledgement and Consent to Bail-In of</b>	
14.01.	Affected Financial Institutions	84
<b>Section</b>		
14.02.	Securitisation Regulations; Information	85

-iv-

---

## EXHIBITS

Exhibit 2.01(a)(ii)	Form of Revolving Note
Exhibit 2.02(a)	Form of Facility Limit Reduction Notice
Exhibit 2.02(b)	Form of Facility Termination Notice
Exhibit 2.02(c)(i)	Form of Facility Limit Increase Notice
Exhibit 2.02(c)(viii)	Form of Accordion Confirmation
Exhibit 2.03(a)	Form of Borrowing Request
Exhibit 2.03(h)	Form of Repayment Notice
Exhibit 5.02(b)	Form of Borrowing Base Certificate
Exhibit 9.03	Form of Power of Attorney
Exhibit 12.02(b)	Form of Assignment Agreement
Exhibit A	Credit and Collection Policy
Schedule 1.01	Commitments
Schedule 4.01(b)	Jurisdiction of Organization/Organizational Number; Executive Offices; Collateral Locations; Corporate or Other Names
Schedule 4.01(q)	Accounts
Schedule 5.01(b)	Trade Names/Borrower
Schedule 5.03(b)	Existing Liens
Schedule 12.01	Notice Information
Schedule 12.21	Rebalancing
Annex 5.02(a)	Reporting Requirements of the Borrower (including Forms of Monthly Report, Weekly Report and Daily Report)
Annex W	Administrative Agent's Account/Lenders' Accounts
Annex X	Definitions and Interpretations
Annex Y	[Reserved]
Annex Z	Special Obligor Approval Notice

THIS FIFTH AMENDED AND RESTATED RECEIVABLES FUNDING AND ADMINISTRATION AGREEMENT (as amended, restated, supplemented or otherwise modified and in effect from time to time, this “Agreement”) (a) is entered into as of December 22, 2021 by and among SIT FUNDING CORPORATION, a Delaware corporation (the “Borrower”), TD SYNTEX CORPORATION, a Delaware corporation (the “Parent”), in its capacity as servicer (in such capacity, the “Servicer”), THE TORONTO-DOMINION BANK (in its individual capacity, “TD”), as administrative agent for the Lenders hereunder (in such capacity, the “Administrative Agent”), the Committed Lenders and Discretionary Lenders from time to time party hereto (collectively, the “Lenders”), the Administrators from time to time party hereto (the “Administrators”) and the Managing Agents from time to time party hereto (the “Managing Agents”), and (b) amends and restates that certain Fourth Amended and Restated Receivables Funding and Administration Agreement, dated as of November 12, 2010, among the Borrower, as borrower, the financial institutions signatory thereto as lenders and managing agents, and MUFG Bank, Ltd. (“MUFG”), as a lender, and as administrative agent (as heretofore amended, restated, supplemented and modified, the “Existing Receivables Funding Agreement”).

## RECITALS

A. The Borrower is a special purpose corporation, the sole shareholder of which is Parent.

B. The Borrower has been formed for the purpose of purchasing, or otherwise acquiring by capital contribution, Receivables of the Originators party to the Sale Agreement.

C. The Borrower intends to fund its purchases of the Receivables, in part, by borrowing Advances and pledging all of its right, title and interest in and to the Receivables as security therefor, and, subject to the terms and conditions hereof, the Lenders intend to make such Advances from time to time, as described herein.

D. The Administrative Agent has been requested and is willing to act as administrative agent on behalf of each of the Lenders in connection with the making and financing of such Advances.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## ARTICLE 1.

### DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in Annex X.

Section 1.02. Rules of Construction. For purposes of this Agreement, the rules of construction set forth in Annex X shall govern. All Appendices hereto, or expressly identified

---

to this Agreement, are incorporated herein by reference and, taken together with this Agreement, shall constitute but a single agreement.

Section 1.03. Amendment and Restatement. Upon the satisfaction or waiver of the conditions precedent set forth herein, (a) the terms and provisions of the Existing Receivables Funding Agreement shall be amended, superseded and restated in their entirety by the terms and provisions of this Agreement and, unless expressly stated to the contrary, each reference to the Existing Receivables Funding Agreement in any of the Related Documents or any other document, instrument or agreement delivered in connection therewith shall mean and be a reference to this Agreement, (b) this Agreement is not intended to and shall not constitute a novation of the Existing Receivables Funding Agreement or the obligations and liabilities existing thereunder, (c) the commitment of each "Committed Purchaser" (as defined in the Existing Receivables Funding Agreement) that is a party to the Existing Receivables Funding Agreement shall, on the Effective Date, automatically be deemed restated or terminated and the only Commitments shall be those hereunder, (d) with respect to any date or time period occurring and ending prior to the Effective Date, the rights and obligations of the parties to the Existing Receivables Funding Agreement shall

be governed by the Existing Receivables Funding Agreement and the other Related Documents (as defined therein), and (e) with respect to any date or time period occurring and ending on or after the Effective Date, the rights and obligations of the parties hereto shall be governed by this Agreement and the other Related Documents (as defined herein).

## ARTICLE 2.

### AMOUNTS AND TERMS OF ADVANCES

#### Section 2.01. Advances.

(a) Advances. (i) From and after the Effective Date and until the Facility Termination Date and subject to the terms and conditions hereof, each Lender (other than the Discretionary Lenders) severally agrees to make its Pro Rata Share of advances (each such advance hereunder, an "Advance") to the Borrower from time to time, subject to Section 2.01(c). The Outstanding Principal Amount of all Advances shall not at any time exceed the Facility Limit and the Outstanding Principal Amount of Advances made by each Lender shall not exceed such Lender's Pro Rata Share of the Facility Limit. The Outstanding Principal Amount of Advances made by each Lender Group shall not exceed the aggregate Pro Rata Share (of the Committed Lenders in such Lender Group) of the Facility Limit. Except to the extent provided in Section 2.06(c), no Lender shall make any Advances if, after giving effect thereto, a Funding Excess would exist. The Borrower may from time to time borrow, repay and reborrow Advances hereunder on the terms and conditions set forth herein.

(ii) The Borrower shall execute and deliver to each Lender that makes a request therefor, a note to evidence the Advances which may be made hereunder from time to time by such Lender. Each such note shall be (x) in the principal amount of the Pro Rata Share of the Facility Limit of the applicable Lender (or, in the case of a Discretionary Lender, in the principal amount of the aggregate Pro Rata Share (of the Committed Lenders in such Discretionary Lender's Lender Group) of the Facility Limit), (y) dated as of the date of issuance thereof, and (z) substantially in the form of Exhibit 2.01(a)(ii) (each, a "Revolving Note"). Each Revolving Note shall represent the obligation of the Borrower to pay the amount of the applicable Lender's portion of the aggregate Outstanding Principal Amount made to the Borrower, together with interest thereon as prescribed in Section 2.06. The Outstanding Principal Amount of Advances

and all other accrued and unpaid Borrower Obligations shall be immediately due and payable in full in immediately available funds on the Facility Termination Date.

(b) Reserved.

(c) Discretionary Lenders. Notwithstanding anything in this Agreement or any Related Document to the contrary, no Discretionary Lender shall have any commitment hereunder and may fund Advances hereunder solely in its own discretion. If a Discretionary Lender does not elect to fund an Advance, the related Committed Lenders in such Discretionary Lender's Lender Group shall fund in its stead subject to the conditions set forth herein. While it is the intent of each Discretionary Lender to fund each requested Advance through the issuance of Commercial Paper, the parties acknowledge that if any such Discretionary Lender is unable, or determines that it is undesirable, to issue Commercial Paper to fund all or any portion of the Advances, or is unable to repay such Commercial Paper upon the maturity thereof, such Discretionary Lender may put all or any portion of its Advances to its Program Support Providers at any time pursuant to the Program Support Agreement or to its Committed Lenders pursuant to Article XIII.

## Section 2.02. Optional Changes in Facility Limit.

(a) Partial Reduction of Facility Limit. So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Borrower may, not more than twice during each calendar year, permanently reduce in part the Facility Limit; *provided* that (i) the Borrower shall give ten Business Days' prior written notice of any such reduction to the Administrative Agent addressed to the Administrative Agent and each Managing Agent (and the Administrative Agent shall provide a copy thereof to each Managing Agent) substantially in the form of Exhibit 2.02(a) (each such notice, a "Facility Limit Reduction Notice"), (ii) any such partial reduction of the Facility Limit shall be in a minimum amount of \$5,000,000 or an integral multiple thereof, and (iii) no such partial reduction shall reduce the Facility Limit below the greater of (x) the Outstanding Principal Amount at such time and (y) \$1,000,000,000. Any such partial reduction in the Facility Limit shall result in a reduction in each Committed Lender's Commitment in an amount equal to such Committed Lender's Pro Rata Share of the amount by which the Aggregate Commitment is being reduced. Notwithstanding the foregoing, any such reduction at any time that an Accordion Commitment is in effect shall be deemed to first, temporarily reduce the Accordion Facility Limit then in effect by reducing the Accordion Commitment of each Lender Group with an Accordion Commitment in an amount equal to such Lender Group's Accordion Pro Rata Share of the amount by which the Accordion Facility Limit is being reduced until such Accordion Facility Limit equals \$0 and second, permanently reduce the Non-Accordion Facility Limit then in effect by reducing each Committed Lender's Commitment in accordance with this clause (a).

(b) Facility Termination. The Borrower may, at any time, on at least 30 days' prior written notice by the Borrower to the Administrative Agent addressed to the Administrative Agent

and each Managing Agent (and the Administrative Agent shall provide a copy thereof to each Managing Agent), terminate the facility provided in this Article II by irrevocably reducing the Facility Limit to zero; *provided* that (i) such notice of termination shall be substantially in the form of Exhibit 2.02(b) (the “Facility Termination Notice”), (ii) the Borrower shall reduce the aggregate outstanding amount of Advances to zero, and make all payments required by Section 2.03(h) at the time and in the manner specified therein and (iii) the Borrower shall pay any amounts owed under Section 2.02(d) in connection therewith. Upon such termination, the Borrower’s right to request that any Lender make Advances hereunder

shall in each case simultaneously terminate and the Facility Termination Date shall automatically occur.

(c) Increases to Facility Limit. (i) So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Borrower may, once per quarter, during any calendar quarter of each year request that one or more Lender Groups increase their respective Commitments then in effect; *provided* that (A) the Borrower shall submit such request to the Administrative Agent and each Managing Agent (and the Administrative Agent shall provide a copy thereof to each Managing Agent) of the Lender Group being requested to increase its Commitment substantially in the form of Exhibit 2.02(c)(i) (each such request, a “Facility Limit Increase Request”), (B) each Facility Limit Increase Request shall specify (1) the date on which the Borrower requests an increase to the Facility Limit of each applicable Lender Group, which date may not be earlier than ten Business Days from the date each Facility Limit Increase Request is delivered to the Administrative Agent and addressed to the Administrative Agent and each applicable Managing Agent (and the Administrative Agent shall provide a copy thereof to each Managing Agent) (each such date, a “Facility Limit Increase Date”), (2) the amount of any such increase of the Facility Limit, which shall be in a minimum amount of \$25,000,000 or an integral multiple thereof, and (3) the name of each Lender Group to which such request is being made, *provided* that if the requested increase is greater than \$25,000,000, the request shall be deemed to have been made to each Lender Group ratably according to each Lender’s Pro Rata Share of the Non-Accordion Facility Limit; *provided further* that no Lender Group shall be offered a \$25,000,000 increase more than once in any three consecutive quarters during which such an increase is requested unless each other Managing Agent (on behalf of each other related Lender Group) has refused to consent to such Facility Limit Increase Request and (C) after giving effect to any such increase, the Facility Limit shall not exceed the sum of (1) the Non-Accordion Facility Limit then in effect and (2) \$150,000,000, without the prior written consent of all Managing Agents.

(ii) Each Managing Agent (on behalf of its related Lender Group) shall, in its sole discretion, make a determination whether or not to grant any request to increase its Lender Group's Commitment under this clause (c) and shall notify the Borrower and the Administrative Agent in writing of such determination on or before the requested Facility Limit Increase Date; *provided* that if any Managing Agent fails to so notify the Administrative Agent, the Lenders in its Lender Group shall be deemed to have refused to consent to such Facility Limit Increase Request.

(iii) The Borrower's request for the increases in the respective Commitments of the Lender Groups shall be ratable with respect to each such Lender Group (according to the then existing Commitments of all such Lender Groups) in respect of any Facility Limit Increase Request greater than \$25,000,000, and if Lender Groups holding less than 100% of the aggregate Commitments of all Lender Groups consent to such increase in their respective Commitment, the Borrower may request further increases in the Commitments of the Lender Groups who have consented (any such Lender Group, an "Increasing Lender Group") (by written notice to the Managing Agents for the Increasing Lender Groups), on a ratable basis (based on the then existing Commitments of all such Increasing Lender Groups), unless otherwise consented to in

writing by all of the Managing Agents for such Increasing Lender Groups and at the sole discretion of the Managing Agents for each such Increasing Lender Group.

(iv) Notwithstanding anything herein to the contrary, (A) to the extent that the Outstanding Principal Amount of all Advances is at any time equal to or less than the Non-Accordion Facility Limit, all Advances shall be made during such time ratably according to each Lender's Pro Rata Share of the Non-Accordion Facility Limit prior to giving effect to any increases under this clause (c) and (B) so long as the Outstanding Principal Amount of all Advances is greater than the Non-Accordion Facility Limit, all Advances with respect to the Accordion Facility Limit shall be made ratably according to each Lender's Accordion Pro Rata Share of the Accordion Facility Limit.

(v) On any date of determination, if the aggregate Accordion Advanced Amount is greater than zero after giving effect to any reduction pursuant to clause (a), the Borrower shall immediately pay to each Managing Agent of an Increasing Lender Group, for the benefit of the related Lenders, an amount to be applied to reduce such Lender's Accordion Advanced Amount (ratably, according to each such Lender's Accordion Advanced

Amount), such that after giving effect to such payment, the aggregate Accordion Advanced Amount does not exceed the Accordion Facility Limit then in effect.

(vi) The Borrower's request for the increases with respect to Commitments of any single Lender Group in respect of any Facility Limit Increase Request for \$25,000,000 shall be a *non-pro rata* increase to the Commitment of such Lender Group if such Lender Group consents to such request.

(vii) The Accordion Facility Limit may be increased in accordance with this clause (c) and subsequently reduced in accordance with clause (a) above, in each case, subject to the minimum and maximum amounts, timeframes and limits set forth herein and therein.

(viii) The Borrower shall (and shall cause the Servicer to) deliver all documents, instruments, reports, opinions and agreements as the Administrative Agent and any Managing Agent may reasonably request in connection with making a determination as to whether or not to grant any request under this clause (c), including, on or prior to the effectiveness of any increase pursuant to this clause (c), a confirmation regarding such increase for each Increasing Lender Group, substantially in the form of Exhibit 2.02(c)(viii) (each, an "Accordion Confirmation") and executed by the Borrower, the Servicer, the Administrative Agent and the Managing Agent for each such Increasing Lender Group, an executed copy of which shall be circulated to each Managing Agent by the Administrative Agent.

(d) Notices. Each Facility Termination Notice and Facility Limit Reduction Notice shall be irrevocable and shall be effective (i) on the day of receipt if received by the Administrative Agent and the Managing Agents not later than 4:00 p.m. (New York time) on any Business Day and (ii) on the immediately succeeding Business Day if received by the Administrative Agent and the Managing Agents after such time on such Business Day or if any such notice is received on a day other than a Business Day (regardless of the time of day such notice is received). Each Facility Termination Notice or Facility Limit Reduction Notice shall specify, respectively, the amount of, or the amount of the proposed reduction in, the Facility Limit.

(e) Increase in Non-Accordion Facility Limit.

(i) So long as no Incipient Termination Event or Termination Event shall have occurred and be continuing, the Borrower may request that one or more Lender Groups increase their respective Commitments then in effect; *provided that* (A) the Borrower

shall submit such request to the Administrative Agent and each Managing Agent of the Lender Group being requested to increase its Commitment and such request shall specify (1) the date on which the Borrower requests an increase to the Non-Accordion Facility Limit of each applicable Lender Group, which date may not be earlier than ten Business Days from the date such request is delivered to the applicable Managing Agent, (2) the amount of any such increase of the Non-Accordion Facility Limit and (3) the name of each Lender Group to which such request is being made, and (B) after giving effect to any such increase, the Non-Accordion Facility Limit shall not exceed \$2,500,000,000.

(ii) Each Managing Agent (on behalf of its related Lender Group) shall, in its sole discretion, make a determination whether or not to grant any request to increase its Lender Group's Commitment under this clause (e) and shall notify the Borrower and the Administrative Agent in writing of such determination on or before the requested date of such increase; *provided* that if any Managing Agent fails to so notify the Administrative Agent, the Lenders in its Lender Group shall be deemed to have refused to consent to such increase request.

(iii) The Borrower shall pay all fees payable to each Lender that is increasing its Commitment pursuant to clauses (i) and (ii) above in accordance with the Fee Letter.

Notwithstanding anything herein to the contrary, no Lender shall have any obligation to increase its Commitment and no Lender's Commitment shall be increased without its consent thereto, and each Lender may in its sole and absolute discretion, unconditionally and without cause, decline to increase its Commitment.

Upon the effectiveness of any increase pursuant to this clause (e), the Administrative Agent will reallocate the outstanding Advances hereunder such that, after giving effect thereto, the ratio of each Lender's share of outstanding Advances to its share of Commitments will be such Lender's Pro Rata Share (after giving effect to the increase in the Aggregate Commitment pursuant to this clause (e)). In connection with any such reallocation of the outstanding Advances, (x) the Administrative Agent will give advance notice to each Lender which is required to fund any amount or receive any partial repayment in connection therewith and (y) the applicable Lender or Lenders will fund such amounts up to their respective shares of the Advances being reallocated and the Administrative Agent shall remit to any applicable Lenders its applicable portion of such funded amount if necessary to give effect to the reallocation of such Advances. In connection with such repayment made with respect to such reallocation (to the extent

such repayment is required), the Borrower shall pay all interest due on the amount repaid to the date of repayment on the immediately following Settlement Date.

### Section 2.03. Procedures for Making Advances.

(a) Borrowing Requests. Except as provided in Section 2.06(c), each Borrowing shall be made upon notice by the Borrower to the Administrative Agent and each Managing Agent in the manner provided herein. Any such notice must be in writing and received no later than (i) if the amount of the requested Borrowing does not exceed \$500,000,000, 11:00 a.m. (New York time) on the Business Day of the proposed Advance Date set forth therein (such Borrowing, a “Same-Day Borrowing”) or (ii) otherwise, 3:00 p.m. (New York time) on the Business Day preceding the Business Day of the proposed Advance Date set forth therein. Each such notice (a “Borrowing Request”) shall (i) be substantially in the form of Exhibit 2.03(a), (ii) be irrevocable and (iii) specify the amount of the requested Borrowing (which shall be in a minimum amount of \$1,000,000 or an integral multiple of \$500,000 in excess of \$1,000,000) and the proposed Advance Date (which shall be a Business Day), and shall include such other information as may be required by the Lenders and the Administrative Agent. No more than one Borrowing Request shall be permitted to be outstanding at any time for a Same-Day Borrowing. Each Borrowing Request shall be irrevocable and binding on the Borrower, and the Borrower shall indemnify each Lender against any loss or expense incurred by such Lender, either directly or indirectly (including, in the case of any Conduit Lender, through a Program Support Agreement) as a result of any failure by the Borrower to complete such borrowing, including any loss (including loss of profit) or expense incurred by the Administrative Agent, any Managing Agent or any Lender, either directly or indirectly (including, in the case of any Conduit Lender, pursuant to a Program Support Agreement) by reason of the liquidation or reemployment of funds acquired by such Lender (or the applicable Program Support Provider(s)) (including funds obtained by issuing commercial paper or promissory notes or obtaining deposits or loans from third parties) in order to fund such borrowing.

(b) Advances; Payments. The applicable Lenders shall make the amount of such applicable Advance available to the Administrative Agent in same day funds by wire transfer to the Agent Account not later than 3:00 p.m. (New York time) on the requested Advance Date. After receipt of such wire transfers (or, in the Administrative Agent’s sole discretion in accordance with Section 2.03(c), before receipt of such wire transfers), subject to the terms hereof, the Administrative Agent shall make available to the Borrower by deposit into the Borrower Account on the Advance Date therefor, the amount of the requested Borrowing.

(c) Availability of Lenders' Advances. The Administrative Agent may assume that each Lender will make its Pro Rata Share of each Borrowing of Advances available to the Administrative Agent on each Advance Date. If and to the extent the Administrative Agent has made available to the Borrower such Lender's Pro Rata Share of any such Borrowing but such Pro Rata Share is not, in fact, paid to the Administrative Agent by such Lender when due, then such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand an amount equal to the sum of (x) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, Adjusted SMIR plus the rate used to compute the Program Fee, plus (y) any additional charges, costs or expenses of the Administrative Agent in connection therewith, including any internally assessed charges, costs or expenses. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute principal of such Lender's Advance. If the Borrower pays such amount to the Administrative Agent, then such amount

shall constitute repayment in full of such amount in lieu of any and all other interest or fees that would have been due thereon had such Lender not failed to pay such amount or make available its Pro Rata Share of such Borrowing. Nothing in this Section 2.03(c) or elsewhere in this Agreement or the other Related Documents shall be deemed to require the Administrative Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Commitment hereunder or to take any action that would prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder. 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. Any such 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.

(d) Return of Payments. (i) If the Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by the Administrative Agent from the Borrower and such related payment is not received by the Administrative Agent, then the Administrative Agent will be entitled to recover such amount from such Lender on demand without set-off, counterclaim or deduction of any kind.

(ii) If at any time any amount received by the Administrative Agent under this Agreement must be returned to the Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Related Document, the Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to the Administrative Agent on demand any portion of such amount that the Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as the Administrative Agent is required to pay to the Borrower or such other Person, without set-off, counterclaim or deduction of any kind.

(e) Non-Funding Lenders. The failure of any Lender (each such Lender, a "Non-Funding Lender") to make any Advance required to be made by it on the date specified therefor shall not relieve any other Lender (each such other Lender, an "Other Lender") of its obligations to make the Advance required to be made by it, but neither any Other Lender nor the Administrative Agent shall be responsible for the failure of any Non-Funding Lender to make an Advance to be made by such Non-Funding Lender.

(f) [Reserved].

(g) [Reserved].

(h) Principal Repayments. The Borrower may repay outstanding Advances hereunder in part on any Settlement Date or in full at any time; provided that (i) the Borrower shall give not less than one Business Day's prior written notice (provided that same day written notice shall be permitted if the aggregate outstanding Advances being repaid does not exceed \$500,000,000) of any such repayment to the Administrative Agent (with a copy to each Managing Agent) substantially in the form of Exhibit 2.03(h) (each such notice, a "Repayment Notice"), (ii) each such notice shall be irrevocable, (iii) each such notice shall specify the amount of the requested repayment and the proposed date of such repayment (which shall be a Business Day), (iv) any such repayment shall be applied to the outstanding Advances, (v) each such repayment shall be deposited in the Agent Account and (vi) any such repayment must be accompanied by payment of (A) all interest accrued and unpaid on the portion of the outstanding principal balance of the Advances to be repaid through but excluding the date of such repayment and (B) the amounts required to be paid in accordance with Section 2.10, if any. Any such notice of repayment must be received by the Administrative Agent no later than 3:00 p.m. (New York time) on the Business Day immediately preceding the date of the proposed repayment (or no later than 11:00 a.m. (New York time) with respect to any same day repayment); provided further that the foregoing

requirements shall not apply to repayment of the outstanding principal amount of Advances as a result of the application of Collections pursuant to Section 2.08.

**Section 2.04. Pledge and Release of Transferred Receivables.**

(a) Pledge. The Borrower shall indicate in its Records that the Transferred Receivables have been pledged hereunder and that the Administrative Agent has a lien on and security interest in all such Transferred Receivables for the benefit of the Secured Parties. The Borrower shall, and shall cause the Servicer to, hold all Contracts and other documents relating to such Transferred Receivables in trust for the benefit of the Administrative Agent on behalf of the Secured Parties in accordance with their interests hereunder. The Borrower hereby acknowledges that its retention and possession of such Contracts and documents shall at all times be at the sole discretion of the Administrative Agent and in a custodial capacity for the Administrative Agent's (on behalf of the Secured Parties) benefit only.

(b) Repurchases of Transferred Receivables. If an Originator is required (or permitted) to repurchase Transferred Receivables from the Borrower pursuant to Section 4.04 of the Sale Agreement, upon payment by such Originator to the applicable Concentration Account of the applicable repurchase price thereof (which repurchase price shall not be less than an amount equal to the Outstanding Balance of such Transferred Receivable), the Administrative Agent on behalf of the Secured Parties shall release their liens on and security interests in the Transferred Receivables being so repurchased.

**Section 2.05. Facility Termination Date.** Notwithstanding anything to the contrary set forth herein, no Lender shall have any obligation to make any Advances from and after the Facility Termination Date.

**Section 2.06. Interest, Charges.**

(a) From time to time, for purposes of determining the Interest Periods applicable to the different portions of the Outstanding Principal Amount funded by its Lender Group and of calculating Yield with respect thereto, each Managing Agent shall allocate the Outstanding Principal Amount allocable to its Lender Group to one or more tranches (each a "Portion of Advances"). At any time, each Portion of Advances shall have only one Interest Period and one Rate Type.

(b) All outstanding Borrower Obligations shall bear interest at the Default Rate from the date of any Termination Event until such Termination Event is waived.

(c) The Administrative Agent (acting at the direction of the Requisite Lenders) is authorized to charge to the Borrower as Advances and cause to be paid all Fees, expenses, charges, costs, interest and principal, other than principal of the Advances, owing by the Borrower under this Agreement or any of the other Related Documents if and to the extent the Borrower fails to pay any such amounts as and when due, and any charges so made shall constitute part of the Outstanding Principal Amount hereunder even if such charges would cause the aggregate balance of the Outstanding Principal Amount to exceed the Borrowing Base.

#### Section 2.07 Fees.

(a) On the Closing Date, the Borrower shall pay to the Agent Account, for the account of the Administrative Agent and the Lenders, as applicable, the fees set forth in the Fee Letter that are payable on the Closing Date.

(b) From and after the Closing Date, as additional compensation for the Lenders, the Borrower agrees to pay to Administrative Agent, for the ratable benefit of such Lenders, monthly in arrears, on each Settlement Date, the Facility Fee and the Program Fee by depositing such Facility Fee and Program Fee in the Agent Account. All computations of per annum fees hereunder shall be made on the basis of a year of 360 days for the actual number of days (including the first but excluding the last day) elapsed.

(c) On each Settlement Date, the Borrower shall pay to the Servicer or to the Successor Servicer, as applicable, the Servicing Fee or the Successor Servicing Fees and Expenses, respectively, in each case to the extent of available funds therefor pursuant to Section 2.08.

#### Section 2.08. Application of Collections; Time and Method of Payments.

(a) Each Advance shall mature, and be payable, on the earlier of (i) the date funds are allocated to such Advance pursuant to clause (iv)(A), (v) or (vi) of subsection (c) below (and in such case only to the extent of the funds so allocated), and (ii) the Facility Termination Date (in which case such Advance shall be payable in full).

(b) [Reserved].

(c) The Servicer shall set aside and hold in trust for the benefit of the Secured Parties (or, if so requested by the Administrative Agent during a Ratings Period or following the occurrence and continuation of a Termination Event or Event of Servicer Termination, segregate in a separate account designated by the Administrative Agent, which shall be an account maintained

and controlled by the Administrative Agent unless the Administrative Agent otherwise instructs in its sole discretion), for application in accordance with the priority of payments set forth below, all Collections on Transferred Receivables that are received by the Servicer or the Borrower or received in any Lockbox or any Account; provided, however, that so long as each of the conditions precedent set forth in Section 3.03 are satisfied on such date, the Servicer may release to the Borrower from such Collections the amount (if any) necessary to pay (i) the purchase price for Receivables purchased by the Borrower on such date in accordance with the terms of the Sale Agreement or (ii) amounts owing by the Borrower to the Originators under the Subordinated Notes (each such release, a “Release”). On each Settlement Date, the Servicer (or, following its assumption of control of the Collection Accounts, the Administrative Agent) shall distribute such Collections in the following order of priority:

- (i) first, to the Agent Account, to the extent then due and payable, *pro rata*, to the payment of all Fees accrued and unpaid through such date and all unreimbursed expenses of the Administrative Agent which are reimbursable pursuant to the terms hereof;
- (ii) second, to the Agent Account, to the payment of accrued and unpaid Yield which is then due and payable in respect of the applicable Advances, *pro rata* based upon amounts due;
- (iii) third, if the Servicer has been replaced as a result of the occurrence of an Event of Servicer Termination and such Servicer is not an Affiliate of the Parent, to the payment of the aggregate accrued and unpaid Servicing Fees through such date payable to such replacement Servicer;
- (iv) fourth, to the Agent Account, to be paid (A) first, if required pursuant to Section 2.02(c)(v), in an amount sufficient to reduce the aggregate Accordion Advanced Amount (ratably according to each Lender’s Accordion Advanced Amount, if any) until such amount is reduced to zero and (B) second, in an amount equal to all outstanding Advances (ratably according to each Lender’s outstanding Advances, if any) which are then due and payable;
- (v) fifth, to the extent that a Funding Excess exists, to the Agent Account, in payment of a portion of the Outstanding Principal Amount at such time, in an aggregate amount equal to the amount necessary to reduce the Funding Excess to zero (\$0), together with amounts payable with respect thereto under Section 2.10, if any, (ratably according to each Lender’s outstanding Advances, if any);

(vi) sixth, if any of the conditions precedent set forth in Section 3.02 shall not be satisfied, to the Agent Account, to the payment of the Outstanding Principal Amount of all other Advances, together with amounts payable with respect thereto under Section 2.10, if any, *pro rata*;

(vii) seventh, to the extent then due and payable, *pro rata*, to the payment of all other obligations of the Borrower accrued and unpaid hereunder, including the expenses of the Lenders reimbursable under Section 12.04; and

(viii) eighth, to be paid to the Borrower.

(d) If and to the extent a Funding Excess exists on any Business Day, the Borrower (or the Servicer on its behalf) shall deposit an amount equal to the amount of such Funding Excess in the Agent Account by no later than 11:00 a.m. (New York time) on the immediately succeeding Business Day, which amount shall be applied by the Administrative Agent, in immediate repayment of the outstanding amount of Advances (together with amounts payable with respect thereto under Section 2.10).

(e) The Borrower and the Servicer hereby irrevocably waive the right to direct the application of any and all payments received from or on behalf of the Borrower or the Servicer, and each of the Borrower and the Servicer hereby irrevocably agree that any and all such payments shall be applied by the Administrative Agent in accordance with this Section 2.08.

(f) All payments of principal of the Advances and all payments of interest, Fees and other amounts payable by the Borrower hereunder shall be made in Dollars, in immediately available funds. Any such payment becoming due on a day other than a Business Day shall be payable on the next succeeding Business Day. Payments received at or prior to 1:00 p.m. (New York time) on any Business Day shall be deemed to have been received on such Business Day. Payments received after 1:00 p.m. (New York time) on any Business Day or on a day that is not a Business Day shall be deemed to have been received on the following Business Day.

(g) Any and all payments by the Borrower hereunder and under any Related Document shall be made in accordance with this Section 2.08 without setoff or counterclaim and free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, duties, assessments, fees, Charges or withholdings (including any interest, additions to tax or penalties applicable thereto) (such taxes, levies, imposts, deductions, duties, etc. being "Taxes"), excluding (i) any such Taxes imposed on or measured by the net income, branch profits, gross receipts or franchise taxes of any Affected Party by the jurisdictions under the laws of which

such Affected Party is organized, tax resident or doing business or, in each case, by any political subdivisions thereof, (ii) U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Affected Party with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (x) such Affected Party acquires such interest in the Loan or Commitment or (y) such Affected Party changes its lending office, except in each case to the extent that, pursuant to this section, amounts with respect to such Taxes were payable either to such Affected Party's assignor immediately before such Affected Party became a party hereto or to such Affected Party immediately before it changed its lending office, (iii) any withholding Taxes imposed under FATCA and (iv) any Taxes attributable to such Affected Party's failure to comply with Section 2.08(h) (such non-excluded Taxes being "Indemnified Taxes"). If the Borrower shall be required by law to deduct or withhold any Taxes from or in respect of any sum payable hereunder, (i) if such Tax is an Indemnified Tax, the sum payable shall be increased as much as shall be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section 2.08) the Affected Party entitled to receive any such payment receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxing or other authority in accordance with applicable law.

Within 30 days after the date of any payment of Taxes pursuant to this Section 2.08, the Borrower shall furnish to the Administrative Agent the original or a certified copy of a receipt evidencing payment thereof. The Borrower shall indemnify any Affected Party from and against, and, within ten days of demand therefor, pay any Affected Party for, the full amount of Indemnified Taxes (together with any Indemnified Taxes imposed by any jurisdiction on amounts payable under this Section 2.08) payable or paid by such Affected Party and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally asserted.

(h) Any Affected Party that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Related 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 Affected Party, 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 Affected Party is subject to backup withholding or information reporting requirements. Furthermore, if a payment made to an Affected Party under any Related Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Affected Party 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 Affected Party 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 Affected Party has complied with such Affected Party's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for these purposes, "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Each Affected Party agrees that if any form or certification it previously delivered pursuant to this Section 2.08(g) 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.

(i) The Administrative Agent shall provide the Borrower an IRS Form W-9, IRS Form W-8BEN-E or IRS Form W-8ECI, as applicable, with respect to income it is receiving for its own account, and an IRS Form W-9 or IRS Form W-8IMY with respect to amounts payable to it for the account of others at the closing and upon the reasonable request of the Borrower.

(j) The Servicer hereby agrees to indemnify and hold harmless each Affected Party and the Administrative Agent from and against any and all losses arising from a failure to timely receive the Outstanding Principal Amount along with Yield and Fees on the Advances to the extent caused by any income tax imposed on or payable by Borrower.

(k) Upon receipt of a notice in accordance with Section 7.03 of the Sale Agreement, the Administrative Agent shall, if such amounts have not been applied to the Borrower Obligations, segregate the Unrelated Amounts and the same shall not be deemed to constitute Collections on Transferred Receivables.

#### Section 2.09. Capital Requirements; Additional Costs.

(a) Capital Requirements. If any Affected Party shall have determined that, after the date hereof, the adoption or implementation of or any change in any law, treaty, governmental (or quasi governmental) rule, regulation, guideline or order or in the administration, interpretation,

implementation or application thereof by any Governmental Authority regarding capital adequacy, reserve or liquidity requirements or similar requirements or compliance by such Affected Party with any request or directive regarding capital adequacy, reserve or liquidity requirements or similar requirements (whether or not having the force of law) from any central bank or other Official Body increases or would have the effect of increasing the amount of capital, liquidity, reserves or other funds required to be maintained by such Affected Party against commitments made by it under this Agreement or any other Related Document or Program Support Agreement and thereby reducing the rate of return on such Affected Party's capital as a consequence of its commitments hereunder or thereunder (each, an "Increased Capital Rate of Return Reduction Event"), then the Borrower shall from time to time upon demand by the Administrative Agent pay to the Administrative Agent on behalf of such Affected Party additional amounts sufficient to compensate such Affected Party for such reduction together with interest thereon from the date of any such demand until payment in full at the applicable Base Rate. A certificate as to the amount of that reduction and showing the basis of the computation thereof submitted by the Affected Party to the Borrower shall be final, binding and conclusive on the parties hereto (absent manifest error) for all purposes. For the avoidance of doubt, (i) all requests, rules, guidelines or directives in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act, 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 regulatory authorities, in each case pursuant to Basel III, in each case, shall constitute an adoption, change, request or directive, and any implementation thereof that results in an Increased Capital Rate of Return Reduction Event shall be subject to this Section 2.09(a). For all purposes of this Agreement (including, without limitation, Section 2.09), the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith are deemed to have gone into effect and adopted thirty (30) days after the Closing Date.

(b) Additional Costs. If, due to any Regulatory Change, there shall be any increase in the cost to any Affected Party of agreeing to make or making, funding or maintaining any commitment hereunder or under any other Related Document or Program Support Agreement, including with respect to any Advances, or other Outstanding Principal Amount, or any reduction in any amount receivable by such Affected Party hereunder or thereunder, including with respect to any Advances, or other Outstanding Principal Amount (any such increase in cost or reduction in amounts receivable are hereinafter referred to as "Additional Costs"), then the Borrower shall, from time to time upon demand by the Administrative Agent, pay to the Administrative Agent on behalf of such Affected Party additional amounts sufficient to compensate such Affected Party for such Additional Costs together with interest thereon from the date demanded until payment in full thereof at the

applicable Base Rate. Each Affected Party agrees that, as promptly as practicable after it becomes aware of any circumstance referred to above that would result in any such Additional Costs, it shall, to the extent not inconsistent with its internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by the Borrower pursuant to this Section 2.09(b).

(c) Determination Binding. Determinations by any Affected Party for purposes of this Section 2.09 of the effect of any Regulatory Change on its costs of making, funding or maintaining any commitments hereunder or under any other Related Documents or on amounts payable to it hereunder or thereunder or of the additional amounts required to compensate such Affected Party in respect of any Additional Costs shall be set forth in a written notice to the Borrower in reasonable detail and shall be final, binding and conclusive on the Borrower (absent manifest error) for all purposes.

(d) Inability to Determine Adjusted SMIR; Illegality. (i) Subject to Section 2.11, if:

(1) the Administrative Agent determines (which determination shall be conclusive absent manifest error) at any time that adequate and reasonable means do not exist for ascertaining the applicable Adjusted SMIR or SMIR; or

(2) the Administrative Agent is advised by the Requisite Lenders that, at any time, Adjusted SMIR will not adequately and fairly reflect the cost to such Requisite Lenders of making or maintaining their Commitments (or its Commitment) included in such Borrowing Request;

the Administrative Agent shall forthwith give notice thereof to the Borrower and the Managing Agents, whereupon, until the Administrative Agent notifies the Borrower that the circumstances giving rise to such notice no longer exist, (A) any request for the conversion of any Advance (or Portion of Advances) to, or continuation of any Advance (or Portion of Advances) as, an Advance (or Portion of Advances) bearing interest at the Adjusted SMIR (including any such conversion or continuation arising from the repurchase provisions of Section 2.04(b) hereof), (B) any Advance (or Portion of Advances) bearing interest at the Adjusted SMIR that is requested to be continued (including any such continuation arising from the repurchase provisions of Section 2.04(b) hereof) and (C) any request for an Advance (or Portion of Advances) that is bearing interest at the Adjusted SMIR shall instead be deemed to be a notice or a Borrowing Request, as applicable, for any Advance (or Portion of Advances) bearing interest at the Base Rate; provided that if the circumstances giving rise to such notice affect only one type of Advance (or Portion of Advances), then all other types of Advance (or Portion of Advances) shall be permitted. Furthermore, if any

Advance (or Portion of Advances) is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.09 with respect to the Adjusted SMIR, then until (x) the Administrative Agent notifies the Borrower and the Managing Agents that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new notice in accordance with the terms of Section 2.03 or a new Borrowing Request in accordance with the terms of Section 2.03, any Advance (or Portion of Advances) shall on the last day of the Interest Period applicable

to such Advance (or Portion of Advances), be converted by the Administrative Agent to, and shall constitute an Advance (or Portion of Advances) bearing interest at the Base Rate.

(ii) Illegality. If at any time any Managing Agent shall have determined that the making, maintenance or funding of any Advance (or Portion of Advances) bearing interest at Adjusted SMIR or SMIR has been made impracticable or unlawful, by compliance by such Managing Agent in good faith with any applicable law or any interpretation or application thereof by any Governmental Authority or with any request or directive of any such Governmental Authority (whether or not having the force of applicable law), then the Administrative Agent shall have the rights specified in clause (iii).

(iii) Administrative Agent's and Managing Agent's Rights. In the case of any event specified in clauses (i) above, the Administrative Agent shall promptly so notify the Managing Agents and the Borrower thereof, and in the case of an event specified in clause (i) above, such Managing Agent shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Managing Agents and the Borrower.

(1) Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (x) the Managing Agents, in the case of such notice given by the Administrative Agent, or (y) such Managing Agent, in the case of such notice given by such Managing Agent, to allow the Borrower to select, convert to or renew any Advance (or Portion of Advances) bearing interest at Adjusted SMIR shall be suspended (to the extent of the affected Advance (or Portion of Advances) bearing interest at Adjusted SMIR or the applicable Interest Periods) until the Administrative Agent shall have later notified the Borrower, or such Managing Agent shall have later notified the Administrative Agent, of the Administrative Agent's or

such Managing Agent's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

(2) If at any time the Administrative Agent makes a determination under clause (d), (x) if the Borrower has delivered a Borrowing Request for an affected Advance (or Portion of Advances) bearing interest at Adjusted SMIR, and such Advance (or Portion of Advances) bearing interest at Adjusted SMIR has not yet been made, such Borrowing Notice be deemed to request for an Advance (or Portion of Advances) at the Base Rate otherwise available with respect to such Advance (or Portion of Advances) and (y) any outstanding affected Advance (or Portion of Advances) shall be deemed to have been converted into an Advance (or Portion of Advances) accruing interest at the Base Rate immediately or, in

the case of Advance (or Portion of Advances) accruing interest at Adjusted SMIR, at the end of the applicable Interest Period.

(3) If any Managing Agent notifies the Administrative Agent of a determination under clause (e), the Borrower shall, on the date specified in such notice either convert such Advance (or Portion of Advances) to bear interest at the Base Rate otherwise available with respect to such Advance (or Portion of Advances) or prepay such Advance (or Portion of Advances). Absent due notice from the Borrower of conversion or prepayment, such Advance (or Portion of Advances) shall automatically be converted to Advance (or Portion of Advances) bearing interest at the Base Rate otherwise available with respect to such Advance (or Portion of Advances) upon such specified date.

(e) Replacement of the Lenders. Upon any Lender's making a claim for compensation under Section 2.09, the Borrowers may replace such Lender in accordance with Section 13.02.

(f) This Section 2.09 shall not apply to taxes.

#### Section 2.10. Breakage Costs. (a) [Reserved].

(b) The Borrower shall pay the Managing Agents for the account of the Conduit Lenders, as applicable, on demand, such amount or amounts as shall compensate the Conduit

Lenders for any loss, cost or expense incurred by the Conduit Lenders (as reasonably determined by its Managing Agent) as a result of any reduction of any Advance other than on the maturity date of the Commercial Paper (or other financing source) funding such Advance, such compensation to be (i) limited to an amount equal to any loss or expense suffered by the Conduit Lenders (other than any loss of margin above the applicable cost of funds) during the period from the date of receipt of such repayment to (but excluding) the maturity date of such Commercial Paper (or other financing source) and (ii) net of the income, if any, received by the recipient of such reductions from investing the proceeds of such reductions of such Advance. The determination by any Managing Agent of the amount of any such loss or expense shall be set forth in a written notice to the Borrower in reasonable detail and shall be conclusive, absent manifest error.

#### Section 2.11. Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Related Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then if a Benchmark Replacement is determined in accordance with the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Related Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Related Document so long as the

Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Requisite Lenders.

(b) Benchmark Replacement Conforming Changes. Notwithstanding anything to the contrary herein, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time in consultation with the Borrower and, notwithstanding anything to the contrary herein or in any other Related Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Related Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor

of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. 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 2.11, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Related Document, except, in each case, as expressly required pursuant to this Section 2.11.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Related Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate 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 regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any Borrowing Request for, conversion to or continuation of Advances (or any Portion of Advances) to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any Borrowing Request into a request for an Advance or conversion to an Advance (or any Portion of Advances) bearing interest at the Base Rate. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate. Furthermore, if any Advance (or any Portion /of Advances) is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to the Adjusted SMIR, then

until such time as a Benchmark Replacement is implemented pursuant to this Section 2.11, any Advance (or any Portion of Advances) shall on the last day of the Interest Period applicable to such Advance (or any Portion of Advances) (or the next succeeding Business Day if such day is not a Business Day), be converted by the Administrative Agent to, and shall constitute, an Advance (or any Portion of Advances) bearing interest at the Base Rate.

**Section 2.12. Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Facility Fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender.

(b) The Commitment and aggregate Advances of such Defaulting Lender shall not be included in determining whether the Requisite Lenders have taken or may take any action under the Funding Agreement or any of the other Related Documents (including any consent to any amendment, waiver or other modification pursuant to Section 12.07 of the Funding Agreement); provided, that, except as otherwise provided in Section 12.07 of the Funding Agreement, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby (if such Lender is directly affected thereby).

(c) In the event that the Administrative Agent, the Borrower and the Servicer each agrees in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender shall purchase at par such portion of the Outstanding Principal Amount from the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold a portion of the Outstanding Principal Amount ratably in accordance with the Commitment of such Lender; provided, that no adjustments shall be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender, and provided, further, that except to the extent otherwise agreed by the affected parties, no change hereunder from Defaulting Lender to Lender that is not a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

## ARTICLE III.

### CONDITIONS PRECEDENT

Section 3.01. Conditions to Effectiveness of Agreement. This Agreement shall not be effective until the date on which each of the following conditions have been satisfied, in the sole discretion of, or waived in writing by, the Managing Agents and the Administrative Agent (such date, the “Effective Date”):

(a) Funding Agreement; Other Related Documents. This Agreement, the Fee Letter and the other Related Documents shall have been duly executed by, and delivered to, the parties thereto and the Managing Agents and the Administrative Agent shall have received such other documents, instruments, agreements and legal opinions as each Managing Agent and the Administrative Agent shall request in connection with the transactions contemplated by this Agreement, each in form and substance satisfactory to each Managing Agent and the Administrative Agent.

(b) Governmental Approvals. The Managing Agents and the Administrative Agent shall have received (i) satisfactory evidence that the Borrower, the Servicer and the Originators have obtained all required consents and approvals of all Persons, including all requisite Governmental Authorities, to the execution, delivery and performance of this Agreement and the other Related Documents and the consummation of the transactions contemplated hereby or thereby or (ii) an Officer’s Certificate from each of the Borrower and the Servicer in form and substance satisfactory to the Managing Agents and the Administrative Agent affirming that no such consents or approvals are required, except to the extent the failure to obtain such consents and approvals could not reasonably be expected to have a Material Adverse Effect.

(c) Compliance with Laws. The Borrower and the Transaction Parties shall be in compliance with all applicable foreign, federal, state, provincial and local laws and regulations, including those specifically referenced in Section 5.01(a), except to the extent noncompliance could not reasonably be expected to have a Material Adverse Effect.

(d) Payment of Fees. The Borrower shall have paid all fees required to be paid by it on the Effective Date, including all fees required hereunder and under the Fee Letter, and shall have reimbursed the Administrative Agent and each Lender Group for all reasonable fees, costs and expenses of closing the transactions contemplated hereunder and under the other Related Documents, including the Administrative Agent’s and such Lender Group’s legal and audit expenses, and other document preparation costs.

(e) Representations and Warranties. Each representation and warranty by the Borrower and each Transaction Party contained herein and in each other Related Document shall

be true and correct as of the Effective Date, except to the extent that such representation or warranty expressly relates solely to an earlier date.

(f) No Termination Event. No Incipient Termination Event or Termination Event hereunder or any “Event of Default” or “Default” (each as defined in the Credit Agreement) shall have occurred and be continuing or would result after giving effect to any of the transactions contemplated on the Closing Date.

(g) Audit. The Administrative Agent shall have completed a prefunding audit of the Receivables as of the Closing Date, the scope and results of which are satisfactory to the Administrative Agent and each Managing Agent in its sole discretion.

(h) Material Adverse Change. There will have been (i) no material adverse change individually or in the aggregate, (x) in the business, the industry in which the Parent or any Originator operates, the financial or other condition of the Parent, the Servicer, or any Originator, or (y) in the Transferred Receivables or Related Property, taken as a whole, (ii) no litigation commenced which is reasonably likely to be adversely determined, and if so determined, would have a Material Adverse Effect on the Parent, the Borrower, the Servicer, the Originators, their business, or which would challenge the transactions contemplated under this Agreement, the Sale Agreement and the other Related Documents, and (iii) since the Parent’s last audited financial statements and except as otherwise disclosed in the financial projections provided to the Administrative Agent on or prior to the Effective Date, no material increase in the liabilities, liquidated or contingent, of the Parent, the Servicer or the Originators, or material decrease in the assets of the Parent, the Servicer or the Originators.

(i) [Reserved].

(j) Due Diligence. Representatives of the Managing Agents shall have successfully completed a due diligence call with the Parent.

(k) Agreed Upon Procedures. A third-party, agreed upon procedures audit conducted in accordance with the Agreed-Upon Procedures has been successfully completed.

(l) Borrowing Base Certificate and Pro Forma Reports. The Administrative Agent and each Managing Agent shall have received a Borrowing Base Certificate and any pro forma report the Administrative Agent and each Managing Agent shall request, each of which shall be current as of the Closing Date.

**Section 3.02. Conditions Precedent to All Advances.** No Lender shall be obligated to make any Advances hereunder (including the initial Advances but excluding Advances made pursuant to Section 2.06(c)) on any date if, as of the date thereof:

- (a) any representation or warranty of the Borrower, the Servicer or any Originator contained herein or in any of the other Related Documents shall be untrue or incorrect in any material respect (or in the case of any representation and warranty qualified by materiality, Material Adverse Effect or other similar qualifier, in all respects) as of such date, either before or after giving effect to the Advances to be made on such date and to the application of the proceeds therefrom, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted by this Agreement;
- (b) any event shall have occurred, or would result from the making of such Advances or from the application of the proceeds therefrom, that constitutes an Incipient Termination Event, a Termination Event, an Incipient Servicer Termination Event or an Event of Servicer Termination;
- (c) the Facility Termination Date shall have occurred;
- (d) either before or after giving effect to such Advance and to the application of the proceeds therefrom, a Funding Excess would exist;
- (e) any Originator, the Borrower or the Servicer shall fail to have taken such other action, including delivery of approvals, consents, opinions, documents and instruments to the Managing Agents and the Administrative Agent, as any Managing Agent or the Administrative Agent may reasonably request;
- (f) on or prior to such date, the Borrower or the Servicer shall have failed to deliver any Monthly Report, Weekly Report, Daily Report or Borrowing Base Certificate required to be delivered in accordance with Section 5.02 or the Sale Agreement and such failure shall be continuing; or
- (g) the most recently delivered Monthly Report showed a Dilution Trigger Breach.

The delivery by the Borrower of a Borrowing Request and the acceptance by the Borrower of the funds from the related Borrowing on any Advance Date shall be deemed to constitute, as of any such Advance Date, a representation and warranty by the Borrower that the conditions in this Section 3.02 have been satisfied.

Section 3.03 Conditions Precedent to All Releases. Each Release hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) after giving effect to such Release, the Servicer shall be holding in trust for the benefit of the Secured Parties an amount of Collections sufficient to pay the sum of (x) all accrued and unpaid Servicing Fees, Yield, Fees and any amounts due under Section 2.10, in each case, through the date of such Release, (y) the amount of any Funding Excess and (z) the amount of all other accrued and unpaid Borrower Obligations (including the expenses of the Lenders reimbursable under Section 12.04) through the date of such Release;

(b) the representations and warranties of the Borrower and the Servicer contained herein or in any of the other Related Documents are true and correct in all material respect (or in the case of any representation and warranty qualified by materiality, Material Adverse Effect or other similar qualifier, in all respects) as of the date of such Release, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted by this Agreement;

(c) no event has occurred, or would result from such Release, that constitutes an Incipient Termination Event, a Termination Event, an Incipient Servicer Termination Event or an Event of Servicer Termination;

(d) the Facility Termination Date has not occurred; and

(e) no Funding Excess exists or would exist after giving effect to such Release.

## ARTICLE IV.

### REPRESENTATIONS AND WARRANTIES

Section 4.01. Representations and Warranties of the Borrower. To induce each Lender to make Advances from time to time and the Administrative Agent and each Managing Agent to take any action required to be performed by it hereunder, the Borrower makes the following representations and warranties to each Lender, each Managing Agent and the Administrative Agent on the Effective Date, on each Settlement Date, on the date of each Release and on each Advance Date, each and all of which shall survive the execution and delivery of this Agreement.

(a) Existence; Compliance with Law. The Borrower (i) is a corporation duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation, is a

“registered organization” as defined in the UCC of such jurisdiction and is not organized under the laws of any other jurisdiction; (ii) is duly qualified to do business and is in good standing in every jurisdiction in which the nature of its business requires it to be so qualified (except where the failure to be so qualified and in good standing would not have a Material Adverse Effect); (iii) has the requisite power and authority and the legal right to own, pledge, mortgage, operate and convey all of its properties, to lease the property it operates under lease, and to conduct its business as now or proposed to be conducted, and to execute and deliver this Agreement and the Related Documents to which it is a party and to perform the transactions contemplated hereby and thereby; (iv) has all licenses, permits, consents or approvals from or by, and has made all filings with, and has given all notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct (except where the failure to have such licenses, permits, consents or approvals or make such filings or give such notices would not have a Material Adverse Effect); (v) is in compliance with its certificate of incorporation and bylaws and other organizational documents; and (vi) is in compliance with all applicable provisions of law (except where the failure to be in compliance would not have a Material Adverse Effect).

(b) Executive Offices; Collateral Locations; Corporate or Other Names; FEIN. The state of organization and the organization identification number of the Borrower and current location of the Borrower’s executive office, principal place of business, other offices, the premises within which any Borrower Collateral is stored or located are set forth in Schedule 4.01(b) and except as set forth in Schedule 4.01(b), such locations have not changed during the preceding twelve months. In addition, Schedule 4.01(b) lists the federal employer identification number of the Borrower.

(c) Power, Authorization, Enforceable Obligations. The execution, delivery and performance by the Borrower of this Agreement and the other Related Documents to which it is a party, and the creation and perfection of all Liens and ownership interests provided for herein and therein: (i) are within the Borrower’s corporate power; (ii) have been duly authorized by all necessary corporate or other actions; (iii) do not contravene any provision of the Borrower’s certificate of incorporation or bylaws; (iv) do not violate any law or regulation, or any order or decree of any court or Governmental Authority in any material respect; (v) do not contravene, or cause Borrower or any Originator to be in default under, any contractual restriction contained in any indenture, loan or credit agreement, lease, mortgage, security agreement, bond, note or other agreement or instrument binding on or affecting Borrower or such Originator or its property; (vi) do not result in the creation or imposition of any Adverse Claim upon any of the property of the Borrower or any Originator; and (vii) except where the failure to obtain or make such consent or approval could not reasonably be expected to have a Material Adverse Effect, do not require the

consent or approval of any Governmental Authority or any other Person, except those which have been duly obtained, made or complied with prior to the

Effective Date as provided in Section 3.01(b). The exercise by each of the Borrower, the Lenders, the Managing Agents or the Administrative Agent of any of its rights and remedies under any Related Document to which it is a party do not require the consent or approval of any Governmental Authority or any other Person, except those which will have been duly obtained, made or complied with prior to the Closing Date as provided in Section 3.01(b). Each of the Related Documents to which the Borrower is a party shall have been duly executed and delivered by the Borrower and each such Related Document shall then constitute a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its terms, subject, as to enforceability, to (A) any applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the enforceability of creditors' rights generally and (B) general equitable principles, whether applied in a proceeding at law or in equity.

(d) No Litigation. No Litigation is now pending or, to the knowledge of the Borrower, threatened against the Borrower before any Governmental Authority which (i) challenges the Borrower's right, power or competence to enter into or perform any of its obligations under the Related Documents to which it is a party, or the validity or enforceability of any Related Document or any action taken thereunder, (ii) seeks to prevent the transfer, sale, pledge or contribution of any Receivable (other than Excluded Receivables) or the consummation of any of the transactions contemplated under this Agreement or the other Related Documents, or (iii) is reasonably likely to be adversely determined and, if adversely determined, would result in a Material Adverse Effect. To the knowledge of Borrower, there does not exist a state of facts which is reasonably likely to give rise to such proceedings. Borrower is not a party to any consent decree.

(e) Solvency. After giving effect to the sale or contribution of Receivables and the Advances and Releases on such date and to the application of the proceeds therefrom, the Borrower is and will be Solvent.

(f) Material Adverse Effect. Since the date of the Borrower's organization, no Material Adverse Effect has occurred with respect to the Borrower.

(g) Ownership of Property; Liens. None of the properties and assets (including the Transferred Receivables) of the Borrower are subject to any Adverse Claims other than Permitted Encumbrances not attaching to Transferred Receivables, and there are no facts, circumstances or conditions known to the Borrower that may result in (i) with respect to the Transferred Receivables, any Adverse Claims (including Adverse Claims arising under environmental laws) and (ii) with

respect to its other properties and assets, any Adverse Claims (including Adverse Claims arising under environmental laws) other than Permitted Encumbrances. The Borrower has received all assignments, bills of sale and other documents, and has duly effected all recordings, filings and other actions necessary to establish, protect and perfect the Borrower's right, title and interest in and to the Transferred Receivables and its other properties and assets. No effective financing statement or other similar instrument are of record in any filing office listing the Borrower or any Originator as debtor and covering any of the Transferred Receivables or the other Borrower Collateral, and the Liens granted to the

Administrative Agent pursuant to Section 7.01 are and will be at all times fully perfected first priority Liens in and to the Borrower Collateral.

(h) Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness.

The Borrower has no Subsidiaries, and is not engaged in any joint venture or partnership with any other Person or has any equity interest in any other Person. The Borrower has no Investments in any Person. The Parent is the only shareholder of the Borrower. There are no outstanding rights to purchase stock, options, warrants or similar rights, agreements or plans pursuant to which the Borrower may be required to issue, sell, or purchase any Stock or other equity security. Other than as permitted pursuant to Section 5.03(i), the Borrower has no outstanding Debt.

(i) Taxes. The Borrower has filed all United States federal and all other material Tax returns and reports required to be filed, and has paid all United States federal and state income Taxes and other Taxes levied or imposed upon it or its properties, income or assets shown on such Tax returns to be due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

(j) Full Disclosure. No written information contained in this Agreement, any Borrowing Base Certificate or any of the other Related Documents, or any other written statement or information (other than any financial projections, other forward looking statements and information of a general economic or industry specific nature) furnished by or on behalf of the Borrower to any Lender, any Managing Agent or the Administrative Agent relating to this Agreement, the Transferred Receivables or any of the other Related Documents, taken as a whole contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, when taken as a whole, not materially misleading solely at the time furnished.

(k) ERISA. During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement, no steps have been taken that would reasonably be expected to result in the termination of any Pension Plan of the Borrower or any ERISA Affiliate of the Borrower, and no contribution failure has occurred with respect to any Pension Plan of the Borrower or any ERISA Affiliate of the Borrower that would reasonably be expected to give rise to a Lien under section 303(k) of ERISA. No condition exists or event or transaction has occurred with respect to any Pension Plan of the Borrower or any ERISA Affiliate of the Borrower which would reasonably be expected to result in the Borrower incurring any material liability, fine or penalty.

(l) Brokers. No broker or finder acting on behalf of the Borrower was employed or utilized in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby and the Borrower has no obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

(m) Margin Regulations. The Borrower is not engaged in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin security," as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "Margin Stock"). The Borrower owns no Margin Stock, and no portion of the proceeds of the Advances made hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Debt that was originally incurred to purchase or carry any Margin Stock or for any other purpose that might cause any portion of such proceeds to be considered a "purpose credit" within the meaning of Regulations T, U or X of the Federal Reserve Board. The Borrower will not take or permit to be taken any action that might cause any Related Document to violate any regulation of the Federal Reserve Board.

(n) Nonapplicability of Bulk Sales Laws. No transaction contemplated by this Agreement or any of the Related Documents requires compliance with any bulk sales act or similar law.

(o) Government Regulation. The Borrower (i) is not a "covered fund" under the Volcker Rule and (ii) is not, and after giving effect to the transactions contemplated hereby, will not be required to register as, an "investment company" within the meaning of the Investment Company Act or any successor statute. In determining that the Borrower is not a covered fund, the Borrower is entitled to rely on the exemption from the definition of "investment company" set forth in Section 3(c)(5) of the Investment Company Act. The making of Advances by the Lenders hereunder, the application of the proceeds thereof and the consummation of the transactions

contemplated by this Agreement and the other Related Documents will not violate any provision of any such statute or any rule, regulation or order issued by the Securities and Exchange Commission.

(p) Nonconsolidation. The Borrower is operated in such a manner that the separate corporate existence of the Borrower, on the one hand, and any member of the Parent Group, on the other hand, would not be disregarded in the event of the bankruptcy or insolvency of any member of the Parent Group and, without limiting the generality of the foregoing:

(i) the Borrower is a limited purpose corporation whose activities are restricted in its certificate of incorporation to those activities expressly permitted hereunder and under the other Related Documents and the Borrower has not engaged, and does not presently engage, in any business or other activity other than those activities expressly permitted hereunder and under the other Related Documents, nor has the Borrower entered into any agreement other than this Agreement, the other Related Documents to which it is a party and, with the prior written consent of the Administrative Agent and the Requisite Lenders, any other agreement necessary to carry out more effectively the provisions and purposes hereof or thereof;

(ii) the Borrower has duly appointed a board of directors and its business is managed solely by its own officers and directors, each of whom when acting for the Borrower shall be acting solely in his or her capacity as an officer or director of the Borrower and not as an officer, director, employee or agent of any member of the Parent Group;

(iii) Borrower shall compensate all consultants and agents directly or indirectly through reimbursement of the Parent, from its own funds, for services provided to the Borrower by such consultants and agents and, to the extent any consultant or agent of the Borrower is also an employee, consultant or agent of such member of the Parent Group on a basis which reflects the respective services rendered to the Borrower and such member of the Parent Group and in accordance with the terms of the Administrative Services Agreement;

(iv) Borrower shall pay its own incidental administrative costs and expenses not covered under the terms of the Administrative Services Agreement from its own funds, and shall allocate all other shared overhead expenses (including telephone and other utility charges, the services of shared consultants and agents, and reasonable legal and auditing expenses) which are not reflected in the Servicing Fee, and other items of cost and expense shared between the Borrower and the Parent, pursuant to the terms of the Administrative

Services Agreement, on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on a basis reasonably related to actual use or the value of services rendered; except as otherwise expressly permitted hereunder, under the other Related Documents and under the Borrower's organizational documents, no member of the Parent Group (A) pays the Borrower's expenses, (B) guarantees the Borrower's obligations, or (C) advances funds to the Borrower for the payment of expenses or otherwise;

(v) other than the purchase and acceptance through capital contribution of Transferred Receivables pursuant to the Sale Agreement, the acceptance of Subordinated Loans pursuant to the Sale Agreement, the payment of distributions and the return of capital to the Parent, the payment of Servicing Fees to the Servicer under the Sale Agreement and the transactions contemplated under the Administrative Services Agreement, the Borrower engages and has engaged in no intercorporate transactions with any member of the Parent Group;

(vi) the Borrower maintains records and books of account separate from that of each member of the Parent Group, holds regular meetings of its board of directors and otherwise observes corporate formalities;

(vii) (A) the financial statements (other than consolidated financial statements) and books and records of the Borrower and each member of the Parent Group reflect the separate existence of the Borrower, (B) the consolidated financial statements of the Parent Group shall contain disclosure to the effect that the Borrower's assets are not available to the creditors of any member of the Parent Group and (C) the Borrower shall prepare and maintain its own separate financial statements and shall provide copies of such financial statements to any Lender upon reasonable request by such Lender;

(viii) (A) the Borrower maintains its assets separately from the assets of each member of the Parent Group (including through the maintenance of separate bank accounts and except for any Records to the extent necessary to assist the Servicer in connection with the servicing of the Transferred Receivables), (B) except as contemplated by the Administrative Services Agreement, the Borrower's funds (including all money, checks and other cash proceeds) and assets, and records relating thereto, have not been and are not commingled with those of any member of the Parent Group and (C) the separate creditors of the Borrower will be

entitled, on the winding-up of the Borrower, to be satisfied out of the Borrower's assets prior to any value in the Borrower becoming available to the Parent;

(ix) all business correspondence and other communications of the Borrower are conducted in the Borrower's own name, on its own stationery and through a separately-listed telephone number;

(x) the Borrower has and shall maintain separate office space from the offices of any member of the Parent Group and identify such office by a sign in its own name;

(xi) the Borrower shall respond to any inquiries with respect to ownership of a Transferred Receivable by stating that it is the owner of such Transferred Receivable, and that such Transferred Receivable is pledged to the Administrative Agent for the benefit of the Lenders;

(xii) the Borrower does not act as agent for any member of the Parent Group, but instead presents itself to the public as a legal entity separate from each such member and independently engaged in the business of purchasing and financing Receivables;

(xiii) the Borrower maintains at least two independent directors (each, an "Independent Director"), each of whom: (i) shall not have been at the time of his or her appointment or at any time during the preceding five years, and shall not be as long as he or she is a director of the Borrower, (A) a director, officer, employee, associate, partner, shareholder, member, manager or affiliate of any of the following entities (collectively, the "Independent Parties"): TD SYNNEX Corporation, any Originator, or any of their respective subsidiaries or affiliates (other than the Borrower), (B) a supplier to any of the Independent Parties, (C) an entity controlling or under common control with any partner, shareholder, member, manager, affiliate or supplier of any of the Independent Parties, or (D) a member of the immediate family of any director, officer, employee, associate, partner, shareholder, member, manager, affiliate or supplier of any of the Independent Parties; (ii) has prior experience as an independent director for a corporation whose charter documents required the unanimous consent of all independent directors thereof before such corporation could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal, state or provincial law relating to bankruptcy and (iii) has at least three (3) years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services to issuers of securitization or structured finance instruments, agreements or securities. The Borrower shall give the Lenders notice, in writing, not less than ten (10) days prior to the effective date of any decision to appoint a new director of the Borrower as an "Independent Director", and shall certify to the Lenders that the appointment of such new director satisfies the criteria set forth in the definition herein of "Independent Director";

(xiv) the bylaws or certificate of incorporation of the Borrower require the affirmative vote of each independent director before a voluntary petition under Section 301 of the Bankruptcy Code may be filed by the Borrower;

(xv) Borrower shall maintain (1) correct and complete books and records of account and (2) minutes of the meetings and other proceedings of its shareholders and board of directors;

(xvi) Borrower shall not hold out credit as being available to satisfy obligations of others;

(xvii) Borrower shall not acquire obligations or Stock of any member of the Parent Group;

(xviii) Borrower shall correct any known misunderstanding regarding its separate identity;

(xix) Borrower shall maintain adequate capital;

(xx) Borrower shall comply with each of the assumptions set forth in that certain legal opinion delivered by Pillsbury Winthrop Shaw Pittman LLP with respect to true sale and non-substantive consolidation matters; and

(xxi) Parent and Borrower shall strictly observe corporate formalities in making and documenting any capital contributions (including of Contributed Receivables) from Parent to Borrower.

(q) Accounts. Schedule 4.01(q) lists all banks and other financial institutions at which the Borrower maintains deposit or other bank accounts, including any Account and each Originator Collection Account, and such schedule correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor. Each Account constitutes a deposit account within the meaning of the applicable UCC. The Borrower (or the Servicer on its behalf) and each Originator, if applicable, has delivered to the Administrative Agent a fully executed agreement with respect to each Account pursuant to which each applicable Bank has agreed to comply with all instructions originated by the Administrative Agent directing the disposition of funds in such Account, without further consent by the Borrower, the Servicer or any Originator. Other than the Originator Collection Accounts, no Account is in the name of any Person other than the Borrower or the Administrative Agent, and the Borrower has not consented to any Bank following the instructions of any Person other than the Administrative Agent. No Originator Collection Account is in the name of any Person other than the relevant Originator, and no Originator has

consented to any Bank following the instructions of any Person other than the Administrative Agent. Accordingly, the Administrative Agent has a first priority perfected security interest in each Account, and all funds on deposit therein.

(r) Transferred Receivables.

(i) Transfers. Each Transferred Receivable was purchased by or contributed to the Borrower on the relevant Transfer Date pursuant to the Sale Agreement.

(ii) Eligibility. Each Transferred Receivable designated as an Eligible Receivable in each Borrowing Base Certificate, Monthly Report, Weekly Report or Daily Report, as the case may be, constitutes an Eligible Receivable as of the date specified in such Borrowing Base Certificate, Monthly Report, Weekly Report or Daily Report, as applicable.

(iii) No Material Adverse Effect. The Borrower has no actual knowledge of any fact (including any defaults by the Obligor thereunder on any other Receivable) that would cause it or should have caused it to expect that any payments on any Transferred Receivable designated as an Eligible Receivable in any Borrowing Base Certificate, Monthly Report, Weekly Report or Daily Report, as applicable, will not be paid in full when due or that has caused it to expect any material adverse effect on any such Transferred Receivable.

(iv) Nonavoidability of Transfers. The Borrower shall (A) have received each Contributed Receivable as a contribution to the capital of the Borrower by the Parent as a stockholder of the Borrower and (B) (1) have purchased each Sold Receivable from the applicable Originator for cash consideration or with the proceeds of a Subordinated Loan and (2) have accepted assignment of any Eligible Receivables transferred pursuant to clause (b) of Section 4.04 of the Sale Agreement, in each case in an amount that constitutes fair consideration and reasonably equivalent value therefor. No Sale has been made for or on account of an antecedent debt owed by any Originator to the Borrower and no such Sale is or may be avoidable or subject to avoidance under any bankruptcy laws, rules or regulations.

(v) Specified Filings. None of the Transferred Receivables have been sold, transferred, assigned or otherwise pledged pursuant to any Specified Filing Document.

(s) Assignment of Interest in Related Documents. The Borrower's interests in, to and under the Sale Agreement and each Originator Support Agreement, if any, have been

assigned by the Borrower to the Administrative Agent (for the benefit of itself and the Lenders) as security for the Borrower Obligations.

(t) Notices to Obligors. Each Obligor of Transferred Receivables has been directed to remit all payments with respect to such Receivables for deposit in the relevant Lockbox, the relevant Collection Account or the relevant Concentration Account.

(u) Representations and Warranties in Other Related Documents. Each of the representations and warranties of the Borrower contained in the Related Documents (other than this Agreement) is true and correct in all respects and the Borrower hereby makes each such representation and warranty to, and for the benefit of, the Lenders, the Managing Agents and the Administrative Agent as if the same were set forth in full herein.

(v) Supplementary Representations.

(i) Receivables; Accounts. (A) Each Transferred Receivable constitutes an “account” or a “general intangible” within the meaning of the applicable UCC, and (B) each Account constitutes a “deposit account” within the meaning of the applicable UCC.

(ii) Creation of Security Interest. Other than the Originator Collection Accounts, the Borrower owns and has good and marketable title to the Transferred Receivables, Accounts and Lockboxes, free and clear of any Adverse Claim. This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in the Transferred Receivables, Accounts and Lockboxes in favor of the Administrative Agent (on behalf of the Secured Parties), which security interest is prior to all other Adverse Claims and is enforceable as such as against any creditors of and purchasers from the Borrower.

(iii) Perfection. (A) The Borrower has caused the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under applicable law and entered into Account Agreements in order to perfect the sale of the Transferred Receivables from the Originators to the Borrower pursuant to the Sale Agreement and the security interest granted by the Borrower to the Administrative Agent (on behalf of the Secured Parties) in the Transferred Receivables hereunder; and (B) with respect to each Account, the Borrower has delivered to the Administrative Agent (on behalf of itself and the Lenders), a fully executed Account Agreement with respect to such Account pursuant to which the applicable Bank has agreed, following the occurrence and continuation of a Termination Event, to comply with all instructions given by the

Administrative Agent with respect to all funds on deposit in such Account, without further consent by the Borrower, the Servicer or any Originator.

(iv) Priority. (A) Other than the transfer of the Transferred Receivables by the Originators to the Borrower pursuant to the Sale Agreement, the grant of security interest by the relevant Originators to the Borrower in the Originator Collection Accounts and the grant of security interest by the Borrower to the Administrative Agent (on behalf of the Secured Parties) in the Transferred Receivables, the Accounts and the Lockboxes hereunder, none of the Borrower nor any Originator has pledged, assigned, sold, conveyed, or otherwise granted a security interest in any of the Transferred Receivables, the Accounts and the Lockboxes to any other Person. (B) Neither the Borrower nor any Originator has authorized, or is aware of, any filing of any financing statement against the Borrower or any Originator that include a description of collateral covering the Transferred Receivables or all other collateral pledged to the Administrative Agent (on behalf of the Secured Parties) pursuant to the Related Documents, other than any financing statement filed pursuant to the Sale Agreement and this Agreement or financing statements that have been validly terminated prior to the date hereof. (C) The Borrower is not aware of any judgment, ERISA or tax lien filings against either the Borrower or any Originator. (D) Other than the Originator Collection Accounts, none of the Accounts or Lockboxes is in the name of any Person other than the Borrower or the Administrative Agent. None of the Originator Collection Accounts is in the name of any Person other than the relevant Originator. None of the Borrower, the Servicer or any Originator has

consented to any Bank complying with instructions of any Person other than the Administrative Agent.

(v) Collections. If made in accordance with the terms of this Agreement, each remittance of Collections by the Borrower hereunder will have been (i) in payment of a debt incurred by the Borrower in the ordinary course of business or financial affairs of the Borrower and (ii) made in the ordinary course of business or financial affairs of the Borrower.

(vi) Survival of Supplemental Representations. Notwithstanding any other provision of this Agreement or any other Related Document, the representations contained in this Section 4.01(v) and Section 5.01(g) shall be continuing, and remain in full force and effect until the Termination Date.

(w) Anti-Corruption Laws, Anti-Terrorism Laws and Sanctions. Policies and procedures have been implemented and maintained by or on behalf of the Borrower that are

designed to achieve compliance by the Borrower and its directors, officers, employees and agents with Anti-Corruption Laws, Anti-Terrorism Laws and applicable Sanctions, giving due regard to the nature of the Borrower's business and activities, and the Borrower and, to the knowledge of the Borrower, its officers, employees, directors and agents acting in any capacity in connection with or directly benefitting from the credit facility established hereby, are in compliance with Anti-Corruption Laws, Anti-Terrorism Laws and applicable Sanctions, in each case in all material respects. (a) None of the Borrower or, to the knowledge of the Borrower, any of its directors, officers, employees, or agents that will act in any capacity in connection with or directly benefit from the credit facility established hereby, is a Sanctioned Person, and (b) the Borrower is not organized or resident in a Sanctioned Country. The Borrower represents and covenants that it will not, directly or indirectly, use the proceeds of the credit facility established hereby nor use any Advance, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, or in any country or territory that, at the time of such funding, is the subject of Sanctions (and in such case would result in a violation of Sanctions), or in any manner that will result in a violation by any Person (including any Person participating in this credit facility) of Anti-Corruption Laws, Anti-Terrorism Laws or applicable Sanctions.

(x) LCR. The Borrower represents, warrants and agrees that it has not, does not and will not during the term of this Agreement (i) issue any obligations that (A) constitute asset-backed commercial paper, or (B) are securities required to be registered under the Securities Act of 1933 or that may be offered for sale under Rule 144A of the Securities and Exchange Commission thereunder, or (ii) issue any other debt obligations or equity interests other than (A) debt obligations substantially similar to the obligations of the Borrower under this Agreement that are (x) issued to other banks or asset-backed commercial paper conduits in privately negotiated transactions, and (y) subject to transfer restrictions substantially similar to the transfer restrictions set forth in Section 12.02, (B) the Subordinated Notes and (C) equity interests issued to TD SYNNEX Corporation under the terms of the organizational documents of the Borrower. The Borrower further represents and warrants that its assets and liabilities are consolidated with the assets and liabilities of TD SYNNEX Corporation for purposes of GAAP.

(y) Beneficial Ownership Rule. The Borrower is an entity that is organized under the laws of the United States or of any State and at least 51% of whose common stock or analogous equity interest is owned by a listed entity and is excluded on that basis from the definition of "Legal Entity Customer" as defined in the Beneficial Ownership Rule.

Section 4.02. Representations and Warranties of the Servicer. To induce each Lender to enter into this Agreement and to make Advances from time to time and the

Administrative Agent and each Managing Agent to take any action required to be performed by it hereunder, on the Effective Date, on each Settlement Date, on the date of each Release and on each Advance Date, (i) the Servicer represents and warrants that each of the representations and warranties of the Servicer contained in the Related Documents (other than this Agreement) is true and correct in all respects and the Servicer hereby makes each such representation and warranty to, and for the benefit of, the Lenders, the Managing Agents and the Administrative Agent as if the same were set forth in full herein and (ii) the Servicer represent and warrants that each of the Servicer, the Parent, each Originator and any Affiliate thereof has filed all United States federal and all other material Tax returns and reports required to be filed, and has paid all United States federal and state income Taxes and other Taxes shown on such Tax returns to be due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP.

## ARTICLE V.

### GENERAL COVENANTS OF THE BORROWER AND THE SERVICER

Section 5.01. Affirmative Covenants of the Borrower. The Borrower covenants and agrees that from and after the Effective Date and until the Termination Date:

(a) Compliance with Agreements and Applicable Laws. The Borrower shall (i) perform each of its obligations under this Agreement and the other Related Documents and (ii) comply with all federal, state, provincial and local laws and regulations applicable to it and the Transferred Receivables, including those relating to truth in lending, retail installment sales, fair credit billing, fair credit reporting, equal credit opportunity, fair debt collection practices, privacy, licensing, taxation, ERISA and labor matters and environmental laws and environmental permits except, solely with respect to this clause (ii), where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

(b) Maintenance of Existence and Conduct of Business. The Borrower shall: (i) do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, its rights and franchises; (ii) continue to conduct its business substantially as now conducted or as otherwise permitted hereunder and in accordance with (1) Section 4.01(p) and (2) the assumptions set forth in each opinion letter of Pillsbury Winthrop Shaw Pittman LLP, or other outside counsel to the Borrower from time to time delivered pursuant to Section 3.03(d) of the Sale Agreement with respect to issues of substantive consolidation and true sale and absolute transfer; (iii) at all times maintain, preserve and protect all of its assets and properties used or useful in the conduct of its business, including all licenses, permits, charters and registrations, and

keep the same in good repair, working order and condition in all material respects (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and

improvements thereto consistent with industry practices; and (iv) transact business only in the name of SIT Funding Corporation or such trade names as are set forth in Schedule 5.01(b).

(c) Deposit of Collections. The Borrower shall deposit or cause to be deposited promptly into the relevant Lockbox, the relevant Collection Account or the relevant Concentration Account, and in any event no later than the first Business Day after receipt thereof, all Collections it may receive with respect to any Transferred Receivable. The Borrower shall ensure that, on a daily basis, the Servicer complies with its obligations under Section 2.08 with respect to Collections required to be held in trust by the Servicer and allocated in accordance with the priority of payments set forth in Section 2.08(c).

(d) Use of Proceeds. The Borrower shall utilize the proceeds of the Advances made hereunder solely for (i) the repayment of Advances made and the payment of any fees due hereunder, (ii) the purchase of Transferred Receivables from the Originators pursuant to the Sale Agreement, (iii) the payment of distributions to the Parent, (iv) the repayment of Subordinated Loans, and (v) the payment of administrative fees or Servicing Fees or expenses to the Servicer or routine administrative or operating expenses, in each case only as expressly permitted by and in accordance with the terms of this Agreement and the other Related Documents. The Borrower shall utilize the proceeds of the Releases hereunder solely for (i) the purchase of Transferred Receivables from the Originators pursuant to the Sale Agreement and (ii) the repayment of Subordinated Loans.

(e) Payment and Performance of Charges and other Obligations.

(i) Subject to Section 5.01(e)(ii), the Borrower shall pay, perform and discharge or cause to be paid, performed and discharged promptly all charges and claims payable by it, including (A) Charges imposed upon it, its income and profits, or any of its property (real, personal or mixed) and all Charges with respect to tax, social security and unemployment withholding with respect to its employees, and (B) lawful claims for labor, materials, supplies and services or otherwise before any thereof shall become past due.

(ii) The Borrower may in good faith contest, by appropriate proceedings, the validity or amount of any charges or claims described in Section 5.01(e)(i); provided that (A) adequate reserves with respect to such contest are maintained on the books of the

Borrower, in accordance with GAAP, (B) such contest is maintained and prosecuted continuously and with diligence, (C) none of the Borrower Collateral becomes subject to forfeiture or loss as a result of such contest, (D) no Lien shall be imposed to secure payment of such charges or claims other than inchoate tax liens and (E) the Administrative Agent has not advised the Borrower in writing that it reasonably believes that failure to pay or to discharge such claims or charges could have or result in a Material Adverse Effect.

(f) ERISA. The Borrower shall give the Administrative Agent prompt written notice of any event that (i) could reasonably be expected to result in the imposition of a Lien on any Borrower Collateral under Section 430(k) of the IRC or Section 303(k) or 4068 of ERISA, or (ii) could reasonably be expected to result in the incurrence by Borrower of any

liabilities under Title IV of ERISA (other than premium payments arising in the ordinary course of business).

(g) Borrower to Maintain Perfection and Priority. In order to evidence the interests of the Administrative Agent and the Lenders under this Agreement, the Borrower shall, from time to time take such action, or execute and deliver such instruments (other than filing financing statements) as may be necessary or advisable (including, such actions as are requested by the Administrative Agent) to maintain and perfect, as a first-priority interest, the Administrative Agent's (on behalf of the Secured Parties) security interest in the Transferred Receivables and all other collateral pledged to the Administrative Agent (on behalf of the Secured Parties) pursuant to the Related Documents. The Borrower shall, from time to time and within the time limits established by law, prepare and present to the Administrative Agent upon request for the Administrative Agent's authorization and approval, and file or cause to be filed in the appropriate jurisdictions all financing statements, amendments, continuations or other filings necessary to continue, maintain and perfect the Administrative Agent's (on behalf of the Secured Parties) security interest in the Transferred Receivables and all other collateral pledged to the Administrative Agent (on behalf of the Secured Parties) pursuant to the Related Documents as a first-priority interest. The Administrative Agent's approval of such filings shall authorize the Borrower to file such financing statements under the UCC, without the signature of the Borrower, any Originator or the Administrative Agent where allowed by applicable law. Notwithstanding anything else in the Related Documents to the contrary, neither the Borrower, the Servicer, nor any Originator shall have any authority to file a termination, partial termination, release, partial release or any amendment that deletes the name of a debtor or excludes collateral of any such financing statements, without the prior written consent of the Administrative Agent.

(h) Due Diligence. Representatives of the Managing Agents shall, upon reasonable notice, be permitted at any time and from time to time during regular business hours, (i) to examine and make copies of and take abstracts from all books, records and documents (including computer tapes and disks) relating to the Receivables, including the related Contracts and (ii) to visit the offices and properties of the Borrower, any Originator, the Servicer or the Parent for the purpose of examining such materials described in clause (i), and to discuss matters relating to the Receivables or the Borrower's, each Originator's or the Servicer's performance hereunder, under the Contracts and under the other Related Documents to which such Person is a party with any of the officers, directors, employees or independent public accountants of the Borrower, any Originator or the Parent, as applicable, having knowledge of such matters; *provided* that unless a Termination Event or Incipient Termination Event shall have occurred and be continuing, the Borrower shall not be required to reimburse the expenses of more than one (1) such visit in the aggregate among the Borrower and the Parent per calendar year.

(i) Anti-Corruption Laws, Anti-Terrorism Laws and Sanctions. Policies and procedures will be maintained and enforced by or on behalf of the Borrower that are designed in good faith and in a commercially reasonable manner to promote and achieve compliance, in the reasonable judgment of the Borrower, by the Borrower and each of its directors, officers, employees and agents with Anti-Corruption Laws, Anti-Terrorism Laws and applicable Sanctions, in each case giving due regard to the nature of the Borrower's business and activities.

(j) Beneficial Ownership Rule. Promptly following any change that would result in a change to the status of the Borrower as an excluded "Legal Entity Customer" under the Beneficial Ownership Rule, the Borrower shall execute and deliver to each Lender a Certification of Beneficial Owner(s) complying with the Beneficial Ownership Rule, in form and substance reasonably acceptable to such Lender.

(k) Taxes. The Borrower shall (i) timely file all United States federal and all other material Tax returns required to be filed by it and (ii) pay, or cause to be paid, all United States federal and all other material Taxes, assessments and other governmental charges, if any, other than Taxes, assessments and other governmental charges being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP.

Section 5.02. Reporting Requirements of the Borrower. The Borrower hereby agrees that from and after the Effective Date until the Termination Date, it shall furnish or cause to be furnished to the Administrative Agent, the Managing Agents and the Lenders:

(a) The financial statements, notices, reports and other information at the times, to the Persons and in the manner set forth in Annex 5.02(a).

(b) At the same time each Monthly Report, Weekly Report or Daily Report, as applicable, is required to be delivered pursuant to the terms of clause (a) of Annex 5.02(a), a completed certificate in the form attached hereto as Exhibit 5.02(b) (each, a "Borrowing Base Certificate"), provided that if (i) an Incipient Termination Event or a Termination Event shall have occurred and be continuing or (ii) the Administrative Agent, in good faith, believes that an Incipient Termination Event or a Termination Event is imminent or deems the Lenders' rights or interests in the Transferred Receivables or the Borrower Collateral insecure, then such Borrowing Base Certificates shall be delivered daily; and each Borrowing Base Certificate shall be prepared by the Borrower or the Servicer as of the last day of the previous month or week, in the event Borrowing Base Certificates are required to be delivered on a monthly or weekly basis, and as of the close of business on the previous Business Day, in the event Borrowing Base Certificates are required to be delivered on each Business Day.

(c) Such other reports, statements and reconciliations with respect to the Obligors subject to the Specified Filing Documents, the Receivables (including the outstanding balance thereof) subject to the transactions contemplated by the Specified Filing Documents, the Borrowing Base or Borrower Collateral as any Lender, any Managing Agent or the Administrative Agent shall from time to time request in its reasonable discretion.

Section 5.02. Negative Covenants of the Borrower. The Borrower covenants and agrees that, without the prior written consent of the Requisite Lenders, from and after the Effective Date until the Termination Date:

(a) Sale of Stock and Assets. The Borrower shall not sell, transfer, convey, assign or otherwise dispose of, or assign any right to receive income in respect of, any of its properties or other assets or any of its Stock (whether in a public or a private offering or otherwise), any Transferred Receivable or Contract therefor or any of its rights with respect to

any Lockbox or any Account except as otherwise expressly permitted by this Agreement or any of the other Related Documents.

(b) Liens. The Borrower shall not create, incur, assume or permit to exist (i) any Adverse Claim on or with respect to its Transferred Receivables or (ii) any Adverse Claim on or with respect to its other properties or assets (whether now owned or hereafter acquired) except for the Liens set forth in Schedule 5.03(b) and other Permitted Encumbrances. In addition, the

Borrower shall not become a party to any agreement, note, indenture or instrument or take any other action that would prohibit the creation of a Lien on any of its properties or other assets in favor of the Lenders as additional collateral for the Borrower Obligations, except as otherwise expressly permitted by this Agreement or any of the other Related Documents.

(c) Modifications of Receivables, Contracts or Credit and Collection Policies. The Borrower shall not, without the prior written consent of the Administrative Agent (i) and the Requisite Lenders, extend, amend, forgive, discharge, compromise, waive, cancel or otherwise modify the terms of any Transferred Receivable or amend, modify or waive any term or condition of any Contract related thereto, *provided* that the Borrower may authorize the Servicer to take such actions as are expressly permitted by the terms of any Related Document or the Credit and Collection Policies so long as, after giving effect to any such action, no Receivables which constituted Eligible Receivables prior to such action would no longer constitute Eligible Receivables as a result of such action, or (ii) amend, modify or waive any term or provision of the Credit and Collection Policies.

(d) Changes in Instructions to Obligors. The Borrower shall not make any change in its instructions to Obligors regarding the deposit of Collections with respect to the Transferred Receivables, except to the extent the Administrative Agent and the Requisite Lenders direct the Borrower to change such instructions to Obligors or the Administrative Agent and the Requisite Lenders consent in writing to such change.

(e) Capital Structure and Business. The Borrower shall not (i) make any changes in any of its business objectives, purposes or operations that could reasonably be expected to have or result in a Material Adverse Effect, (ii) make any material change in its capital structure (including the issuance or recapitalization of any shares of Stock or other securities convertible into Stock or any revision of the terms of its outstanding Stock), except that changes in Borrower's capital structure shall be permitted so long as such changes, individually and in the aggregate, do not constitute a Change of Control, (iii) amend its certificate or articles of incorporation, bylaws or other organizational documents in any manner which may adversely affect the Secured Parties, (iv) make any material change in the nature of its business from the business as carried on by it, at the Effective Date or any business substantially related or incidental thereto or any business substantially related or incidental to manufacturing, contract assembly, operational, logistics, distribution, integrated services, supply chain management services and related sales and services or (v) undertake any division of its rights, assets, obligations or liabilities pursuant to a plan of division or otherwise pursuant to applicable law.

(f) Mergers, Subsidiaries, Etc. The Borrower shall not directly or indirectly, by operation of law or otherwise, (i) form or acquire any Subsidiary, or (ii) merge with,

consolidate with, acquire all or substantially all of the assets or capital Stock of, or otherwise combine with or acquire, any Person.

(g) Sale Characterization; Receivables Sale and Servicing Agreement. The Borrower shall not make statements or disclosures, prepare any financial statements or in any other respect account for or treat the transactions contemplated by the Sale Agreement (including for accounting, tax and reporting purposes) in any manner other than (i) with respect to each Sale of each Sold Receivable effected pursuant to the Sale Agreement, as a true sale and absolute assignment of the title to and sole record and beneficial ownership interest of the Transferred Receivables by the Originators to the Borrower or (ii) with respect to each contribution of Contributed Receivables thereunder, as an increase in the stated capital of the Borrower.

(h) Restricted Payments. The Borrower shall not enter into any lending transaction with any other Person. The Borrower shall not at any time (i) advance credit to any Person or (ii) declare any distributions, repurchase any Stock, return any capital, or make any other payment or distribution of cash or other property or assets in respect of the Borrower's Stock or make a repayment with respect to any Subordinated Loans if, after giving effect to any such advance or distribution, a Funding Excess, Incipient Termination Event or Termination Event would exist or otherwise result therefrom.

(i) Indebtedness. The Borrower shall not create, incur, assume or permit to exist any Debt, except (i) Debt of the Borrower to any Affected Party, Indemnified Person, the Servicer or any other Person expressly permitted by this Agreement or any other Related Document, (ii) Subordinated Loans pursuant to the Subordinated Notes, (iii) deferred taxes, (iv) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law, and (v) endorser liability in connection with the endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

(j) Prohibited Transactions. The Borrower shall not enter into, or be a party to, (i) any transaction with any Person except as expressly permitted hereunder or under any other Related Document or (ii) any document or agreement, other than the Related Documents.

(k) Investments. Except as otherwise expressly permitted hereunder or under the other Related Documents, the Borrower shall not make any investment in, or make or accrue loans or advances of money to, any Person, including the Parent, any director, officer or employee of the

Borrower, the Parent or any of the Parent's other Subsidiaries, through the direct or indirect lending of money, holding of securities or otherwise, except with respect to Transferred Receivables.

(l) Commingling. The Borrower shall not deposit or permit the deposit of any funds that do not constitute Collections of Transferred Receivables into any Lockbox, any Collection Account or any Concentration Account, except (i) as otherwise contemplated under Section 4.02(1) of the Sale Agreement and (ii) during any Settlement Period ending on or prior to December 31, 2022, Excluded Receivable Collections but solely to the extent that the Commingling Ratio for such Settlement Period does not exceed 10.0%. If funds that are not Collections are deposited impermissibly into any Lockbox, any Collection Account or any Concentration Account, the Borrower shall, or shall cause the Servicer to, notify the Administrative Agent in writing promptly upon discovery thereof, and, the Servicer shall promptly remit (or direct the relevant Collection Account Bank or Concentration Account Bank,

as applicable, to remit) any such amounts that are not Collections to the applicable Originator or other Person designated in such notice.

(m) ERISA. The Borrower shall not, and shall not cause or permit any of its ERISA Affiliates to, cause or permit to occur an event that (i) could reasonably be expected to result in the imposition of a Lien on any Borrower Collateral under Section 430(k) of the IRC or Section 303(k) or 4068 of ERISA, or (ii) could reasonably be expected to result in the incurrence by Borrower of any material liabilities under Title IV of ERISA (other than (x) premium payments arising in the ordinary course of business and (y) liabilities arising under Section 4041(b) of ERISA).

(n) Related Documents. The Borrower shall not amend, modify or waive any term or provision of any Related Document without the prior written consent of the Administrative Agent and the Requisite Lenders.

(o) Board Policies. The Borrower shall not modify the terms of any policy or resolutions of its board of directors if such modification could reasonably be expected to have or result in a Material Adverse Effect.

(p) Additional Stockholders of Borrower. The Borrower shall not issue shares of Stock to any Person other than Parent without the prior written consent of the Administrative Agent and the Requisite Lenders.

(q) Anti-Corruption Laws, Anti-Terrorism Laws and Sanctions. The Borrower will not request any Advance, and shall not directly or indirectly use, the proceeds of any Advance or

Release (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 or Anti-Terrorism Laws, (B) for the purpose of funding or financing any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in each case to the extent doing so would violate any Sanctions, or (C) in any other manner that would result in liability to any party hereto under any applicable Sanctions or the violation of any Sanctions by any such Person.

(r) Specified Filing Documents. The Borrower shall not permit any amendment, restatement, supplement or other modification of any Specified Filing Documents that adds any Obligor as the subject of the transactions contemplated thereby with respect to any Originator, unless all Receivables of such Obligor constitute Excluded Receivables.

Section 5.04. Supplemental Disclosure. On the request of the Administrative Agent (in the event that such information is not otherwise delivered by the Borrower to the Administrative Agent pursuant to this Agreement), the Borrower will supplement (or cause to be supplemented) each Schedule hereto, or representation herein or in any other Related Document with respect to any matter hereafter arising which, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Schedule or as an exception to such representation or which is necessary to correct any information in such Schedule or representation which has been rendered inaccurate thereby; *provided* that such supplement to any such Schedule or representation shall not be deemed an amendment thereof

except if and to the extent that the information disclosed in such supplement updates (A) Schedule 4.01(b) or (B) Schedule 4.01(q) to include any accounts.

Section 5.05. Tax Covenant of the Servicer. The Servicer covenants and agrees that, from and after the Effective Date and until the Termination Date, (i) each of the Servicer, the Parent, each Originator and each Affiliate thereof shall pay and discharge, before the same shall become delinquent, all material Taxes imposed upon it or upon its property; *provided, however,* that neither the Servicer, the Parent, any Originator nor any Affiliate thereof shall be required to pay or discharge any such Tax that is being contested in good faith and by proper proceedings and as to which appropriate reserves are being maintained, unless and until any Lien resulting therefrom attaches to its property and becomes enforceable against its other creditors and (ii) the Servicer shall promptly after becoming aware (or any of its Affiliates becoming aware) notify each Lender, the Administrative Agent and each Managing Agent in writing of any notice of deficiency (e.g., Form CP3219A) or other assessment by any Governmental Authority of Taxes (including but without

limitation, if applicable, levies or liens for Taxes under Code Sections 6321, 6322, 6851, 6852, or 6861 (or other similar provision of the Code, state or local law) issued, assessed or imposed by any Governmental Authority) in an amount exceeding \$50,000,000 with respect to any Person that is a parent or a member of an affiliated, consolidated, combined or unitary group of which the Borrower is or was a member, if the Borrower is liable for such Taxes pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar U.S. state or local law.

## ARTICLE VI.

### ACCOUNTS

#### Section 6.01. Establishment of Accounts.

##### (a) Concentration Account and Collection Accounts.

(i) Other than the Originator Collection Accounts, the Borrower has established with (x) each Concentration Account Bank a Concentration Account subject to a fully executed Concentration Account Agreement and (y) each Collection Account Bank a Borrower Collection Account subject to a fully executed Collection Account Agreement. Certain Originators have established with a Collection Account Bank one or more Originator Collection Accounts, each subject to a fully executed Collection Account Agreement. The Borrower agrees that the Administrative Agent shall have exclusive dominion and control of the Concentration Accounts and the Collection Accounts and all monies, instruments and other property from time to time on deposit therein. The Administrative Agent hereby agrees that until such time as it exercises its right to take exclusive dominion and control of any Concentration Account or any Collection Account under Section 7.05(d), the applicable Concentration Account Bank or Collection Account Bank shall be entitled to follow the instructions of the Borrower, or the Administrative Agent on behalf of the Borrower, with respect to the withdrawal, transfer or payment of funds on deposit in such Account.

(ii) The Borrower (or the Servicer on Borrower's behalf) has instructed all existing Obligors of Transferred Receivables, and shall instruct all future Obligors of such Receivables, to make payments in respect thereof only to the relevant Lockbox, the relevant Collection Account or the relevant Concentration Account. Schedule 4.01(q) lists all Lockboxes, Collection Accounts and Concentration Accounts and the applicable Bank at which the Borrower maintains such Lockboxes and Accounts as of the Closing Date, and such schedule correctly identifies (1) the name, address and telephone number of such Bank, (2) the name in which such Lockboxes and Accounts are held and the complete

account number therefor, and (3) with respect to each Lockbox, the lockbox number and address thereof. The Borrower (or the Servicer on Borrower's behalf) shall endorse, to the extent necessary, all checks or other instruments received in any Lockbox so that the same can be deposited in the relevant Collection Account or the relevant Concentration Account, in the form so received (with all necessary endorsements), on the first Business Day after the date of receipt thereof. In addition, the Borrower shall deposit or cause to be deposited into the relevant Concentration Account all cash, checks, money orders or other proceeds of Transferred Receivables or Borrower Collateral received by it or any Originator in any Collection Account, in the form so received (with all necessary endorsements), not later than the close of business on the first Business Day following the date of receipt thereof, and until so deposited all such items or other proceeds shall be held in trust for the benefit of the Administrative Agent. The Borrower shall not make and shall not permit the Servicer or any Originator to make any deposits into any Lockbox, any Collection Account or any Concentration Account except in accordance with the terms of this Agreement or any other Related Document. The Borrower agrees that the Administrative Agent shall have exclusive dominion and control of the Collection Accounts and the Concentration Accounts and all instruments and other property from time to time received therein.

(iii) If, for any reason, any Collection Account Agreement or any Concentration Account Agreement terminates, or any Collection Account Bank or any Concentration Account Bank fails to comply with its obligations under such Account Agreement, then the Borrower shall promptly notify all Obligors of Transferred Receivables who had previously been instructed to make wire payments to such Account maintained at such Bank to make all future payments to a new Collection Account or Concentration Account, as applicable, in accordance with this Section 6.01(a)(iii). The Borrower shall not close the relevant Account or permit any Originator to close the relevant Account unless it shall have (A) received the prior written consent of the Administrative Agent and the Requisite Lenders, (B) established a new account with the same Bank or with a new depositary institution satisfactory to the Administrative Agent and the Requisite Lenders, (C) entered into an agreement covering such new account with such Bank or with such new depositary institution substantially in the form of the predecessor Account Agreement or that is satisfactory in all respects to the Administrative Agent and the Requisite Lenders (whereupon, for all purposes of this Agreement and the other Related Documents, such new account shall become a Borrower Collection Account or a Concentration Account, such new agreement shall become a Collection Account Agreement or a Concentration Account Agreement and such new depositary institution shall become a Collection Account Bank or a Concentration Account Bank, as applicable), and (D) taken all such action as the

Administrative Agent and the Requisite Lenders shall reasonably require to grant and perfect a first priority Lien in such new Account to the Administrative Agent under Section 7.01 of this Agreement. Except as permitted by this Section 6.01(a), the Borrower shall not, and shall not permit the Servicer or any Originator to, open any new Lockbox, Collection Account

or Concentration Account without the prior written consent of the Administrative Agent and the Requisite Lenders.

(b) [Reserved].

(c) Agent Account.

(i) The Administrative Agent has established and shall maintain the Agent Account with the Agent Bank. The Agent Account shall be registered in the name of the Administrative Agent and the Administrative Agent shall, subject to the terms of this Agreement, have exclusive dominion and control thereof and of all monies, instruments and other property from time to time on deposit therein.

(ii) All payments of any outstanding Advances, Yield, fees and expenses and any other amounts by the Borrower to the Lenders hereunder shall be paid in Dollars to the Agent Account. The Lenders and the Administrative Agent may deposit into the Agent Account from time to time all monies, instruments and other property received by any of them as proceeds of the Transferred Receivables.

(iii) If, for any reason, the Agent Bank wishes to resign as depositary of the Agent Account or fails to carry out the instructions of the Administrative Agent, then the Administrative Agent shall promptly notify the Lenders. Neither the Lenders nor the Administrative Agent shall close the Agent Account unless (A) a new deposit account has been established with a new depositary institution, (B) the Lenders and the Administrative Agent have entered into an agreement covering such new account with such new depositary institution satisfactory in all respects to the Administrative Agent (whereupon such new account shall become the Agent Account and such new depositary institution shall become the Agent Bank for all purposes of this Agreement and the other Related Documents), and (C) the Lenders and the Administrative Agent have taken all such action as the Administrative Agent shall require to grant and perfect a first priority Lien in such new Agent Account to the Administrative Agent on behalf of the Secured Parties.

(d) Borrower Account.

(i) The Borrower has established the Borrower Account subject to a fully executed Borrower Account Agreement and agrees that, subject to this clause (i), the Administrative Agent shall have exclusive dominion and control of such Borrower Account and all monies, instruments and other property from time to time on deposit therein. The Administrative Agent hereby agrees that until such time as it exercises its right to take exclusive dominion and control of the Borrower Account under Section 7.05(d), the Borrower Account Bank shall be entitled to follow the instructions of the Borrower, or the Administrative Agent on behalf of the Borrower, with respect to the withdrawal, transfer or payment of funds on deposit in the Borrower Account.

(ii) During any time after which the Borrower Account is established pursuant to clause (d)(i) above, if, for any reason, the Borrower Account Agreement relating to the Borrower Account terminates or the Borrower Account Bank fails to comply with its obligations under such Borrower Account Agreement, then the Borrower shall promptly notify the Administrative Agent thereof and the Borrower, the Servicer or the Administrative Agent, as the case may be, shall instruct the Borrower Account Bank to make all future wire payments to a new Borrower Account in accordance with this Section 6.01(d)(ii). The Borrower shall not close the Borrower Account unless it shall have (A) received the prior written consent of the Administrative Agent and the Requisite Lenders, (B) established a new account with the same Borrower Account Bank or with a new depositary institution satisfactory to the Administrative Agent and the Requisite Lenders, (C) entered into an agreement covering such new account with such Borrower Account Bank or with such new depositary institution substantially in the form of the Borrower Account Agreement or that is satisfactory in all respects to the Administrative Agent and the Requisite Lenders (whereupon, for all purposes of this Agreement and the other Related Documents, such new account shall become the Borrower Account, such new agreement shall become a Borrower Account Agreement and any new depositary institution shall become the Borrower Account Bank), and (D) taken all such action as the Administrative Agent and the Requisite Lenders shall reasonably require to grant and perfect a first priority Lien in such new Borrower Account to the Administrative Agent under Section 7.01. Except as permitted by this Section 6.01(d), the Borrower shall not, and shall not permit the Servicer to open a new Borrower Account without the prior written consent of the Administrative Agent and the Requisite Lenders.

## ARTICLE VII.

### GRANT OF SECURITY INTERESTS

**Section 7.01. Borrower's Grant of Security Interest.** Borrower hereby reconfirms its grant of a Lien for the benefit of the Secured Parties in the "Borrower Collateral" under, and as defined in, the Existing Receivables Funding Agreement, and confirms that such Lien has been granted to secure the Borrower Obligations, which include the "Borrower Obligations" under, and as defined in, the Existing Receivables Funding Agreement. Furthermore, to secure the prompt and complete payment, performance and observance of all Borrower Obligations, and to induce the Administrative Agent and the Lenders to enter into this Agreement and perform the obligations required to be performed by them hereunder in accordance with the terms and conditions hereof, the Borrower hereby grants, assigns, conveys, pledges, hypothecates and transfers to the Administrative Agent, for the benefit of the Secured Parties a Lien upon and security interest in all of the Borrower's right, title and interest in, to and under, but none of its obligations arising from, the following property, whether now owned by or owing to, or hereafter acquired by or arising in favor of, the Borrower (including under any trade names, styles or derivations of the Borrower), and regardless of where located (all of which being hereinafter collectively referred to as the "Borrower Collateral"):

(a) all Receivables;

(b) the Sale Agreement, the Account Agreements and all other Related Documents now or hereafter in effect relating to the purchase, servicing, processing or collection of Receivables (collectively, the "Borrower Assigned Agreements"), including (i) all rights of the Borrower to receive moneys due and to become due thereunder or pursuant thereto, (ii) all rights of the Borrower to receive proceeds of any insurance, indemnity, warranty or guaranty with respect thereto, (iii) all claims of the Borrower for damages or breach with respect thereto or for default thereunder and (iv) the right of the Borrower to amend, waive or terminate the same and to perform and to compel performance and otherwise exercise all remedies thereunder;

(c) all of the following (collectively, the "Borrower Account Collateral"):

(i) the Concentration Accounts, the Lockboxes and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Concentration Accounts, the Lockboxes or such funds,

(ii) the Collection Accounts, the Lockboxes and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Collection Accounts, the Lockboxes or such funds,

(iii) the Borrower Account and all funds on deposit therein and all certificates and instruments, if any, from time to time representing or evidencing the Borrower Account or such funds;

(iv) all notes, certificates of deposit and other instruments from time to time delivered to or otherwise possessed by the Administrative Agent, any Managing Agent, any Lender or any assignee or agent on behalf of the Administrative Agent, any Managing Agent or any Lender in substitution for or in addition to any of the then existing Borrower Account Collateral, and

(v) all interest, dividends, cash, instruments, investment property and other property from time to time received, receivable or otherwise distributed with respect to or in exchange for any and all of the then existing Borrower Account Collateral;

(d) all other property relating to the Receivables that may from time to time hereafter be granted and pledged by the Borrower or by any Person on its behalf whether under this Agreement or otherwise, including any deposit with any Lender, any Managing Agent or the Administrative Agent of additional funds by the Borrower;

(e) all other personal property of the Borrower of every kind and nature not described above, including all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights, commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles);

(f) to the extent not otherwise included, all proceeds and products of the foregoing and all accessions to, substitutions and replacements for, and profits of, each of the foregoing Borrower Collateral (including proceeds that constitute property of the types described in Sections 7.01(a) through (e)); and

(g) to the extent not otherwise included, all "Borrower Collateral" under, and as defined in, the Existing Receivables Funding Agreement.

Section 7.02. Borrower's Agreements. The Borrower hereby (a) assigns, transfers and conveys the benefits of the representations, warranties and covenants of each Originator made to the Borrower under the Sale Agreement to the Administrative Agent for the benefit of the

Secured Parties hereunder; (b) acknowledges and agrees that the rights of the Borrower to require payment of a Rejected Amount from an Originator under the Sale Agreement may be enforced by the Lenders and the Administrative Agent; and (c) certifies that the Sale Agreement provides that the representations, warranties and covenants described in Sections 4.01, 4.02 and 4.03 thereof, the indemnification and payment provisions of Article V thereof and the provisions of Sections 4.03(j), 6.12, 6.14 and 6.15 thereof shall survive the sale of the Transferred Receivables (and undivided percentage ownership interests therein) and the termination of the Sale Agreement and this Agreement.

**Section 7.03. Delivery of Collateral.** All certificates or instruments representing or evidencing all or any portion of the Borrower Collateral shall be delivered to and held by or on behalf of the Administrative Agent and shall be in suitable form for transfer by delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance reasonably satisfactory to the Administrative Agent. The Administrative Agent shall have the right (a) at any time to exchange certificates or instruments representing or evidencing Borrower Collateral for certificates or instruments of smaller or larger denominations and (b) at any time in its discretion following the occurrence and during the continuation of a Termination Event and without notice to the Borrower, to transfer to or to register in the name of the Administrative Agent or its nominee any or all of the Borrower Collateral.

**Section 7.04. Borrower Remains Liable.** It is expressly agreed by the Borrower that, anything herein to the contrary notwithstanding, the Borrower shall (a) remain liable under any and all of the Transferred Receivables, the Contracts therefor, the Borrower Assigned Agreements and any other agreements constituting the Borrower Collateral to which it is a party, and (b) observe and perform all the conditions and obligations to be observed and performed by it thereunder. The Lenders, the Managing Agents and the Administrative Agent shall not have any obligation or liability under any such Receivables, Contracts or agreements by reason of or arising out of this Agreement or the granting herein or therein of a Lien thereon or the receipt by the Administrative Agent, the Managing Agents or the Lenders of any payment relating thereto pursuant hereto or thereto. The exercise by any Lender, any Managing Agent or the Administrative Agent of any of its respective rights under this Agreement shall not release any Originator, the Borrower or the Servicer from any of their respective duties or obligations under any such Receivables, Contracts or agreements. None of the Lenders, the Managing Agents or the Administrative Agent shall be required or obligated in any manner to perform or fulfill any of the obligations of any Originator, the Borrower or the Servicer under or pursuant to any such Receivable, Contract or agreement, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any such Receivable, Contract or agreement, or to present or file any claims, or

to take any action to collect or enforce any performance or the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

#### Section 7.05 Covenants of the Borrower Regarding the Borrower Collateral.

(a) Offices and Records. The Borrower shall maintain its organizational form, jurisdiction of organization, organizational identification number, principal place of business and chief executive office and the office at which it stores its Records at the respective locations specified in Schedule 4.01(b) or, upon 30 days' prior written notice to the Administrative Agent, at such other location in a jurisdiction where all action requested by the Administrative Agent pursuant to Section 12.13 shall have been taken with respect to the Borrower Collateral. The Borrower shall, and shall cause the Servicer to at its own cost and expense, maintain adequate and complete records of the Transferred Receivables and the Borrower Collateral, including records of any and all payments received, credits granted and merchandise returned with respect thereto and all other dealings therewith. The Borrower shall, and shall cause the Servicer to, by no later than the Effective Date, mark conspicuously with a legend, in form and substance satisfactory to the Administrative Agent, its books and records (including computer records) and credit files pertaining to the Borrower Collateral, and its file cabinets or other storage facilities where it maintains information pertaining thereto, to evidence this Agreement and the assignment and Liens granted pursuant to this Article VII. Upon the occurrence and during the continuance of a Termination Event, the Borrower shall, and shall cause the Servicer to, deliver and turn over such books and records to the Administrative Agent or its representatives at any time on demand of the Administrative Agent. Prior to the occurrence of a Termination Event and upon notice from the Administrative Agent or any Managing Agent, the Borrower shall, and shall cause the Servicer to, permit any representative of the Administrative Agent or any Managing Agent to inspect such books and records and shall provide photocopies thereof to the Administrative Agent or any Managing Agent as more specifically set forth in Section 7.05(b).

(b) Access. The Borrower shall, and shall cause the Servicer to, at its or the Servicer's own expense, during normal business hours, from time to time upon two Business Days' prior notice as frequently as the Administrative Agent determines to be appropriate: (i) provide the Lenders, the Managing Agents, the Administrative Agent and any of their respective officers, employees and agents access to its properties (including properties utilized in connection with the collection, processing or servicing of the Transferred Receivables), facilities, advisors and employees (including officers) and to the Borrower Collateral, (ii) permit the Lenders, the Managing Agents, the Administrative Agent and any of their respective officers, employees and agents to inspect, audit and make extracts from its books and records, including all Records, (iii) permit each

of the Lenders, the Managing Agents and the Administrative Agent and their respective officers, employees and agents to inspect, review and evaluate the Transferred Receivables and the Borrower Collateral and (iv) permit each of the Lenders, the Managing Agents and the Administrative Agent and their respective officers, employees and agents to discuss matters relating to the Transferred Receivables or its performance under this Agreement or the other Related Documents or its affairs, finances and accounts with any of its officers, directors, employees, representatives or agents (in each case, with those persons having knowledge of such matters) and with its independent certified public accountants. If (i) the Administrative Agent in good faith deems any Lender's rights or interests in the Transferred Receivables, the Borrower Assigned Agreements or any other Borrower Collateral insecure or the Administrative Agent in good faith believes that an Incipient Termination Event or a Termination Event is imminent or (ii) an Incipient Termination Event or a Termination Event shall have occurred and be continuing, then the Borrower shall, and shall cause the Servicer to, at its own expense, provide such access at all times without prior notice from the Administrative Agent or any Managing Agent and provide the Administrative Agent and any Managing Agent with access to the suppliers and customers of the Borrower and the Servicer. The Borrower

shall, and shall cause the Servicer to, make available to the Administrative Agent and its counsel, as quickly as is possible under the circumstances, originals or copies of all books and records, including Records, that the Administrative Agent may request. The Borrower shall, and shall cause the Servicer to, and the Servicer shall deliver any document or instrument necessary for the Administrative Agent, as the Administrative Agent may from time to time request, to obtain records from any service bureau or other Person that maintains records for the Borrower or the Servicer, and shall maintain duplicate records or supporting documentation on media, including computer tapes and discs owned by the Borrower or the Servicer.

(c) Communication with Accountants. The Borrower hereby authorizes (and shall cause the Servicer to authorize) the Lenders, the Managing Agents and the Administrative Agent to communicate directly with its independent certified public accountants and authorizes and shall instruct those accountants and advisors to disclose and make available to the Lenders, the Managing Agents and the Administrative Agent any and all financial statements and other supporting financial documents, schedules and information relating to the Borrower or the Servicer (including copies of any issued management letters) and to discuss matters with respect to its business, financial condition and other affairs.

(d) Collection of Transferred Receivables. In connection with the collection of amounts due or to become due to the Borrower under the Transferred Receivables, the Borrower

Assigned Agreements and any other Borrower Collateral pursuant to the Sale Agreement, the Borrower shall, or shall cause the Servicer to, take such action as it, and from and after the occurrence and during the continuance of a Termination Event, the Administrative Agent, may deem reasonably necessary or desirable to enforce collection of the Transferred Receivables, the Borrower Assigned Agreements and the other Borrower Collateral; *provided* that the Borrower may, rather than commencing any such action or taking any other enforcement action, at its option, elect to pay to the Administrative Agent, for deposit into the Agent Account, an amount equal to the Outstanding Balance of any such Transferred Receivable; *provided further* that if (i) an Incipient Termination Event or a Termination Event shall have occurred and be continuing or (ii) the Administrative Agent, in good faith believes that an Incipient Termination Event or a Termination Event is imminent, then the Administrative Agent may, without prior notice to the Borrower, any Originator or the Servicer, (x) exercise its right to take exclusive ownership and control of the Accounts in accordance with the terms applicable Account Agreement and (y) notify any Obligor under any Transferred Receivable or obligors under the Borrower Assigned Agreements of the pledge of such Transferred Receivables or Borrower Assigned Agreements, as the case may be, to the Administrative Agent on behalf of the Secured Parties hereunder and direct that payments of all amounts due or to become due to the Borrower thereunder be made directly to the Administrative Agent or any servicer, collection agent or lockbox or other account designated by the Administrative Agent and, upon such notification and at the sole cost and expense of the Borrower, the Administrative Agent may enforce collection of any such Transferred Receivable or the Borrower Assigned Agreements and adjust, settle or compromise the amount or payment thereof. The Administrative Agent shall provide prompt notice to the Borrower and the Servicer of any such notification of pledge or direction of payment to the Obligors under any Transferred Receivables.

(e) Performance of Borrower Assigned Agreements. The Borrower shall, and shall cause the Servicer to, (i) perform and observe all the terms and provisions of the Borrower Assigned Agreements to be performed or observed by it, maintain the Borrower Assigned Agreements in full force and effect, enforce the Borrower Assigned Agreements in accordance with their terms and take all action as may from time to time be reasonably requested by the Administrative Agent in order to accomplish the foregoing, and (ii) upon the reasonable request of and as directed by the Administrative Agent, make such demands and requests to any other party to the Borrower Assigned Agreements as are permitted to be made by the Borrower or the Servicer thereunder.

(f) License for Use of Software and Other Intellectual Property. Unless expressly prohibited by the licensor thereof or any provision of applicable law, if any, the Borrower hereby grants to the Administrative Agent on behalf of the Secured Parties a limited license to use, without

charge, the Borrower's and the Servicer's computer programs, software, printouts and other computer materials, technical knowledge or processes, data bases, materials, trademarks, registered trademarks, trademark applications, service marks, registered service marks, service mark applications, patents, patent applications, trade names, rights of use of any name, labels, fictitious names, inventions, designs, trade secrets, goodwill, registrations, copyrights, copyright applications, permits, licenses, franchises, customer lists, credit files, correspondence, and advertising materials or any property of a similar nature, as it pertains to the Borrower Collateral, or any rights to any of the foregoing, only as reasonably required in connection with the collection of the Transferred Receivables and the advertising for sale, and selling any of the Borrower Collateral, or exercising of any other remedies hereto, and the Borrower agrees that its rights under all licenses and franchise agreements shall inure to the Administrative Agent's benefit (on behalf of the Secured Parties) for purposes of the license granted herein. Except upon the occurrence and during the continuation of a Termination Event, the Administrative Agent and the Lenders agree not to use any such license without giving the Borrower prior written notice.

## ARTICLE VII.

### TERMINATION EVENTS

Section 8.01. Termination Events. If any of the following events (each, a "Termination Event") shall occur (regardless of the reason therefor):

(a) the Borrower shall fail to make any payment of any monetary Borrower Obligation when due and payable and the same shall remain unremedied for one (1) Business Day or more; or

(b) (i) the Borrower shall fail to deliver a Daily Report, Weekly Report, Monthly Report or Borrowing Base Certificate as and when required hereunder and such failure shall remain unremedied for two (2) Business Days or more, (ii) any Originator shall fail or neglect to perform, keep or observe any covenant or provision of Section 4.04 of the Sale Agreement or Article V of the Sale Agreement, (iii) the Borrower, any Originator or the Servicer shall fail or neglect to perform, keep or observe any covenant or other provision of this Agreement or the other Related Documents (other than any provision embodied in or covered by any other clause of this Section 8.01) and the same shall remain unremedied for two (2) Business

Days or more following the earlier to occur of an Authorized Officer of the Borrower becoming aware of such breach and the Borrower's receipt of notice thereof; or

(c) an Originator, the Borrower, the Parent or any of the Parent's other Subsidiaries shall fail to make any payment with respect to any of its Debts which, except with respect to the Borrower, is in an aggregate principal amount exceeding \$175,000,000 (other than Borrower Obligations) when due, and the same shall remain unremedied after any applicable grace period with respect thereto; or (ii) a default or breach or other occurrence shall occur and be continuing under any agreement, document or instrument to which an Originator, the Borrower, the Parent or any of the Parent's other Subsidiaries is a party or by which it or its property is bound (other than a Related Document) which relates to a Debt which, except with respect to the Borrower, is in an aggregate principal amount exceeding \$175,000,000, which event shall remain unremedied within the applicable grace period with respect thereto, and the effect of such default, breach or occurrence is to cause or to permit the holder or holders then to cause such Debt to become or be declared due prior to their stated maturity (other than by (i) secured Debt that becomes due solely as a result of the sale, transfer or other disposition of the property or assets securing such Debt and (ii) termination events or any other similar event under the documents governing swap contracts for so long as such event of default, termination event or other similar event does not result in the occurrence of an early termination date or any acceleration or prepayment of any amounts or other Debt payable thereunder); or

(d) a case or proceeding shall have been commenced against the Borrower, any Originator, the Parent or any of the Parent's other Subsidiaries seeking a decree or order in respect of any such Person under any Debtor Relief Laws or any other applicable federal, state, provincial or foreign bankruptcy or other similar law, (i) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for any such Person or for any substantial part of such Person's assets, or (ii) ordering the winding up or liquidation of the affairs of any such Person, and, so long as the Borrower is not a debtor in any such case or proceedings, such case or proceeding continues for 60 days unless dismissed or discharged; *provided* that such 60-day period shall be deemed terminated immediately if (x) a decree or order is entered by a court of competent jurisdiction with respect to a case or proceeding described in this subsection (d) or (y) any of the events described in Section 8.01(e) shall have occurred; or

(e) the Borrower, any Originator, the Parent or any of the Parent's other Subsidiaries shall (i) file a petition seeking relief under any Debtor Relief Laws or any other applicable federal, state, provincial or foreign bankruptcy or other similar law, (ii) consent or fail to object in a timely and appropriate manner to the institution of any proceedings under any Debtor Relief Laws or any other applicable federal, state, provincial or foreign bankruptcy or similar law or to the filing of any petition thereunder or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for any such Person or for

any substantial part of such Person's assets, (iii) make an assignment for the benefit of creditors, or (iv) take any corporate action in furtherance of any of the foregoing; or

(f) any Originator, the Borrower, Parent, or the Servicer (i) generally does not pay its debts as such debts become due or admits in writing its inability to, or is generally unable to, pay its debts as such debts become due or (ii) is not Solvent; or

(g) a final judgment or judgments for the payment of money in excess of \$175,000,000 in the aggregate (net of (i) amounts covered by valid third-party indemnification obligations from a third party that is solvent and has been notified of the claim under such indemnification obligation and has not disputed that it is liable for such claim and (ii) the amount of such judgment or order is covered by a valid and binding policy of insurance between the defendant and one or more reputable insurers (as determined by Parent) covering payment thereof) at any time outstanding shall be rendered against any Originator, the Parent or any Subsidiary of the Parent (other than the Borrower) and either (i) enforcement proceedings shall have been commenced upon any such judgment or (ii) the same shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed or bonded pending appeal, or shall not have been discharged prior to the expiration of any such stay; or

(h) a final judgment or judgments for the payment of money in excess of \$100,000 in the aggregate at any time outstanding shall be rendered against the Borrower, and either (i) enforcement proceedings shall have been commenced upon any such judgment or (ii) the same shall not, within 60 days after the entry thereof, have been discharged or execution thereof stayed or bonded pending appeal, or shall not have been discharged prior to the expiration of any such stay; or

(i) (i) any information contained in any Borrowing Base Certificate or any Borrowing Request is untrue or incorrect in any material respect, or (ii) any representation or warranty of any Originator or the Borrower herein or in any other Related Document or in any written statement, report, financial statement or certificate (other than a Borrowing Base Certificate or any Borrowing Request) made or delivered by or on behalf of such Originator or the Borrower to any Affected Party hereto or thereto is untrue or incorrect in any material respect as of the date when made or deemed made; or

(j) any Governmental Authority (including the IRS or the PBGC) shall file notice of a Lien with respect to a Pension Plan of any Originator, the Parent or any of their respective ERISA Affiliates with regard to any assets of any Originator, the Parent or any of their respective ERISA Affiliates (other than a Lien (i) limited by its terms to assets other than Transferred Receivables and

(ii) not materially adversely affecting the financial condition of such Originator, the Parent or any such ERISA Affiliate or the ability of the Servicer to perform its duties hereunder or under the Related Documents); or

(k) any Governmental Authority (including the IRS or the PBGC) shall file notice of a Lien with regard to any of the assets of the Borrower, or a contribution failure occurs with respect to any Pension Plan of the Borrower or any ERISA Affiliate of the Borrower sufficient to give rise to a lien under section 303(k) of ERISA; or

(l) (1) there shall have occurred any event which, in the reasonable judgment of the Administrative Agent (acting at the direction of the Requisite Lenders), materially and adversely impairs (i) the ability of the Originators (taken as a whole) to originate Receivables (other than Excluded Receivables) of a credit quality which are at least of the credit quality of the Receivables (other than Excluded Receivables) as of the 2016 Effective Date, (ii) the financial condition or operations of the Originators (taken as a whole), the Borrower or the Parent, or (iii) the collectability of Receivables (other than Excluded Receivables), or (2) the Administrative Agent shall have determined in the exercise of its reasonable judgment (and so notified the

Borrower) that any event or condition that has had or would reasonably be expected to have or result in a Material Adverse Effect has occurred; or

(m) (i) a default or breach shall occur under any provision of the Sale Agreement and after the passing of any applicable grace period the same shall remain unremedied for two (2) Business Days or more following the earlier to occur of an Authorized Officer of the Borrower becoming aware of such breach and the Borrower's receipt of notice thereof, or (ii) the Sale Agreement shall for any reason cease to evidence the transfer to the Borrower of the legal and equitable title to, and ownership of, the Transferred Receivables; or

(n) except as otherwise expressly provided herein, any Account Agreement shall have been modified, amended or terminated without the prior written consent of the Administrative Agent and the Requisite Lenders; or

(o) an Event of Servicer Termination shall have occurred; or

(p) (A) the Borrower shall cease to hold valid and properly perfected title to and sole record and beneficial ownership in the Transferred Receivables and the other Borrower Collateral or (B) the Administrative Agent (on behalf of the Lenders) shall cease to hold a first priority, perfected Lien in the Transferred Receivables or any of the Borrower Collateral; or

- (q) a Change of Control shall have occurred; or
- (r) the Borrower shall amend its certificate of incorporation or bylaws without the express prior written consent of the Requisite Lenders and the Administrative Agent; or
- (s) the Borrower shall have received an Election Notice pursuant to Section 2.01(d) of the Sale Agreement; or
- (t) on any date of determination, (i) the Default Trigger Ratio shall exceed 2.25%; (ii) the Delinquency Trigger Ratio shall exceed 2.50%; (iii) the Dilution Trigger Ratio shall exceed 5.75% (such event, a "Dilution Trigger Breach") and solely with respect to the three Settlement Periods ending at the end of March 2024, the Outstanding Principal Amount exceeds \$0 on or after the immediately following Settlement Date; or (iv) the Receivables Collection Turnover Trigger shall exceed 55 days; or
- (u) [reserved];
- (v) any material provision of any Related Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or any Originator or the Borrower shall challenge the enforceability of any Related Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Related Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms); or
- (w) institution of any steps by the Borrower or any other Person to terminate a Pension Plan of the Borrower or any ERISA Affiliate of the Borrower if as a result of such termination the Borrower could be required to make a contribution to such Pension Plan, or could incur a liability or obligation to such Pension Plan, in excess of \$1,500,000; or
- (x) [reserved]; or
- (y) a Funding Excess exists at any time and the Borrower has not repaid the amount of such Funding Excess within one (1) Business Day in accordance with Section 2.08;

then, and in any such event, the Administrative Agent, may, with the consent of the Requisite Lenders, and shall, at the request of the Requisite Lenders, by notice to the Borrower, declare the Facility Termination Date to have occurred without demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided that the Facility*

Termination Date shall automatically occur upon the occurrence of any of the Termination Events described in Section 8.01(d) or (e), in each case without demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of the Facility Termination Date, all Borrower Obligations shall automatically be and become due and payable in full, without any action to be taken on the part of any Person. In addition, if any Event of Servicer Termination shall have occurred, then the Administrative Agent may, and shall, at the request of the Requisite Lenders, by delivery of a Servicer Termination Notice to Buyer and the Servicer, terminate the servicing responsibilities of the Servicer under the Sale Agreement in accordance with the terms thereof.

## ARTICLE IX.

### REMEDIES

**Section 9.01. Actions Upon Termination Event.** If any Termination Event shall have occurred and the Administrative Agent shall have declared the Facility Termination Date to have occurred or the Facility Termination Date shall be deemed to have occurred pursuant to Section 8.01, then the Administrative Agent may exercise in respect of the Borrower Collateral, in addition to any and all other rights and remedies granted to it hereunder, under any other Related Document or under any other instrument or agreement securing, evidencing or relating to the Borrower Obligations or otherwise available to it, all of the rights and remedies of a secured party upon default under the UCC (such rights and remedies to be cumulative and nonexclusive), and, in addition, may take the following actions:

(a) The Administrative Agent may, without notice to the Borrower except as required by law and at any time or from time to time, (i) charge, offset or otherwise apply amounts payable to the Borrower from any Account against all or any part of the Borrower Obligations and (ii) without limiting the terms of Section 7.05(d), notify any Obligor under any Transferred Receivable or obligors under the Borrower Assigned Agreements of the transfer of the Transferred Receivables to the Borrower and the pledge of such Transferred Receivables or Borrower Assigned Agreements, as the case may be, to the Administrative Agent on behalf of the Secured Parties and direct that payments of all amounts due or to become due to the

Borrower thereunder be made directly to the Administrative Agent or any servicer, collection agent or lockbox or other account designated by the Administrative Agent.

(b) The Administrative Agent may, without notice except as specified below, solicit and accept bids for and sell the Borrower Collateral or any part thereof in one or more parcels at

public or private sale, at any exchange, broker's board or any of the Lenders' or Managing Agents' offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Administrative Agent may deem commercially reasonable. The Administrative Agent shall have the right to conduct such sales on the Borrower's premises or elsewhere and shall have the right to use any of the Borrower's premises without charge for such sales at such time or times as the Administrative Agent deems necessary or advisable. The Borrower agrees that, to the extent notice of sale shall be required by law, ten days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Administrative Agent shall not be obligated to make any sale of Borrower Collateral regardless of notice of sale having been given. The Administrative Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed for such sale, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Every such sale shall operate to divest all right, title, interest, claim and demand whatsoever of the Borrower in and to the Borrower Collateral so sold, and shall be a perpetual bar, both at law and in equity, against each Originator, the Borrower, any Person claiming any right in the Borrower Collateral sold through any Originator or the Borrower, and their respective successors or assigns. The Administrative Agent shall deposit the net proceeds of any such sale in the Agent Account and such proceeds shall be applied against all or any part of the Borrower Obligations.

(c) Upon the completion of any sale under Section 9.01(b), the Borrower shall deliver or cause to be delivered to the purchaser or purchasers at such sale on the date thereof, or within a reasonable time thereafter if it shall be impracticable to make immediate delivery, all of the Borrower Collateral sold on such date, but in any event full title and right of possession to such property shall vest in such purchaser or purchasers upon the completion of such sale. Nevertheless, if so requested by the Administrative Agent or by any such purchaser, the Borrower shall confirm any such sale or transfer by executing and delivering to such purchaser all proper instruments of conveyance and transfer and releases as may be designated in any such request.

(d) At any sale under Section 9.01(b), any Lender, any Managing Agent or the Administrative Agent may bid for and purchase the property offered for sale and, upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.

(e) The Administrative Agent may (but in no event shall be obligated to) exercise, at the sole cost and expense of the Borrower, any and all rights and remedies of the Borrower under or in connection with the Borrower Assigned Agreements or the other Borrower Collateral, including any and all rights of the Borrower to demand or otherwise require payment of any amount

under, or performance of any provisions of, the Borrower Assigned Agreements. Without limiting the foregoing, the Administrative Agent shall, upon the occurrence of any

Event of Servicer Termination, have the right to name any Successor Servicer (including itself) pursuant to Article VIII of the Sale Agreement.

**Section 9.02. Exercise of Remedies.** No failure or delay on the part of the Administrative Agent, any Managing Agent or any Lender in exercising any right, power or privilege under this Agreement and no course of dealing between any Originator, the Borrower or the Servicer, on the one hand, and the Administrative Agent, any Managing Agent or any Lender, on the other hand, shall operate as a waiver of such right, power or privilege, nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies under this Agreement are cumulative, may be exercised singly or concurrently, and are not exclusive of any rights or remedies that the Administrative Agent, any Managing Agent or any Lender would otherwise have at law or in equity. No notice to or demand on any party hereto shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the party providing such notice or making such demand to any other or further action in any circumstances without notice or demand.

**Section 9.03. Power of Attorney.** On the Closing Date, the Borrower shall execute and deliver a power of attorney substantially in the form attached hereto as Exhibit 9.03 (a "Power of Attorney"). The Power of Attorney is a power coupled with an interest and shall be irrevocable until this Agreement has terminated in accordance with its terms and all of the Borrower Obligations are indefeasibly paid or otherwise satisfied in full. The powers conferred on the Administrative Agent under each Power of Attorney are solely to protect the Liens of the Administrative Agent (on behalf of the Secured Parties) upon and interests in the Borrower Collateral and shall not impose any duty upon the Administrative Agent to exercise any such powers. The Administrative Agent shall not be accountable for any amount other than amounts that it actually receives as a result of the exercise of such powers and none of the Administrative Agent's officers, directors, employees, agents or representatives shall be responsible to the Borrower, any Originator, the Servicer or any other Person for any act or failure to act, except to the extent of damages attributable to their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. The Administrative Agent covenants and agrees not to use the Power of Attorney except following a Termination Event and prior to the occurrence of the Termination Date.

Section 9.04. Continuing Security Interest. This Agreement shall create a continuing Lien in the Borrower Collateral until the date such security interest is released by the Administrative Agent.

## ARTICLE X.

### INDEMNIFICATION

#### Section 10.01. Indemnities by the Borrower.

(a) Without limiting any other rights that the Affected Parties or any of their respective officers, directors, employees, attorneys, agents, representatives, transferees, successors or assigns (each, an “Indemnified Person”) may have hereunder or under applicable law, the Borrower hereby agrees to indemnify and hold harmless each Indemnified Person from and against any and all Indemnified Amounts that may be claimed or asserted against or incurred by any such Indemnified Person in connection with or arising out of the transactions contemplated under this Agreement or under any other Related Document or any actions or failures to act in connection therewith, including any and all legal costs and expenses; *provided that the Borrower shall not be liable for any indemnification to an Indemnified Person to the*

extent that any such Indemnified Amount (x) results from such Indemnified Person’s gross negligence, bad faith or willful misconduct, in each case as finally determined by a court of competent jurisdiction, (y) constitutes recourse for uncollectible or uncollected Transferred Receivables as a result of the insolvency, bankruptcy or the failure (without cause or justification) or inability on the part of the related Obligor to perform its obligations thereunder or (z) results from the compliance or non-compliance of the transactions contemplated by the Related Documents with the Securitisation Regulations, including for the avoidance of doubt any increased cost or any reduction in rate of return on capital that is required or directed to be maintained by an Indemnified Person in relation to its interest in or exposure in respect of any Receivables (including by application of an additional risk weight pursuant to Article 270a of Regulation (EU) No. 575/2013, as amended). Without limiting the generality of the foregoing, the Borrower shall pay on demand to each Indemnified Person any and all Indemnified Amounts relating to or resulting from:

(i) reliance on any representation or warranty made or deemed made by the Borrower (or any of its officers) under or in connection with this Agreement or any other Related Document (without regard to any qualifications concerning the occurrence or non-occurrence of a Material Adverse Effect or similar concepts of materiality) or on any other

information delivered by the Borrower pursuant hereto or thereto that shall have been incorrect when made or deemed made or delivered;

(ii) the failure by the Borrower to comply with any term, provision or covenant contained in this Agreement, any other Related Document or any agreement executed in connection herewith or therewith (without regard to any qualifications concerning the occurrence or non-occurrence of a Material Adverse Effect or similar concepts of materiality), any applicable law, rule or regulation with respect to any Transferred Receivable or the Contract therefor, or the nonconformity of any Transferred Receivable or the Contract therefor with any such applicable law, rule or regulation;

(iii) (1) the failure to vest and maintain vested in the Borrower valid and properly perfected title to and sole record and beneficial ownership of the Receivables that constitute Transferred Receivables, together with all Collections in respect thereof and all other Borrower Collateral, free and clear of any Adverse Claim, (2) the failure to maintain or transfer to the Administrative Agent, for the benefit of the Secured Parties, a first priority, perfected Lien in any portion of the Borrower Collateral or (3) any Specified Filing;

(iv) any dispute, claim, offset or defense of any Obligor (other than its discharge in bankruptcy) to the payment of any Transferred Receivable (including a defense based on such Receivable or the Contract therefor not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim resulting from the sale of the merchandise or services giving rise to such Receivable or the furnishing of or failure to furnish such merchandise or services or

relating to collection activities with respect to such Receivable (if such collection activities were performed by any of its Affiliates acting as Servicer);

(v) any products liability claim or other claim arising out of or in connection with merchandise, insurance or services that is the subject of any Contract with respect to any Transferred Receivable;

(vi) the commingling of Collections with respect to Transferred Receivables by the Borrower at any time with its other funds or the funds of any other Person;

(vii) any failure by the Borrower to cause the filing of, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or any other applicable laws with respect to any Transferred

Receivable hereunder or any other Borrower Collateral, whether at the time of the Borrower's acquisition thereof or any Advance made hereunder or at any subsequent time;

(viii) any investigation, litigation or proceeding related to this Agreement or the ownership of Transferred Receivables or Collections with respect thereto;

(ix) any failure of (x) a Collection Account Bank to comply with the terms of the applicable Collection Account Agreement, (y) a Concentration Account Bank to comply with the terms of the applicable Concentration Account Agreement, or (z) the Borrower Account Bank to comply with the terms of the Borrower Account Agreement;

(x) any amounts payable by the Administrative Agent to any Bank under any Account Agreement; or

(xi) any withholding, deduction or Charge imposed upon any payments with respect to any Transferred Receivable, any Borrower Assigned Agreement or any other Borrower Collateral.

(b) Any Indemnified Amounts subject to the indemnification provisions of this Section 10.01 not paid in accordance with Section 2.08 shall be paid by the Borrower to the Indemnified Person entitled thereto within five Business Days following demand therefor.

## ARTICLE XI.

### ADMINISTRATIVE AGENT

Section 11.01. Appointment and Authorization. Each Secured Party hereby irrevocably appoints, designates and authorizes the Administrative Agent and its applicable Managing Agent to take such action on its behalf under the provisions of this Agreement and each other Related Document and to exercise such powers and perform such duties as are expressly delegated to such Administrative Agent or Managing Agent, as applicable, by the terms of this Agreement and any other Related Document, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Related Document, no Administrative Agent or Managing Agent shall have any duties or responsibilities except those expressly set forth in this Agreement, nor shall the Administrative Agent or any Managing Agent have or be deemed to have any fiduciary relationship with any Secured Party, and no implied covenants, functions,

responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Related Document or otherwise exist against any Administrative Agent or Managing Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to any Administrative Agent or Managing 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 merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

**Section 11.02. Delegation of Duties.** The Administrative Agent and each Managing Agent may execute any of its duties under this Agreement or any other Related Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Administrative Agent nor any Managing Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

**Section 11.03. Liability of Administrative Agent and Managing Agents.** No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Related Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any Secured Party for any recital, statement, representation or warranty made by the Borrower, any Originator, the Parent or the Servicer, or any officer thereof, contained in this Agreement or in any other Related Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent or such Managing Agent under or in connection with, this Agreement or any other Related Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Related Document, or for any failure of the Borrower, any Originator, the Parent, the Servicer or any other party to any Related Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Secured Party to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Related Document, or to inspect the properties, books or records of the Borrower, any Originator, the Parent, the Servicer or any of their respective Affiliates.

**Section 11.04. Reliance by the Administrative Agent and the Managing Agents.** (a) The Administrative Agent and each Managing Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by or on behalf of

the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Borrower, any Originator, the Parent and the Servicer), independent accountants and other experts selected by the Administrative Agent or such Managing Agent. The Administrative Agent and each Managing Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Related Document unless it shall first receive such advice or concurrence of the Managing Agents or the Lenders in its Lender Group, as applicable, as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent and each Managing Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Related Document in accordance with a request or consent of the Managing Agents or the Lenders in its Lender Group, as applicable, or, if required hereunder, all

Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Article III on the Closing Date, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Administrative Agent or any Managing Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender.

Section 11.05. Notice of Termination Event, Incipient Termination Event, Event of Servicer Termination or Incipient Servicer Termination Event. Neither the Administrative Agent nor any Managing Agent shall be deemed to have knowledge or notice of the occurrence of an Incipient Termination Event, Termination Event, Event of Servicer Termination or Incipient Servicer Termination Event, unless it has received written notice from a Lender or the Borrower referring to this Agreement, describing such Incipient Termination Event, Termination Event, Event of Servicer Termination or Incipient Servicer Termination Event and stating that such notice is a "Notice of Termination Event or Incipient Termination Event" or "Notice of Incipient Servicer Termination Event or Event of Servicer Termination," as applicable. Each Managing Agent will notify the Lenders in its Lender Group of its receipt of any such notice. The Administrative Agent and each Managing Agent shall (subject to Section 11.04) take such action with respect to such event as may be requested by the Managing Agents (or its Lenders in its Lender Group); *provided* that, unless and until the Administrative Agent shall have received any such request, the Administrative Agent (or Managing Agent) may (but shall not be obligated to) take such action, or refrain from taking such action, with

respect to such event as it shall deem advisable or in the best interest of the Secured Parties or Lenders, as applicable.

**Section 11.06. Credit Decision; Disclosure of Information.** Each Secured Party acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Administrative Agent or any Managing Agent hereinafter taken, including any consent to and acceptance of any assignment or review of the affairs of the Borrower, the Parent, the Servicer, the Originators or any of their respective Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Secured Party as to any matter, including whether the Agent-Related Persons have disclosed material information in their possession. Each Secured Party, including any Lender by assignment, represents to the Administrative Agent and its Managing Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Parent, the Servicer, each Originator or their respective Affiliates, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each Secured Party also represents that it shall, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Related Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower, the Parent, the Servicer or the Originators. Except for notices, reports and other documents expressly herein required to be furnished to the Security Parties by the Administrative Agent or any Managing Agent herein, neither the Administrative Agent nor any Managing Agent shall have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the

Borrower, the Parent, the Servicer, any Originator or their respective Affiliates which may come into the possession of any of the Agent-Related Persons.

**Section 11.07. Indemnification.** Whether or not the transactions contemplated hereby are consummated, the Committed Lenders (or the Committed Lenders in the applicable Lender Group) shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do

so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Amounts incurred by it; *provided* that no Committed Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Amounts resulting from such Person's gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction; *provided* that no action taken by Administrative Agent (or any Managing Agent) in accordance with the directions of the Managing Agents (or the Lenders in its Lender Group) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 11.07. Without limitation of the foregoing, each Lender shall reimburse its Managing Agent, the Administrative Agent and each Letter of Credit Issuer upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney's fees) incurred in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Related Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent or such Managing Agent is not reimbursed for such expenses by or on behalf of the Borrower. The undertaking in this Section 11.07 shall survive payment on the Termination Date and the resignation or replacement of the Administrative Agent or such Managing Agent.

**Section 11.08. Individual Capacity.** The Administrative Agent and each Managing Agent (and any successor thereto in such capacity) and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with any of the Borrower, the Parent, the Originators, the Servicer, or any of their Subsidiaries or Affiliates as though it were not the Administrative Agent, a Managing Agent or a Lender hereunder, as applicable, and without notice to or consent of the Secured Parties. The Secured Parties acknowledge that, pursuant to such activities, any such Person or its Affiliates may receive information regarding the Borrower, the Parent, the Originators, the Servicer or their respective Affiliates (including information that may be subject to confidentiality obligations in favor of such Person) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Commitment, the Administrative Agent and each Managing Agent (and any successor thereto in such capacity) in its capacity as a Committed Lender hereunder shall have the same rights and powers under this Agreement as any other Committed Lender and may exercise the same as though it were not the Administrative Agent, a Managing Agent or a Committed Lender, as applicable, and the term

"Committed Lender" shall, unless the context otherwise indicates, include the Administrative Agent and each Managing Agent in its individual capacity.

**Section 11.09. Resignation.** The Administrative Agent or any Managing Agent may resign upon thirty (30) days' notice to the applicable Lenders. If the Administrative Agent resigns under this Agreement, the Requisite Lenders shall appoint, after consulting with the Parent, from among the Committed Lenders that are not Defaulting Lenders at such time a successor agent for the Secured Parties. If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders, a successor agent from among the Committed Lenders that are not Defaulting Lenders at such time. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent and the Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 11.09 and Sections 11.03 and 11.07 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is thirty (30) days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Committed Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Requisite Lenders appoint a successor agent as provided for above. If a Managing Agent resigns under this Agreement, the Lenders in such Lender Group shall appoint a successor agent.

**Section 11.10. Payments by the Administrative Agent and the Managing Agents.** Unless specifically allocated to a Committed Lender pursuant to the terms of this Agreement, all amounts received by the Administrative Agent or a Managing Agent on behalf of the Lenders shall be paid to the applicable Managing Agent or Lenders pro rata in accordance with amounts then due on the Business Day received, unless such amounts are received after 12:00 noon on such Business Day, in which case the applicable agent shall use its reasonable efforts to pay such amounts on such Business Day, but, in any event, shall pay such amounts not later than the following Business Day.

**Section 11.11. Setoff and Sharing of Payments.** In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Termination Event, each Lender and each holder of any Revolving Note is hereby authorized at any time or from time to time, without notice to the Borrower or to any other Person, any such notice being hereby expressly waived (but subject to Section 2.03(b)(i)), to set off and to appropriate and to apply any and all balances held by it at any of its offices for the account of the Borrower (regardless of whether such balances are then due to the Borrower) and any other properties or assets any time held or owing by that Lender or that

holder to or for the credit or for the account of the Borrower against and on account of any of the Borrower Obligations which are not paid when due. Any Lender or holder of any Revolving Note exercising a right to set off or otherwise receiving any payment on account of the Borrower Obligations in excess of its Pro Rata Share thereof shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Borrower Obligations as would be necessary to cause such Lender to share the amount so set off or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares. The Borrower agrees, to the fullest extent permitted by law, that (a) any Lender or holder may exercise its right to set off with respect to amounts in excess of its Pro Rata Share of the Borrower Obligations and may sell participations in such amount so set off to other Lenders and holders and (b) any Lender or holders so purchasing a participation in the Advances made or other Borrower Obligations held by other Lenders or holders may exercise

all rights of set off, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Advances, and the other Borrower Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the set-off amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of set-off, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

#### Section 11.12. Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (such Lender, Secured Party or other recipient, a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to), promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or

portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds 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 from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or Secured Party or any Person who has received funds on behalf of a Lender or Secured Party, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, repayment or prepayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, or such other recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.12.

(c) Each Lender or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Related Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who has received such Erroneous Payment (or portion thereof) on its behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Advances (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Advance") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Advances (but not the Commitments) of the Erroneous Payment Impacted Advance, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement with respect to such Erroneous Payment Deficiency Assignment, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, and (iv) the Administrative Agent may reflect in the

Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Secured Party

under the Related Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

(e) Unless otherwise subsequently agreed in writing by the parties hereto, the parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Borrower Obligations owed by the Borrower or any other Credit Parties, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Credit Party for the purpose of making such Erroneous Payment (including, for the avoidance of doubt, the proceeds of any financing or contribution incurred or obtained by the Borrower or its Subsidiaries). To the extent that Erroneous Payments are made with funds of the Borrower or any of its Subsidiaries, the Borrower and its Subsidiaries maintain all rights and remedies against the maker and recipients of such Erroneous Payment for return of such funds.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 11.12 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Borrower Obligations (or any portion thereof) under any Related Document.

## ARTICLE XII.

### MISCELLANEOUS

Section 12.01. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given

or delivered (a) upon the earlier of actual receipt and three Business Days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by email of the signed notice in PDF form or facsimile (with such email or facsimile promptly confirmed by delivery of a copy by personal delivery or United States Mail as otherwise provided in this Section 12.01), (c) one Business Day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number set forth below or to such other address (or facsimile number) as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than any Lender, any Managing Agent and the Administrative Agent) designated in any written notice provided hereunder to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication. Notwithstanding the foregoing, whenever it is provided herein that a notice is to be given to any other party hereto by a specific time, such notice shall only be effective if actually received by such party prior to such time, and if such notice is received after such time or on a day other than a Business Day, such notice shall only be effective on the immediately succeeding Business Day.

#### Section 12.02. Binding Effect; Assignability.

(a) This Agreement shall be binding upon and inure to the benefit of the Borrower, each Lender, each Managing Agent, each Administrator and the Administrative Agent and their respective successors and permitted assigns. The Borrower may not assign, transfer, hypothecate or otherwise convey any of its rights or obligations hereunder or interests herein without the express prior written consent of the Requisite Lenders. Any such purported assignment, transfer, hypothecation or other conveyance by the Borrower without the prior express written consent of the Requisite Lenders shall be void.

(b) The Borrower hereby consents to any Lender's assignment or pledge of, and/or sale of participations in, at any time or times after the Effective Date of the Related Documents, Advances, and any Commitment or of any portion thereof or interest therein, including any Lender's rights, title, interests, remedies, powers or duties thereunder, whether evidenced by a writing or not, made in accordance with this Section 12.02(b). Any assignment by a Lender shall (i) require the execution of an assignment agreement (an "Assignment Agreement") substantially in the form attached hereto as Exhibit 12.02(b) or otherwise in form and substance satisfactory to the Administrative Agent, and acknowledged by the Administrative Agent, and the consent of the

Administrative Agent and, so long as no Termination Event has occurred and is continuing, the Borrower (which consent shall not be unreasonably withheld or delayed and without limiting the foregoing right to not unreasonably withhold consent, may be withheld if the short-term unsecured debt rating of the proposed Lender is not at least "A-1" or the equivalent by S&P and "P-1" or the equivalent by Moody's at the time of such assignment); (ii) if a partial assignment, be in an amount at least equal to \$5,000,000 and, after giving effect to

any such partial assignment, the assigning Committed Lender shall have retained Commitments in an amount at least equal to \$5,000,000; (iii) not be to a Defaulting Lender in a different Lender Group and (iv) require the delivery to the Administrative Agent by the assignee or participant, as the case may be, of any forms, certificates or other evidence with respect to United States tax withholding matters. In the case of an assignment by a Lender under this Section 12.02, the assignee shall have, to the extent of such assignment, the same rights, benefits and obligations as it would if it were a Lender hereunder. The assigning Lender shall be relieved of its obligations hereunder with respect to its Commitments or assigned portion thereof from and after the date of such assignment. The Borrower hereby acknowledges and agrees that any assignment made in accordance with this Section 12.02(b) will give rise to a direct obligation of the Borrower to the assignee and that the assignee shall thereupon be a "Lender" for all purposes. In all instances, each Committed Lender's obligation to make Advances shall be several and not joint and shall be limited to such Committed Lender's Pro Rata Share of the applicable Commitment. In the event any Lender assigns or otherwise transfers all or any part of a Revolving Note, such Lender shall so notify the Borrower and the Administrative Agent and the Borrower shall, upon the request of such Lender, execute new Revolving Notes in exchange for the Revolving Notes being assigned and the Administrative Agent shall record the assignment or other transfer in the Register. No assignment or transfer of a Revolving Note shall be effective unless such assignment or transfer is recorded in the Register. Notwithstanding the foregoing provisions of this Section 12.02(b), any Lender may, without consent from or notice to the Borrower or any other party hereto, at any time pledge or assign all or any portion of such Lender's rights under this Agreement and the other Related Documents to any Federal Reserve Bank or any other central banking authority having jurisdiction over such Lender or to any holder or trustee of such Lender's securities; *provided* that no such pledge or assignment to any Federal Reserve Bank or any other central banking authority having jurisdiction over such Lender, holder or trustee shall release such Lender from such Lender's obligations hereunder or under any other Related Document and no such holder or trustee shall be entitled to enforce any rights of such Lender hereunder unless such holder or trustee becomes a Lender hereunder through execution of an Assignment Agreement as set forth above.

(c) In addition to the foregoing right, without notice to or consent from the Administrative Agent or the Borrower, (x) any Lender may assign to any of its Affiliates and any Discretionary Lender may assign to a Committed Lender or to a Program Support Provider all or a portion of its rights (but not its obligations) under the Related Documents, including a sale of any Advances or other Borrower Obligations hereunder and such Lender's right to receive payment with respect to any such Borrower Obligation; *provided* that no Committed Lender may make any such assignment pursuant to this Section 12.02(c) to any of its Affiliates that is an asset-backed commercial paper conduit that is not a party to this Agreement in the capacity of a Lender and (y) any Lender may sell participations to one or more Persons in or to all or a portion of its rights and obligations under the Related Documents (including all its rights and obligations with respect to the Advances); *provided* that (A) no such participant shall have a commitment, or be deemed to have made an offer to commit, to make Advances hereunder, and none shall be liable to any Person for any obligations of such Lender hereunder (it being understood that nothing in this Section 12.02(c) shall limit any rights the Lender may have as against such participant under the terms of the applicable option, sale or participation agreement between or among such parties); and (B) no holder of any such participation shall be entitled to require such Lender to take or omit to take any action hereunder except actions directly affecting (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Advance in which such holder participates, (ii) any extension of any scheduled payment of the principal amount of any Advance in which such holder participates or the final maturity date thereof, and (iii) any release of all or substantially all of the Borrower Collateral (other than in accordance with the terms of this Agreement or the other Related Documents). Solely for purposes of Sections 2.08, 2.09, 2.10, and 9.01, Borrower acknowledges and agrees that each such sale or participation shall give rise to a direct obligation of the Borrower to the participant

and each such participant shall be considered to be a "Lender" for purposes of such sections. Except as set forth in the preceding sentence, such Lender's rights and obligations, and the rights and obligations of the other Lenders, the Managing Agents and the Administrative Agent towards such Lender under any Related Document shall remain unchanged and none of the Borrower, the Administrative Agent, any Managing Agent or any Lender (other than the Lender selling a participation) shall have any duty to any participant and may continue to deal solely with the assigning or selling Lender as if no such assignment or sale had occurred.

(d) Without limiting the foregoing, a Conduit Lender may, from time to time, with prior or concurrent notice to the Borrower, in one transaction or a series of transactions, assign all or a portion of its interest in the Advances and its rights and obligations under this Agreement and any other Related Documents to which it is a party to a Conduit Assignee; *provided* that (i) if the

ratings of the Commercial Paper of such Conduit Assignee are not at least equal to the ratings of such Conduit Lender, then Borrower consent shall be required, and (ii) such assignment complies with Section 12.02(b) (other than not requiring the consent of the Borrower). Upon and to the extent of such assignment by a Conduit Lender to a Conduit Assignee, (i) such Conduit Assignee shall be the owner of the assigned portion of such interest, (ii) the related Administrator for such Conduit Assignee will act as the Administrator for such Conduit Assignee hereunder, with all corresponding rights and powers, express or implied, granted to the Administrator hereunder or under the other Related Documents, (iii) such Conduit Assignee (and any related commercial paper issuer, if such Conduit Assignee does not itself issue commercial paper) and their respective liquidity support provider(s) and credit support provider(s) and other related parties shall have the benefit of all the rights and protections provided to the Conduit Lender and its Program Support Provider(s) herein and in the other Related Documents (including any limitation on recourse against such Conduit Assignee or related parties, any agreement not to file or join in the filing of a petition to commence an insolvency proceeding against such Conduit Assignee, and the right to assign to another Conduit Assignee as provided in this paragraph), (iv) such Conduit Assignee shall assume all (or the assigned or assumed portion) of the Conduit Lender's obligations, if any, hereunder or any other Related Document, and the Conduit Lender shall be released from such obligations, in each case to the extent of such assignment, and the obligations of the Conduit Lender and such Conduit Assignee shall be several and not joint, (v) all distributions in respect of such interest in the Advances shall be made to the applicable Managing Agent or the related Administrator, as applicable, on behalf of the Conduit Lender and such Conduit Assignee on a pro rata basis according to their respective interests, (vi) the definition of the term "CP Rate" with respect to the portion of the Advances funded with commercial paper issued by the Conduit Lender from time to time shall be determined in the manner set forth in the definition of "CP Rate" applicable to the Conduit Lender on the basis of the interest rate or discount applicable to commercial paper issued by such Conduit Assignee (or the related commercial paper issuer, if such Conduit Assignee does not itself issue commercial paper) rather than the Conduit Lender, (vii) the defined terms and other terms and provisions of this Agreement and the other Related Documents shall be interpreted in accordance with the foregoing, (viii) the Conduit Assignee, if it shall not be a Lender already, shall deliver to the Administrative Agent, the Borrower and the Servicer, all applicable tax documentation reasonably requested by the Administrative Agent, the Borrower or the Servicer and (ix) if requested by the related Managing Agent or the related Administrator with respect to the Conduit Assignee, the parties will execute and deliver such further agreements and documents and take such other actions as the related Managing Agent or such Administrator may reasonably request to evidence and give effect to the foregoing. For the avoidance of doubt, no assignment by a Conduit Lender to a Conduit Assignee of all or any portion of its interest in the Advances shall in any way

diminish the related Committed Lenders' obligations under Section 2.03 to fund any Advances not funded by the related Conduit Lender or such Conduit Assignee.

(e) In the event that a Conduit Lender makes an assignment to a Conduit Assignee in accordance with clause (d) above, the Related Committed Lenders: (i) if requested by the related Administrator, shall terminate their participation in the applicable Program Support Agreement to the extent of such assignment, (ii) if requested by the related Administrator, shall execute (either directly or through a participation agreement, as determined by such Administrator) the program support agreement related to such Conduit Assignee, to the extent of such assignment, the terms of which shall be substantially similar to those of the participation or other agreement entered into by such Committed Lender with respect to the applicable Program Support Agreement (or which shall be otherwise reasonably satisfactory to the Administrator and the Related Committed Lenders), (iii) if requested by the related Conduit Lender, shall enter into such agreements as requested by such Conduit Lender pursuant to which they shall be obligated to provide funding to the Conduit Assignee on substantially the same terms and conditions as is provided for in this Agreement in respect of such Conduit Lender (or which agreements shall be otherwise reasonably satisfactory to such Conduit Lender and the Committed Lenders), and (iv) shall take such actions as the Administrative Agent shall reasonably request in connection therewith.

(f) Except as expressly provided in this Section 12.02, no Lender shall, as between the Borrower and that Lender, or between the Administrative Agent and that Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of a participation in, all or any part of the Advances, the Revolving Notes or other Borrower Obligations owed to such Lender.

(g) The Borrower shall assist any Lender permitted to sell assignments or participations under this Section 12.02 as reasonably required to enable the assigning or selling Lender to effect any such assignment or participation, including the execution and delivery of any and all agreements, notes and other documents and instruments as shall be reasonably requested and the participation of management in meetings with potential assignees or participants.

(h) A Lender may furnish any information concerning the Borrower, the Originators, the Servicer and/or the Receivables in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants). Each Lender shall

obtain from all prospective and actual assignees or participants confidentiality covenants substantially equivalent to those contained in Section 12.05.

(i) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain, or cause to be maintained, a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant’s interest in the Advances or other obligations under the Related Documents (the “Participant Register”); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant’s interest in any commitments, loans, letters of credit or its other obligations under any of the Related Documents) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations.

(j) Notwithstanding anything to the contrary herein, any Conduit Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement (including rights to payment of principal and interest on such Conduit Lender’s Advances) to any Conduit Trustee without notice to or consent of the Borrower (and without entering into an Assignment Agreement); *provided*, that no such pledge or assignment to any Conduit Trustee shall release such Conduit Lender from such Conduit Lender’s obligations hereunder or under any other Related Document or substitute any such Conduit Trustee for such Conduit Lender as a party hereto.

### Section 12.03. Termination; Survival of Borrower Obligations Upon Facility Termination Date.

(a) This Agreement shall create and constitute the continuing obligations of the parties hereto in accordance with its terms, and shall remain in full force and effect until the Termination Date.

(b) Except as otherwise expressly provided herein or in any other Related Document, no termination or cancellation (regardless of cause or procedure) of any commitment made by any Affected Party under this Agreement shall in any way affect or impair the obligations, duties and liabilities of the Borrower or the rights of any Affected Party relating to any unpaid portion of the Borrower Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event the performance of which is required after the Facility Termination Date. Except as otherwise expressly provided herein or in any other Related Document, all undertakings, agreements, covenants, warranties and representations of or binding upon the Borrower and all rights of any Affected Party hereunder, all as contained in the Related Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Termination Date; *provided* that the rights and remedies

provided for herein with respect to any breach of any representation or warranty made by the Borrower pursuant to Section 4.01(a), (c), (e), (j), (p), (r) and (v), Article IV, the indemnification and payment provisions of Article X and Sections 11.05, 12.05, 12.14 and 12.15 shall be continuing and shall survive the Termination Date.

**Section 12.04. Costs, Expenses and Taxes.** (a) The Borrower (failing whom, the Originators) shall reimburse the Administrative Agent, each Managing Agent and each Lender for all reasonable out of pocket expenses incurred in connection with the negotiation and preparation of this Agreement and the other Related Documents (including the reasonable fees and expenses of all of its special counsel, advisors, consultants and auditors retained in connection with the transactions contemplated thereby and advice in connection therewith). The Borrower shall reimburse each Lender, each Managing Agent and the Administrative Agent for all fees, costs and expenses, including the fees, costs and expenses of counsel or other advisors (including environmental and management consultants and appraisers) for advice, assistance, or other representation in connection with:

(i) the forwarding to the Borrower or any other Person on behalf of the Borrower by any Lender of any proceeds of Advances made by such Lender hereunder;

(ii) any amendment, modification or waiver of, consent with respect to, or termination of this Agreement or any of the other Related Documents or advice in connection with the administration hereof or thereof or their respective rights hereunder or thereunder;

(iii) any Litigation, contest or dispute (whether instituted by the Borrower, any Lender, any Managing Agent, the Administrative Agent or any other Person as a party, witness, or otherwise) in any way relating to the Borrower Collateral, any of the Related Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any Litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against the Borrower, the Servicer or any other Person that may be obligated to any Lender, any Managing Agent or the Administrative Agent by virtue of the Related Documents, including any such Litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the transactions contemplated hereby;

(iv) any attempt to enforce any remedies of a Lender, a Managing Agent or the Administrative Agent against the Borrower, the Servicer or any other Person that may be obligated to them by virtue of any of the Related Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the transactions contemplated hereby;

(v) any work-out or restructuring of the transactions contemplated hereby; and

(vi) efforts to (A) monitor the Advances or any of the Borrower Obligations, (B) evaluate, observe or assess the Originators, the Parent, the Borrower, or the Servicer or their respective affairs, and (C) verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Borrower Collateral;

including all reasonable attorneys' and other professional and service providers' fees arising from such services, including those in connection with any appellate proceedings, and all reasonable expenses, costs, charges and other fees incurred by such counsel and others in connection with or relating to any of the events or actions described in this Section 12.04, all of which shall be payable, on demand, by the Borrower (failing whom, the Originators) to the applicable Lender, the applicable Managing Agent or the Administrative Agent, as applicable. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: reasonable fees, costs and expenses of accountants, environmental advisors, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or facsimile charges; secretarial overtime charges; and expenses for

travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services.

(b) In addition, the Borrower (failing whom, the Originators) shall pay on demand any and all stamp, court or documentary, intangible, recording, filing, sales, excise and similar taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, performance, enforcement or recording of this Agreement or any other Related Document, from the receipt or perfection of a security interest under, or otherwise with respect to, any Related Document, excluding taxes imposed on or measured by the net income, gross receipts or franchise taxes of any Affected Party by the jurisdictions under the laws of which such Affected Party is organized, tax resident or doing business or, in each case, by any political subdivisions thereof, and the Borrower (failing whom, each Originator) agrees to indemnify and save each Indemnified Person harmless from and against any and all liabilities with respect to or resulting from any delay or failure to pay such taxes and fees.

#### Section 12.05. Confidentiality.

(a) Except to the extent otherwise required by applicable law or as required to be filed publicly with the Securities and Exchange Commission, or unless the Administrative Agent shall otherwise consent in writing, the Borrower agrees to maintain the confidentiality of this Agreement (and all drafts hereof and documents ancillary hereto), in its communications with third parties other than any Affected Party or any Indemnified Person or any financial institution party to the Credit Agreement and otherwise not to disclose, deliver or otherwise make available to any third party (other than its directors, officers, employees, accountants or counsel) the original or any copy of all or any part of this Agreement (or any draft hereof and documents ancillary hereto) except to an Affected Party or an Indemnified Person or any financial institution party to the Credit Agreement.

(b) The Borrower agrees that it shall not (and shall not permit any of its Affiliates to) issue any news release or make any public announcement pertaining to the transactions contemplated by this Agreement and the other Related Documents without the prior written consent of the Managing Agents and the Administrative Agent (which consent shall not be unreasonably withheld) unless such news release or public announcement is required by law, in which case the Borrower shall consult with the Administrative Agent and any Managing Agents specifically referenced therein prior to the issuance of such news release or public announcement. The Borrower may, however, disclose the general terms of the transactions contemplated by this Agreement and the other Related Documents to trade creditors, suppliers and other similarly-

situated Persons so long as such disclosure is not in the form of a news release or public announcement.

(c) The Administrative Agent, each Managing Agent, each Administrator and each Lender agrees to maintain the confidentiality of the Information (as defined below), and will not use such confidential Information for any purpose or in any matter except in connection with this Agreement, except that Information may be disclosed (1) to (i) each Affected Party (ii) its and each Affected Party's and their respective Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (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 and to not disclose or use such Information in violation of Regulation FD (17 C.F.R. § 243.100-243.103)) and (iii) industry trade organizations for inclusion in league table measurements, (2) to any regulatory authority, (3) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (4) to any other party to this Agreement, (5) to the extent required in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Related Document or the enforcement of rights hereunder or thereunder, (6) subject to an agreement containing provisions substantially the same as those of this Section 12.05, to any assignee of (or participant in), or any prospective assignee of (or participant in), any of its rights or obligations under this Agreement, (7) with the consent of the Borrower, (8) to any nationally recognized statistical rating organization rating a Conduit Lender's Commercial Paper, any dealer or placement agent of or depositary for the Conduit Lender's Commercial Paper, any Administrator, any Program Support Provider, any credit/financing provider to any Conduit Lender or any of such Person's counsel or accountants in relation to this Agreement or any other Related Document if they agree to hold the Information confidential, (9) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 12.05 or any other confidentiality agreement to which it is party with the Borrower or the Parent or any subsidiary thereof or (ii) becomes available to the Administrative Agent, any Managing Agent, any Administrator or any Lender on a nonconfidential basis from a source other than the Parent or any subsidiary thereof or (10) to any Conduit Trustee. For the purposes of this Section 12.05, "Information" means all information received from the Borrower and Servicer relating to the Borrower, the Servicer, the Parent or any subsidiary thereof or their businesses, or any Obligor, other than any such information that is available to the Administrative Agent, any Managing Agent, any Administrator or any Lender on a nonconfidential basis prior to disclosure by Borrower or Servicer; *provided* that in the case of information received from the Borrower or Servicer after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as

provided in this Section 12.05 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.

(d) Notwithstanding anything to the contrary contained in this Agreement or in any of the Related Documents, each of the parties hereto acknowledges and agrees that each Managing Agent that has a Conduit Lender in its Lender Group may post to a secured password-protected internet website maintained by or on behalf of such Managing Agent and required by any Rating Agency rating the Commercial Paper of its related Conduit Lender in connection with Rule 17g-5, the following information: (a) a copy of this Agreement and the Related Documents (including any amendments hereto or thereto), (b) its monthly transaction surveillance reports, and (c) such other information as may be requested by such Rating Agency or required for compliance with Rule 17g-5.

**Section 12.06. Complete Agreement; Modification of Agreement.** This Agreement and the other Related Documents constitute the complete agreement among the parties hereto with respect to the subject matter hereof and thereof, supersede all prior agreements and understandings relating to the subject matter hereof and thereof, and may not be modified, altered or amended except as set forth in Section 12.07.

**Section 12.07. Amendments and Waivers.**

(a) Except for actions expressly permitted to be taken by the Administrative Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any Revolving Note, or any consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Requisite Lenders or, to the extent required under clause (b) below, by all affected Lenders, and, to the extent required under clause (b) below, by the Administrative Agent and the applicable Managing Agents. Except as set forth in clause (b) below, all amendments, modifications, terminations or waivers requiring the consent of any Lenders without specifying the required percentage of Lenders shall require the written consent of the Requisite Lenders.

(b) No amendment, modification, termination or waiver shall, unless in writing and signed by each Lender directly affected thereby, do any of the following: (1) increase the principal amount of any Lender's Commitment; (2) reduce the principal of, rate of interest on or Fees payable with respect to any Advance made by any affected Lender; (3) extend any scheduled

payment date or final maturity date of the principal amount of any Advance of any affected Lender; (4) waive, forgive, defer, extend or postpone any payment of interest or Fees as to any affected Lender; (5) change the percentage of the Aggregate Commitments or of the aggregate Outstanding Principal Amount which shall be required for Lenders or any of them to take any action hereunder; (6) release all or substantially all of the Borrower Collateral; (7) amend or waive this Section 12.07 or the definition of the term "Requisite Lenders" insofar as such definition affects the substance of this Section 12.07; (8) modify or waive Section 5.03(a), (b), (e) through (l), (o) or (p); (9) modify or waive Section 8.01(v); (10) modify any of the following definitions or component definitions thereof in a manner which would increase availability to the Borrower for Advances hereunder: "Borrowing Base," "Dynamic Advance Rate," "Interest Reserve," "Servicing Fee Reserve," or "Net Receivables Balance"; or (11) modify clause (b) of the definition of "Change of Control" or component definitions thereof. Furthermore, no amendment, modification, termination or waiver shall be effective to the extent that it affects the rights or duties of the Administrative Agent or any Managing Agent under this

Agreement or any other Related Document unless in writing and signed by the Administrative Agent or such Managing Agent, as applicable.

Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment, modification, termination or waiver shall be required for the Administrative Agent to take additional Borrower Collateral pursuant to any Related Document. No amendment, modification, termination or waiver of any provision of any Revolving Note shall be effective without the written concurrence of the holder of such Revolving Note. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 12.07 shall be binding upon each holder of a Revolving Note at the time outstanding and each future holder of a Revolving Note.

Neither the Administrative Agent, any Managing Agent nor any Lender shall waive any of the provisions set forth in Section 4.01(v) or Section 5.01(g) if such waiver would adversely affect the Ratings.

If required by any rating agency then rating the Commercial Paper of a Conduit Lender, the applicable Administrator shall provide to such rating agency copies of each material amendment to this Agreement or the other Related Documents (provided such rating agency agrees to hold such information confidential).

(c) [Reserved].

(d) Upon indefeasible payment in full in cash and performance of all of the Borrower Obligations (other than indemnification obligations under Section 10.01), termination of the aggregate Commitments of all Lenders and a release of all claims against the Secured Parties, and so long as no suits, actions, proceedings or claims are pending or threatened against any Indemnified Person asserting any damages, losses or liabilities that are Indemnified Liabilities, the Administrative Agent shall deliver to the Borrower termination statements and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Borrower Obligations.

Section 12.08. No Waiver; Remedies. The failure by any Lender, any Managing Agent or the Administrative Agent, at any time or times, to require strict performance by the Borrower or the Servicer of any provision of this Agreement, any Receivables Assignment or any other Related Document shall not waive, affect or diminish any right of any Lender, any Managing Agent or the Administrative Agent thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of any breach or default hereunder shall not suspend, waive or affect any other breach or default whether the same is prior or subsequent thereto and whether the same or of a different type. None of the undertakings, agreements, warranties, covenants and representations of the Borrower or the Servicer contained in this Agreement, any Receivables Assignment or any other Related Document, and no breach or default by the Borrower or the Servicer hereunder or thereunder, shall be deemed to have been suspended or waived by any Lender, any Managing Agent or the Administrative Agent unless such waiver or suspension is by an instrument in writing signed by an officer of or other duly authorized signatory of each applicable Managing Agent and the Administrative Agent and directed to the Borrower or the Servicer, as applicable, specifying such suspension or waiver. The rights and remedies of the Lenders, the Managing Agents and the Administrative Agent under this Agreement and the other Related Documents shall be cumulative and nonexclusive of any other rights and remedies that the Lenders, the Managing Agents and the Administrative

Agent may have hereunder, thereunder, under any other agreement, by operation of law or otherwise. Recourse to the Borrower Collateral shall not be required.

Section 12.09. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) **THIS AGREEMENT AND EACH OTHER RELATED DOCUMENT (EXCEPT TO THE EXTENT THAT ANY RELATED DOCUMENT EXPRESSLY PROVIDES TO THE**

CONTRARY) AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES), EXCEPT TO THE EXTENT THAT THE PERFECTION, EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF THE ADMINISTRATIVE AGENT IN THE BORROWER COLLATERAL OR REMEDIES HEREUNDER OR THEREUNDER, IN RESPECT THEREOF, ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

(b) EACH PARTY HERETO HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK CITY SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THEM PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT; PROVIDED THAT EACH PARTY HERETO ACKNOWLEDGES THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF THE BOROUGH OF MANHATTAN IN NEW YORK CITY; PROVIDED FURTHER THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE ANY LENDER, ANY MANAGING AGENT OR THE ADMINISTRATIVE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE BORROWER COLLATERAL OR ANY OTHER SECURITY FOR THE BORROWER OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE LENDERS, THE MANAGING AGENTS OR THE ADMINISTRATIVE AGENT. EACH PARTY HERETO SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH PARTY HERETO HEREBY WAIVES ANY OBJECTION THAT SUCH PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH PARTY HERETO HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINT AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AT THE ADDRESS PROVIDED FOR IN SECTION 12.01 HEREOF AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH

**PARTY'S ACTUAL RECEIPT THEREOF OR THREE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL, PROPER POSTAGE PREPAID. NOTHING IN THIS**

**SECTION SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.**

**(c) BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

Section 12.10. Counterparts. This Agreement may be executed and delivered (including by facsimile or electronic mail) in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

Section 12.11. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 12.12. Section Titles. The section, titles and table of contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

Section 12.13. Further Assurances.

(a) The Borrower shall, or shall cause the Servicer to, at its sole cost and expense, upon request of any of the Lenders or the Managing Agents, promptly and duly execute and deliver any and all further instruments and documents and take such further action that may be necessary or desirable or that any of the Lenders, the Managing Agents or the Administrative Agent may request to (i) perfect, protect, preserve, continue and maintain fully the Liens granted to the Administrative Agent for the benefit of the Secured Parties under this Agreement, (ii) enable the Lenders, the Managing Agents or the Administrative Agent to exercise and enforce its rights under this Agreement or any of the other Related Documents or (iii) otherwise carry out more effectively the provisions and purposes of this Agreement or any other Related Document. Without limiting the generality of the foregoing, the Borrower shall, upon request of any of the Lenders, the Managing Agents or the Administrative Agent, (A) execute and file such financing or continuation statements, or amendments thereto or assignments thereof, and such other instruments or notices that may be necessary or desirable or that any of the Lenders, the Managing Agents or the Administrative Agent may request to perfect, protect and preserve the Liens granted pursuant to this Agreement, free and clear of all Adverse Claims, (B) mark, or cause the Servicer to mark, each Contract evidencing each Transferred Receivable with a legend, acceptable to each Lender, the Managing Agents and the Administrative Agent evidencing that the Borrower has purchased such Transferred Receivables and that the Administrative Agent, for the benefit of the Secured Parties, has a security interest in and lien thereon, (C) mark, or cause the Servicer to mark, its master data processing records evidencing such Transferred Receivables with such a legend and (D) notify or cause the Servicer to notify Obligors of the Liens on the Transferred Receivables granted hereunder.

(b) Without limiting the generality of the foregoing, the Borrower hereby authorizes the Lenders and the Administrative Agent, and each of the Lenders hereby authorizes the Administrative Agent, to file one or more financing or continuation statements, or amendments thereto or assignments thereof, relating to all or any part of the Transferred Receivables, including Collections with respect thereto, or the Borrower Collateral without the signature of the Borrower or, as applicable, the Lenders, as applicable, to the extent permitted by applicable law. The Borrower hereby agrees that such financing statements may be described "all assets in which the debtor now or hereafter has rights" as the Borrower Collateral in which the Administrative Agent has a grant of security hereunder. A carbon, photographic or other reproduction of this Agreement or of any notice or financing statement covering the Transferred Receivables, the Borrower Collateral or any part thereof shall be sufficient as a notice or financing statement where permitted by law.

Section 12.14. No Proceedings. Each of Administrative Agent, each Managing Agent, each Administrator and each Lender agrees that, from and after the Closing Date and until the date one year plus one day following the Termination Date, it will not, directly or indirectly,

institute or cause to be instituted against the Borrower any proceeding of the type referred to in Sections 8.01(d) and 8.01(e). This Section 12.14 shall survive the termination of this Agreement.

Section 12.15. Limitation on Payments. Notwithstanding any provision in any other section of this Agreement to the contrary, the obligation of the Borrower to pay any amounts payable to Lender or any other Affected Party pursuant to Sections 2.09, 2.10 and 10.01 of this Agreement shall be without recourse to the Borrower except as to any Collections and other amounts and/or proceeds of the Transferred Receivables (collectively, the “Available Amounts”) required to be distributed to the Lenders, to the extent that such amounts are available for distribution. In the event that amounts payable to a Lender or any other Affected Party pursuant to this Agreement exceed the Available Amounts, the excess of the amounts due hereunder over the Available Amounts paid shall not constitute a “claim” under Section 101(5) of the Bankruptcy Code against the Borrower until such time as the Borrower has Available

Amounts. The foregoing shall not operate to limit the rights of the Administrative Agent or any other Affected Party to enforce any claims of Borrower or its assigns against the Originators under the Sale Agreement or any other Related Document.

Section 12.16. Limited Recourse. The obligations of the Secured Parties under this Agreement and all Related Documents are solely the corporate obligations of each such Secured Party. No recourse shall be had for the payment of any amount owing in respect of Advances or for the payment of any fee hereunder or any other obligation or claim arising out of or based upon this Agreement or any other Related Document against any Stockholder, employee, officer, director, agent or incorporator of such Secured Party. No Conduit Lender shall, nor shall be obligated to, pay any amount pursuant to the Related Documents unless such Conduit Lender has received funds which may be used to make such payment pursuant to such Conduit Lender’s commercial paper program documents. Any amount which such Conduit Lender does not pay pursuant to the operation of the preceding sentence shall not constitute a claim (as defined in Section 101 of the Bankruptcy Code) against or an obligation of such Conduit Lender for any insufficiency unless and until such Conduit Lender satisfies the provisions of such preceding sentence. This Section 12.16 shall survive the termination of this Agreement.

Section 12.17. Agreement Not to Petition. Each party hereto agrees, for the benefit of the holders of the privately or publicly placed indebtedness for borrowed money for any of the Discretionary Lenders, not, prior to the date which is one (1) year and one (1) day after the payment in full of all such indebtedness, to acquiesce, petition or otherwise, directly or indirectly, invoke, or cause such Discretionary Lender to invoke, the process of any Governmental Authority

for the purpose of (a) commencing or sustaining a case against the such Discretionary Lender under any federal, provincial or state bankruptcy, insolvency or similar law (including any Debtor Relief Laws), (b) appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for such Discretionary Lender, or any substantial part of its property, or (c) ordering the winding up or liquidation of the affairs of such Discretionary Lender. The provisions of this Section 12.17 shall survive the termination of this Agreement.

**Section 12.18. USA Patriot Act and Beneficial Ownership Rule.** Each of the Administrative Agent and the Lenders hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, the Administrative Agent and the Lenders may be required to obtain, verify and record information that identifies the Borrower, which information includes the name, address, tax identification number and other information regarding the Borrower that will allow the Administrative Agent and the Lenders to identify the Borrower in accordance with the USA Patriot Act. This notice is given in accordance with the requirements of the USA Patriot Act. The Borrower agrees to promptly respond to any KYC Request and provide the Administrative Agent and each Leander, from time to time, with all documentation and other information required by bank regulatory authorities under “know your customer” and anti-money

laundering rules and regulations, including, without limitation, the USA Patriot Act and the Beneficial Ownership Rule.

**Section 12.19. Acknowledgement Regarding Any Supported QFCs.** To the extent that the Related Documents provide support, through a guarantee or otherwise, for any swap contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in

property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a defaulting Purchaser or Agent shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 12.19, the following terms have the following meanings:

**"BHC Act Affiliate"** of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

**"Covered Entity"** means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

**"Default Right"** has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

**"QFC"** has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

## Section 12.20. Post-Closing Covenants.

(a) Not later than sixty (60) days following the Closing Date (or such later date consented to in writing by the Administrative Agent), Borrower and the Servicer shall instruct each Obligor with respect to the Excluded Receivables expressly identified in the Fee Letter to cease remitting payments with respect to the Excluded Receivables to any Lockbox, any Collection

Account or any Concentration Account and thereafter Borrower and the Servicer shall use commercially reasonable efforts to ensure that no collections on Excluded Receivables are deposited into any Lockbox, any Collection Account or any Concentration Account.

(b) Notwithstanding anything to the contrary set forth in this Agreement or any other Transaction Document, the failure of the Borrower or the Servicer to timely perform its respective obligations under this Section 12.20 shall constitute an immediate Termination Event under this Agreement with no grace period.

#### Section 12.21. Rebalancing.

(a) As of the date hereof and prior to giving effect to this Section 12.21, the Outstanding Principal Amount of each Lender is set forth in Part I of Schedule 12.21. In connection with this Agreement, the parties hereto desire to reallocate the outstanding Advances hereunder such that, after giving effect thereto, each Lender Group's share of outstanding Advances will equal the aggregate Pro Rata Share of the Commitments of the Committed Lenders in such Lender's Group. The Administrative Agent shall provide notice to each Lender which is required to fund any amount or receive any partial repayment in connection therewith.

(b) In connection with such rebalancing, each applicable assignor Managing Agent, on behalf of the Lenders in such assignor Managing Agent's Lender Group, hereby irrevocably sells, transfers, conveys and assigns, without recourse, representation or warranty (except as set forth in clause (d) below), to each applicable assignee Managing Agent, and each assignee Managing Agent, on behalf of the Lenders in such assignee Managing Agent's Lender Group, hereby irrevocably purchases from each applicable assignor Managing Agent, on behalf of the Lenders in such applicable assignor Managing Agent's Lender Group, the rights and obligations of the applicable assignor Managing Agent and the Lenders in such applicable assignor Managing Agent's Lender Group under this Agreement and each other Related Document in respect of the Outstanding Principal Amount attributable to the Lenders in such applicable assignor Managing Agent's Lender Group such that, after giving effect to the foregoing assignments and delegations, the Outstanding Principal Amount attributable to the Lenders in each Managing Agent's Lender Group for purposes of this Agreement and each other Related Document shall be as set forth in Part II of Schedule 12.21.

(c) Each applicable Lender shall make available to the Administrative Agent the amount of funds required to be funded by such Lender in connection with clause (b) above in same day funds by wire transfer to the Agent Account. Promptly following receipt thereof, the Administrative Agent will remit to any applicable Lender its applicable portion of such amount. In

connection with this clause (c) the provisions of Section 2.03(c) shall apply. Each of the Lenders hereby acknowledges and agrees that for administrative convenience, the Administrative

Agent may net amounts payable to the Lenders under the Fee Letter on the date hereof with amounts payable under this Section 12.21.

(d) Each Lender party hereto hereby represents and warrants that it is the legal and beneficial owner of the interest being assigned by it pursuant to clause (b) above and that such interest is free and clear of any Adverse Claim granted or created by or through such Lender.

(e) In connection with such repayment made with respect to the reallocations set forth above, the Borrower shall pay all interest and fees due on the amount repaid to the date of repayment on the immediately following Settlement Date.

## ARTICLE XIII.

### EXTENSIONS AND RELACEMENT OF LENDERS

Section 13.01. Extension of Final Advance Date; Non-Renewing Committed Lenders. Not more than ninety (90) days or less than seventy-five (75) days prior to the then current Final Advance Date, the Borrower may request an extension thereof for an additional period not to exceed 364 days. Each Committed Lender will deliver to the Borrower at least sixty (60) days prior to the then current Final Advance Date a non-binding indication of whether it intends to consent to such extension. Any failure of a Committed Lender to respond by the sixtieth day preceding such Final Advance Date shall constitute a refusal to consent to such an extension. If at any time the Borrower requests that the Committed Lenders renew their Commitments hereunder and some but less than all the Committed Lenders consent to such renewal, the Borrower may arrange for an assignment, and such non-consenting Committed Lenders shall agree to assign, to one or more financial institutions acceptable to the related Conduit Lender and the Borrower of all the rights and obligations hereunder of each such non-consenting Committed Lender in accordance with this Agreement. Any such assignment shall become effective on the then-current Final Advance Date. Each Committed Lender which does not so consent to any renewal shall cooperate fully with the Borrower in effectuating any such assignment. If none or less than all the Commitments of the non-renewing Committed Lenders are so assigned as provided above, then the Final Advance Date shall not be extended.

### Section 13.02. Replacement of Lenders.

(a) Affected Lender. Following a demand by the Administrative Agent or a Managing Agent (whether on behalf of a Lender (an “Affected Lender”), its related Program Support Provider or any other Affected Party in such Affected Lender’s Lender Group) for payment of any amounts under Section 2.09, the Borrower may elect to replace such Affected Lender as a Lender party to this Agreement with an assignee Lender procured by the Borrower, *provided* that no Incipient Termination Event or Termination Event shall have occurred and be continuing at the time of such replacement; and *provided further* that, concurrently with such replacement, such assignee Lender shall agree to purchase for cash the Advances and all other rights of, and obligations due to, the Affected Lender hereunder pursuant to an Assignment Agreement and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date. Any such Affected Lender shall assign its rights and interests hereunder, such assignment to be effected in compliance with the requirements of Section 12.02. In the event that such an assignment occurs, the assignee Lender (i) if requested by the applicable Administrator, shall execute (either directly or through a participation agreement, as determined by the Administrator) a Program Support Agreement related to the applicable Conduit Lender, to the extent of such assignment, the terms of which shall be substantially similar to those of the participation or other agreement by the assigning Affected Lender with respect to the applicable Program Support Agreement (or which shall be

otherwise reasonably satisfactory to the applicable Administrator), it being understood that the assignee Lender shall not be required to execute a Program Support Agreement if its Lender Group does not include a Conduit Lender, and (ii) shall take such actions as the Administrative Agent and the Managing Agents shall reasonably request in connection therewith. For so long as the sum of the Commitments of any Affected Lenders under this Section 13.02 is equal to or less than 50% of the Aggregate Commitments, each such Affected Lender shall use commercially reasonable efforts to assign its rights and interests hereunder to any Person identified by the Borrower as a potential assignee Lender hereunder.

(b) Replacement of Conduit Lenders. If the average CP Rate with respect to any Conduit Lender over any three consecutive Interest Periods exceeds the average Funding Rate Index over the corresponding three consecutive Interest Periods by more than the greater of (A) 20.0% of the average Funding Rate Index over such three consecutive Interest Periods or (B) 0.20%, the Borrower may elect to replace such Conduit Lender and the other parties to its Lender Group (the “Affected Group”) with one or more assignees procured by the Borrower, *provided* that no Incipient Termination Event or Termination Event shall have occurred and be continuing at the time of such replacement; and *provided further* that, concurrently with such replacement, such assignee Lender or Lenders shall agree to purchase for cash the Advances and all other rights of,

and obligations due to, the Affected Group hereunder pursuant to an Assignment Agreement and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Group to be terminated as of such date. Any such Affected Group shall assign its rights and interests hereunder, such assignment to be effected in compliance with the requirements of Section 12.02. In the event that such an assignment occurs, the assignee Lender or Lenders shall take such actions as the Administrative Agent and the Managing Agents shall reasonably request in connection therewith. For so long as the sum of the Commitments of any Affected Group under this Section 13.02 is equal to or less than 50% of the Aggregate Commitments, each such Affected Group shall use commercially reasonable efforts to assign its rights and interests hereunder to any Person identified by the Borrower as a potential assignee Lender hereunder.

(c) Replacement of Defaulting and Non-Consenting Lenders. If (i) any Lender is a Defaulting Lender or a Non-Consenting Lender or (ii) any Lender or any Affiliate of a Lender is a "Defaulting Lender" (as defined in the Credit Agreement) under the Credit Agreement, then, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender or all members in the Lender Group of such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions in Section 12.02), all of its or their interests, rights and obligations hereunder and under the Related Documents to a Person that shall assume such obligation (which assignee may

be a Lender from another Lender Group if such other Lender accepts such assignment); provided that:

(i) each such assignment shall be arranged by the Borrower after consultation with the Administrative Agent and shall be either an assignment of all of the rights and obligations of the assigning Lender under this Agreement or an assignment of a portion of such rights and obligations made concurrently with another such assignment or other such assignments that together cover all of the rights and obligations of the assigning Lender under this Agreement;

(ii) no Lender shall be obligated to make any such assignment unless and until such Lender shall have received one or more payments from either the Borrower or one or more assignees permitted under Section 12.02 in an aggregate amount equal to the principal balance of all Advances held by such Lender and all accrued interest and Fees with respect thereto and all other amounts payable to such Lender through the date of sale;

(iii) in the case of any assignment and delegation resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the

applicable amendment, waiver or consent;

(iv) such assignment is in compliance with all federal, state, provincial and local laws and regulations applicable to such assignment or the Related Documents;

(v) the Borrower shall be permitted to replace any Lender which is the Administrative Agent or an Affiliate thereof only, if, in either case, the Administrative Agent is also replaced contemporaneously, pursuant to documents reasonably satisfactory to the Administrative Agent and the Administrative Agent has received payment of an amount equal to all amounts then due and payable to the Administrative Agent hereunder and under each of the other Related Document; and

(vi) no Incipient Termination Event or Termination Event shall have occurred and be continuing.

A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver or consent by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation have ceased to apply.

## ARTICLE XIV.

### EUROPEAN PROVISIONS.

Section 14.01. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Related Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Related Document, to the extent such liability is unsecured, may be subject to the write-down and

conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Related 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 14.02. Securitisation Regulations; Information.

(a) Securitisation Regulations. Parent hereby represents, warrants and agrees for the benefit of the Administrative Agent and the Lenders on the date hereof until the Termination Date that:

(i) Parent, as originator for purposes of the Securitisation Regulations, shall retain, on an ongoing basis, a material net economic interest in the Receivables in an amount not less than 5% of the nominal value of the Receivables in the form of a first loss tranche determined in accordance with sub-paragraph (d) of Article 6(3) of each Securitisation Regulation, as supplemented, in the case of the UK Securitisation Regulation by Article 8 of the CRR Part Five RTS and in the case of the EU Securitisation Regulation by the EU Risk Retention RTS, in each case as in effect and as applicable as of the date hereof, which material economic interest shall be based upon (1) Parent's ownership of all of the membership interest of the Borrower and ownership of the Subordinated Note issued by the Borrower to Parent, and (2) the Borrower's right to receive payments under Section 2.08(c)(vii). (the "Retained Interest"). The Retained Interest shall be measured as of the Closing Date and the last date of each Settlement Period. Nothing in this clause (a)(i) will be taken to mean for purposes of the Securitisation Regulation, compliance with this Section 14.02, or otherwise, that the Parent is the sole transferor of the Receivables to the Borrower, and for avoidance of doubt, the Receivables will be transferred as set out herein and in the Related Documents (without prejudice to the current and future retention that may be made in connection with a relevant ABCP Programme for the purpose of compliance with Article 6 of the Securitisation Rules).

(ii) Parent shall not change the manner in which it retains or the method of calculating the Retained Interest, except to the extent permitted under the Securitisation Regulation Rules;

(iii) Each of Parent and the Borrower shall not, and shall not permit any of its Affiliates to, hedge or otherwise mitigate its credit risk under, or associated with the Retained Interest or, sell, transfer or otherwise surrender all or part of the rights, benefits or obligations arising from, the Retained Interest, except to the extent permitted under the Securitisation Regulation Rules;

(iv) Parent shall provide ongoing confirmation as to the continued compliance with the foregoing clauses (i) through (iii) above (A) by providing such confirmation to the Servicer on a monthly basis for inclusion in each Monthly Report, (B) promptly following the occurrence of any Termination Event or Incipient Termination Event and (C) from time to time promptly upon written request by the Administrative Agent (on behalf of any Lender) in connection with any material change in the performance of the Receivables or the transaction contemplated by the Related Documents or any material breach of the Related Documents;

(v) Parent shall notify the Administrative Agent and each Lender promptly and in any event within five (5) Business Days of: (A) any change in the identity of the Person or Persons, if any, through which it is retaining and holding such Retained Interest or (B) any breach of clause (i) through (iii) above;

(vi) Parent (A) was not established for, and does not operate for, the sole purpose of securitizing exposures, (B) has a strategy and the capacity to meet payment obligations consistent with a broader business model that involves material support from capital, assets, fees or other income available to Parent, by virtue of which Parent does not rely on the Receivables and any other exposures being securitised by Parent, on the Retained Interest or on any other interests retained or proposed to be retained in accordance with the Securitisation Regulation Rules, or any corresponding income from such exposures and interests as its sole or predominant source of revenue, and (C) the members of its management body have the necessary experience to enable Parent to pursue its established business strategy, as well as adequate corporate governance arrangements;

(vii) Parent (or, as to any Receivable as to which Parent is not the originator, the relevant originator) applied to any Receivables, and will apply to any future Receivables, the same sound and well-defined criteria for credit-granting which it applied to non-securitised receivables and the same clearly established processes for approving, amending, modifying, refinancing or renewing the Receivables have been, and will be, applied and it has, and will have, effective systems in place to apply those criteria and

processes to ensure that the credit-granting is based on a thorough assessment of each Obligor's creditworthiness, taking appropriate account of factors relevant to verifying the prospect of such Obligor meeting its obligations under the relevant Contract;

(viii) the credit underwriting policies for Parent and the standard terms and conditions for the granting of credit by Parent are established and implemented by Parent, such that Parent has been, and with respect to future Receivables will be, directly or indirectly involved in the origination of the Receivables that have been, and in the case of any future Receivables, will be, extended to the Obligors by Parent which created and will create the obligations and potential obligations of the Obligors giving rise to such Receivables, and Parent has established and is managing the securitisation contemplated

by the Related Documents and therefore is the retention requirement may be fulfilled in full by Parent as a single 'originator' as defined in the Securitisation Regulations (it being understood and agreed, however, that nothing in this clause (a)(viii) will be construed for purposes of the Securitisation Regulation, compliance with this Section 14.02, or otherwise, as meaning the Parent is the sole transferor of the Receivables to the Borrower, and all Receivables will be transferred as set out herein and in the Related Documents); and

(ix) none of the Receivables is a securitisation position (as defined in the Securitisation Regulations).

(b) Information. Parent covenants that it shall, and shall procure (but only in respect of clause (i) below) that any Originator shall, as the case may be, from time to time at first request by the Administrative Agent, any Lender or any Managing Agent, to the extent commercially practicable (i) promptly provide to the Administrative Agent, such Lender and such Managing Agent all information which the Administrative Agent, such Lender or such Managing Agent reasonably requests in order for the Administrative Agent, such Lender or such Managing Agent (or any of their Affiliates), as applicable, to comply with any of its obligations under the Securitisation Regulations (provided that, (x) where any such information is subject to confidentiality restrictions, Parent shall (and shall procure that any Originator shall, as the case may be) use reasonable efforts to obtain consent for the disclosure of such information and (y) the Parent will provide information in relation to Article 7 of the Securitisation Regulations only as set out and agreed herein, such as provided within the Monthly, or Weekly Report and will not provide such information in the form specified by the Securitisation Regulations) and (ii) take such further action, provide such further information and enter into such other agreements not otherwise provided for hereunder as may be reasonably required by the Administrative Agent, any Lender or

any Managing Agent in order for the Administrative Agent, such Lender or such Managing Agent (or any of their Affiliates) to comply with its obligations under the Securitisation Regulations in relation to the Related Documents and the transactions contemplated thereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties have caused this Fifth Amended and Restated Receivables Funding and Administration Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**SIT FUNDING CORPORATION,**  
as the Borrower

By:

Name:

Title:

**TD SYNNEX CORPORATION,**  
as the Servicer

By:

Name:

Title:

---

**MUFG LENDER GROUP:**

**MUFG BANK, LTD.**, as Administrator for Victory  
Receivables Corporation, as Managing Agent for the  
MUFG Lender Group and as the MUFG Committed  
Lender

By:

Name:

Title:

**VICTORY RECEIVABLES CORPORATION**, as the MUFG  
Discretionary Lender

By:

Name:

Title:

---

#### **BNS LENDER GROUP:**

**THE BANK OF NOVA SCOTIA**,  
as Administrator for Liberty Street Funding LLC, as  
Managing Agent for the BNS Lender Group and as the  
BNS Committed Lender

By:

Name:

Title:

**LIBERTY STREET FUNDING LLC,**  
as the BNS Discretionary Lender

By:

Name:

Title:

---

**SMBC LENDER GROUP:**

**SMBC NIKKO SECURITIES AMERICA, INC., as  
Administrator for Manhattan Asset Funding Company LLC  
and as Managing Agent for the SMBC Lender Group**

By:

Name:

Title:

**MANHATTAN ASSET FUNDING COMPANY LLC, as the  
SMBC Discretionary Lender**

By: MAF Receivables Corp., its Sole Member

By:

Name:

Title:

**SUMITOMO MITSUI BANKING CORPORATION, as the  
SMBC Committed Lender**

By:

Name:

Title:

---

**BANA LENDER GROUP:**

**BANK OF AMERICA, N.A., as Managing Agent for the  
BANA Lender Group and as the BANA Committed Lender**

By:

Name:

Title:

**WELLS LENDER GROUP:**

**WELLS FARGO BANK, NATIONAL ASSOCIATION**, as  
Managing Agent for the Wells Lender Group and as the  
Wells Committed Lender

By:

Name:

Title:

---

**TD LENDER GROUP:**

**THE TORONTO-DOMINION BANK**,  
as Administrator for Reliant Trust and GTA Funding, as  
Managing Agent for the TD Lender Group and as the TD  
Committed Lender

By:

Name:

Title:

**COMPUTERSHARE TRUST COMPANY OF CANADA**, in  
its capacity as trustee of **RELIANT TRUST**, by its U.S.  
Financial Services Agent, **THE TORONTO-DOMINION  
BANK**, as a TD Discretionary Lender

By:

Name:

Title:

**GTA FUNDING LLC,**  
as a TD Discretionary Lender

By:

Name:

Title:

**ADMINISTRATIVE AGENT:**

**THE TORONTO-DOMINION BANK**, as Administrative  
Agent

By:

Name:

Title:

---

**CRÉDIT AGRICOLE LENDER GROUP:**

**CRÉDIT AGRICOLE CORPORATE AND INVESTMENT  
BANK,**  
as Administrator for Atlantic Asset Securitization LLC, as  
Managing Agent for the Crédit Agricole Lender Group and  
as the Crédit Agricole Committed Lender

By:

Name:

Title:

**ATLANTIC ASSET SECURITIZATION LLC,**

as the Crédit Agricole Discretionary Lender

By:

Name:

Title:

By:

Name:

Title:

---

**PNC LENDER GROUP:**

**PNC BANK, NATIONAL ASSOCIATION**, as Managing

Agent for the PNC Lender Group and as the PNC

Committed Lender

By:

Name:

Title:

---

**MIZUHO LENDER GROUP:**

**MIZUHO BANK, LTD., as Managing Agent for the Mizuho Lender Group and as the Mizuho Committed Lender**

By:

Name:

Title:

---

Exhibit 2.01(a)(ii) to Funding Agreement

**FORM OF REVOLVING NOTE**

\$ \_\_\_\_\_ [ ], 20[ ]

FOR VALUE RECEIVED, the undersigned, SIT FUNDING CORPORATION, a Delaware corporation (the "Borrower"), HEREBY PROMISES TO PAY to [ ] or its registered assigns (the "Lender"), at the offices of THE TORONTO-DOMINION BANK, as agent for the Lenders (the "Administrative Agent"), at its address at [ ], or at such other place as the Administrative Agent may designate from time to time in writing, in lawful money of the United States of America and in immediately available funds, the amount of [ ] DOLLARS AND NO CENTS (\$[ ]) or, if less, the aggregate unpaid amount of all Advances made to the undersigned under the "Funding Agreement" (as

hereinafter defined). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Funding Agreement or in Annex X thereto.

This Revolving Note is one of the Revolving Notes issued pursuant to that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 by and among the Borrower, TD Synnex Corporation, a Delaware corporation, the Lender (and any other "Lender" party thereto), the other parties thereto, and the Administrative Agent (including all annexes, exhibits and schedules thereto, and as from time to time amended, restated, supplemented or otherwise modified, the "Funding Agreement"), and is entitled to the benefit and security of the Funding Agreement and all of the other Related Documents referred to therein. Reference is hereby made to the Funding Agreement for a statement of all of the terms and conditions under which the Advances evidenced hereby are made and are to be repaid. The date and amount of each Advance made by the Lender to the Borrower, the rates of interest applicable thereto and each payment made on account of the principal thereof, shall be recorded by the Administrative Agent on its books; *provided* that the failure of the Administrative Agent to make any such recordation shall not affect the obligations of the Borrower to make a payment when due of any amount owing under the Funding Agreement or this Revolving Note in respect of the Advances actually made by the Lender to the Borrower.

The principal amount of the indebtedness evidenced hereby shall be payable in the amounts and on the dates specified in the Funding Agreement, the terms of which are hereby incorporated herein by reference. Interest thereon shall be paid until such principal amount is paid in full at such interest rates and at such times, and pursuant to such calculations, as are specified in the Funding Agreement.

If any payment on this Revolving Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

Upon and after the occurrence of any Termination Event, this Revolving Note may, as provided in the Funding Agreement, and without demand, notice or legal process of any kind, be declared, and immediately shall become, due and payable.

Time is of the essence of this Revolving Note. Demand, presentment, protest and notice of nonpayment and protest are hereby waived by the Borrower.

Except as provided in the Funding Agreement, this Revolving Note may not be assigned by the Lender to any Person. If this Revolving Note is assigned, the Lender shall, upon the effectiveness of an assignment or as promptly thereafter as practicable, surrender this Revolving Note to the Administrative Agent for cancellation, and, if requested by either the assignee or the assigning Lender, the Borrower shall issue and deliver a new Revolving Note to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new Commitments and/or Advances of the assignee and/or the assigning Lender.

**THE ASSIGNMENT OF THIS REVOLVING NOTE AND ANY RIGHTS WITH RESPECT THERETO ARE SUBJECT TO THE PROVISIONS OF THE FUNDING AGREEMENT, INCLUDING THE PROVISIONS GOVERNING THE REGISTER AND THE PARTICIPANT REGISTER.**

**THIS REVOLVING NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE.**

SIT FUNDING CORPORATION

By:

Name:

Title:

Exhibit 2.01(a)(ii)

**FORM OF FACILITY LIMIT REDUCTION NOTICE**

[Insert Date]

The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5

Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021

Ladies and Gentlemen:

This notice is given pursuant to Section 2.02(a) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto and The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

Pursuant to Section 2.02(a) of the Funding Agreement, the Borrower hereby irrevocably notifies the Managing Agents and the Administrative Agent of its election to permanently reduce the Facility Limit to [\$\_\_\_\_\_], effective as of [\_\_\_\_], [\_\_\_\_].<sup>1</sup> [This reduction is the [first/second] reduction [for the current calendar year] permitted by Section 2.02(a) of the Funding Agreement.] After such reduction, the Facility Limit will not be less than the Outstanding Principal Amount.

Very truly yours,

SIT FUNDING CORPORATION

By  
Name  
Title

<sup>1</sup> This day shall be a Business Day at least ten Business Days after the date this notice is given.

---

Exhibit 2.02(b) to Funding Agreement

FORM OF FACILITY TERMINATION NOTICE

[Insert Date]

The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5

Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021

Ladies and Gentlemen:

This notice is given pursuant to Section 2.02(b) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto and The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not

otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

Pursuant to Section 2.02(b) of the Funding Agreement, the Borrower hereby irrevocably notifies the Managing Agents and the Administrative Agent of its election to reduce the Facility Limit to zero effective as of [                  ], [      ]<sup>2</sup>. In connection therewith, the Borrower shall reduce Outstanding Principal Amount to zero on or prior to such date and make all other payments required by Section 2.03(h) and pay any other fees that are due and payable pursuant to the Fee Letter at the time and in the manner specified therein.

Very truly yours,

SIT FUNDING CORPORATION

By  
Name  
Title

---

<sup>2</sup> Which day shall be a Business Day at least 30 days after the date this notice is given.

Exhibit 2.02(c)(i) to Funding Agreement

**FORM OF FACILITY LIMIT INCREASE NOTICE**

[Insert Date]

The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5

**Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021**

Ladies and Gentlemen:

This notice is given pursuant to Section 2.02(c)(i) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto and The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

This letter constitutes a Facility Limit Increase Request pursuant to Section 2.02(c)(i) of the Funding Agreement. The Borrower desires to increase the Facility Limit and respective Commitments of each Lender Group on \_\_\_\_\_, \_\_\_\_\_<sup>3</sup> to the following amounts:

(a) Facility Limit: \$ \_\_\_\_\_

(b) [Lender Group being requested to increase:]<sup>4</sup>  
[Pro Rata Share of each Lender Group:]<sup>5</sup>

(i) [MUFG]  
Lender Group: \$ \_\_\_\_\_

---

<sup>3</sup> Notice must be given at least ten Business Days prior to the requested increase, and must be in a minimum amount of \$25,000,000.

<sup>4</sup> Include if increase is for \$25,000,000.

<sup>5</sup> Include if increase is for more than \$25,000,000.

(ii) [BNS]

Lender Group: \$ \_\_\_\_\_

(iii) [SMBC]

Lender Group: \$ \_\_\_\_\_

(iv) [BANA]

Lender Group: \$ \_\_\_\_\_

(v) [Wells]

Lender Group: \$ \_\_\_\_\_

(vi) [PNC]

Lender Group: \$ \_\_\_\_\_

(vii) [Mizuho]

Lender Group: \$ \_\_\_\_\_

(viii) [Crédit Agricole]

Lender Group: \$ \_\_\_\_\_

(ix) [TD]

Lender Group: \$ \_\_\_\_\_

The Borrower hereby represents and warrants as of the date hereof, and as of the date of the increase requested hereby, as follows:

- (i) the representations and warranties contained in Article IV of the Funding Agreement are correct in all material respects on and as of such dates as though made on and as of such dates and shall be deemed to have been made on such dates; and
- (ii) no event has occurred and is continuing, or would result from the increase proposed hereby, that constitutes an Incipient Termination Event, a Termination Event, an Incipient Servicer Termination Event or an Event of Servicer Termination.

Each Managing Agent shall notify the Borrower and the Administrative Agent in writing whether it consents to this increase request prior to the requested date of effectiveness of the requested increase; *provided* that if any Managing Agent fails to so notify the Borrower or the Administrative Agent prior to such date, the Lenders in its Lender Group shall be deemed to have refused to consent to this increase request.

IN WITNESS WHEREOF, the undersigned has caused this Facility Limit Increase Request to be executed by its duly authorized officer as of the date first above written.

Exhibit 2.03(a) - 2

---

SIT FUNDING CORPORATION

By:

Name:

Title:

Exhibit 2.03(a) - 3

---

Exhibit 2.02(c)(viii) to Funding Agreement

FORM OF ACCORDION CONFIRMATION

[Insert Date]

[Address of applicable Managing Agent]

**Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021**

Ladies and Gentlemen:

This notice is given pursuant to Section 2.02(c)(vii) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto and The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

This letter constitutes an Accordion Confirmation pursuant to Section 2.02(c)(viii) of the Funding Agreement. This Accordion Confirmation sets forth the Accordion Commitments as consented to by the Managing Agent for such Lender Group, and the resulting changes in the Facility Limit and Commitments.

**(a) Commitments**

Lender Group	Lender Group Commitment (excluding Accordion Commitment)	Accordion Commitment	Aggregate Lender Group Commitment
[MUFG] Lender Group	\$	\$	
[BNS] Lender Group	\$	\$	
[SMBC] Lender Group	\$	\$	

[BANA] Lender Group	\$	\$	
[Wells] Lender Group	\$	\$	
[PNC] Lender Group	\$	\$	
[Mizuho] Lender Group	\$	\$	
[Crédit Agricole] Lender Group	\$	\$	
[TD] Lender Group	\$	\$	

(b) Pro Rata Share expressed as a percentage after giving effect to the increase in the Accordion Commitment:

Lender Group	Pro Rata Share
[MUFG] Lender Group	
[BNS] Lender Group	
[SMBC] Lender Group	
[BANA] Lender Group	
[Wells] Lender Group	
[PNC] Lender Group	
[Mizuho] Lender Group	
[Crédit Agricole] Lender Group	
[TD] Lender Group	

(c) Facility Limit: \$ \_\_\_\_\_

(i) Non-Accordion Facility Limit: \$ \_\_\_\_\_

Exhibit 2.03(a) - 2

(ii) Accordion Facility Limit: \$\_\_\_\_\_

The Borrower hereby represents and warrants as of the date hereof, and as of the date of the increase requested hereby, as follows:

(i) the representations and warranties contained in Article IV of the Funding Agreement are correct in all material respects on and as of such dates as though made on and as of such dates and shall be deemed to have been made on such dates; and

(ii) no event has occurred and is continuing, or would result from the increase proposed hereby, that constitutes an Incipient Termination Event, a Termination Event, an Incipient Servicer Termination Event or an Event of Servicer Termination.

IN WITNESS WHEREOF, the undersigned has caused this Accordion Confirmation to be executed by its duly authorized officer as of the date first above written.

SIT FUNDING CORPORATION

By:

Name:

Title:

Exhibit 2.03(a) - 3

THE TORONTO-DOMINION BANK, as Administrative  
Agent

By:

Name:

Title:

[THE BANK OF NOVA SCOTIA, as Managing Agent for the  
BNS Lender Group

By:

Name:

Title:]

[MUFG BANK, LTD., as Managing Agent for the MUFG  
Lender Group

By:

Name:

Title:]

[SMBC NIKKO SECURITIES AMERICA, INC., as  
Managing Agent for the SMBC Lender Group

By:

Name:

Title:]

Exhibit 2.03(a) - 4

**[BANK OF AMERICA, N.A., as Managing Agent for the  
BANA Lender Group]**

By:

Name:

Title:]

**[WELLS FARGO BANK, NATIONAL ASSOCIATION, as  
Managing Agent for the Wells Lender Group]**

By:

Name:

Title:]

**[PNC BANK, NATIONAL ASSOCIATION, as Managing  
Agent for the PNC Lender Group]**

By:

Name:

Title:]

**[THE TORONTO-DOMINION BANK, as Managing Agent  
for the TD Lender Group]**

By:

Name:

Title:]

**[CRÉDIT AGRICOLE CORPORATE AND INVESTMENT  
BANK, as Managing Agent for the Crédit Agricole Lender  
Group]**

By:

Exhibit 2.03(a) - 5

---

Name:

Title:]

**[MIZUHO BANK, LTD., as Managing Agent for the Mizuho  
Lender Group]**

By:

Name:

Title:]

Exhibit 2.03(a) - 6

---

**Exhibit 2.03(a) to Funding Agreement**

**FORM OF BORROWING REQUEST**

[Insert Date]

The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5

Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021

Ladies and Gentlemen:

This notice is given pursuant to Section 2.03(a) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto and The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

Pursuant to Section 2.01 of the Funding Agreement, the Borrower hereby requests that a Borrowing be made to the Borrower on [\_\_\_\_\_], [\_\_\_\_], in the amount of [\$\_\_\_\_\_] which shall be an Advance, to be disbursed to the Borrower in accordance with Section 2.03(b) of the Funding Agreement. The Borrower hereby represents and warrants that the conditions set forth in Section 3.02 of the Funding Agreement have been satisfied. Attached hereto is a certificate setting forth a pro forma calculation of the Borrowing Base after giving effect to the acquisition by the Borrower of new Transferred Receivables and the receipt of Collections since the date of the most recent Borrowing Base Certificate, and the making of such Borrowing.

Very truly yours,

SIT FUNDING CORPORATION

By  
Name  
Title

---

**Exhibit to Borrowing Request**

**Pro Forma Calculation of Borrowing Base**

**[Attached]**

**Exhibit 2.03(a) - 2**

---

**Exhibit 2.03(h) to Funding Agreement**

**FORM OF REPAYMENT NOTICE**

**[Insert Date]**

**The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5**

**Re: Fifth Amended and Restated Receivables Funding  
and Administration Agreement dated as of December 22, 2021**

**Ladies and Gentlemen:**

This notice is given pursuant to Section 2.03(h) of that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the “**Funding Agreement**”), by and among SIT FUNDING CORPORATION (the “**Borrower**”), TD Synnex Corporation (the “**Servicer**”), the financial institutions party thereto as lenders (the “**Lenders**”), the other parties thereto, The Toronto-Dominion Bank, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

Pursuant to Section 2.03(h) of the Funding Agreement, the Borrower hereby notifies the Managing Agents and the Administrative Agent of its request to repay the principal amount of outstanding Advances in an amount equal to [\$                  ] on [                  ], [      ] (which is a Business Day), from [Collections/other sources]. In connection therewith, the Borrower will pay to the Administrative Agent all interest accrued on the outstanding principal balance of Advances being repaid through but excluding the date of such repayment.

Very truly yours,

SIT FUNDING CORPORATION

By  
Name  
Title

---

Exhibit 5.02(b) to Funding Agreement

Form of

BORROWING BASE CERTIFICATE

[On file with Administrative Agent]

---

Exhibit 9.03 to Funding Agreement

Form of

**POWER OF ATTORNEY**

This Power of Attorney is executed and delivered by SIT FUNDING CORPORATION, as Borrower, ("Grantor") under the Funding Agreement (as defined below), to The Toronto-Dominion Bank, as Administrative Agent under the Funding Agreement (hereinafter referred to as "Attorney"), pursuant to that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (the "Funding Agreement"), by and among Grantor, the other parties thereto and Attorney and the other Related Documents. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Funding Agreement. No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required to inquire into or seek confirmation from Grantor as to the authority of Attorney to take any action described below, or as to the existence of or fulfillment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity that acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest and may not be revoked or cancelled by Grantor until all Borrower Obligations under the Related Documents have been indefeasibly paid in full and Attorney has provided its written consent thereto.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as its true and lawful

attorney in fact with full irrevocable power and authority in its place and stead and in its name or in Attorney's own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments that may be necessary or desirable to accomplish the purposes of the Funding Agreement, and, without limiting the generality of the foregoing, hereby grants to Attorney the power and right, on its behalf, without notice to or assent by it, to do the following: (a) open mail for it, and ask, demand, collect, give acquaintances and receipts for, take possession of, or endorse and receive payment of, any checks, drafts, notes, acceptances, or other instruments for the payment of moneys due in respect of Transferred Receivables, and sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any Borrower Collateral; (b) pay or discharge any taxes, Liens, or other encumbrances levied or placed on or threatened against any Borrower Collateral; (c) defend any suit, action or proceeding brought against it or any Borrower Collateral if the Grantor does not defend such suit, action, or proceeding or if Attorney believes that it is not pursuing such defense in a manner that will maximize the recovery to the Attorney, and settle, compromise or adjust any suit, action, or proceeding described above and, in connection therewith, give such discharges or releases as Attorney may deem appropriate; (d) file or

---

prosecute any claim, Litigation, suit or proceeding in any court of competent jurisdiction or before any arbitrator, or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such moneys due with respect to any Borrower Collateral or otherwise with respect to the Related Documents whenever payable and to enforce any other right in respect of its property; (e) sell, transfer, pledge, make any agreement with respect to, or otherwise deal with, any Borrower Collateral, and execute, in connection with such sale or action, any endorsements, assignments or other instruments of conveyance or transfer in connection therewith; and (f) cause the certified public accountants then engaged by it to prepare and deliver to Attorney at any time and from time to time, promptly upon Attorney's request, any and all financial statements or other reports required to be delivered by or on behalf of Grantor under the Related Documents, all as

though Attorney were the absolute owner of its property for all purposes, and to do, at Attorney's option and its expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon the Borrower Collateral and the Lenders' Liens thereon, all as fully and effectively as it might do. Grantor hereby ratifies, to the extent permitted by law, all that said attorneys shall lawfully do or cause to be done by virtue hereof.

**IN WITNESS WHEREOF**, this Power of Attorney is executed by Grantor, and Grantor has caused its seal to be affixed pursuant to the authority of its board of directors this \_\_\_\_ day of [REDACTED], 20[REDACTED].

Grantor

ATTEST: \_\_\_\_\_

By: \_\_\_\_\_ (SEAL)

Title: \_\_\_\_\_

**[Notarization in appropriate form for the state of execution is required.]**

Exhibit 9.03 - 2

---

[Exhibit 12.02\(b\) to Funding Agreement](#)

#### **FORM OF ASSIGNMENT AGREEMENT**

This Assignment Agreement (this "Agreement") is made as of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_ ("Assignor Lender") and \_\_\_\_\_ ("Assignee Lender") and acknowledged and consented to by THE TORONTO-DOMINION BANK, as administrative agent ("Administrative Agent"). All capitalized terms used in this Agreement and not otherwise defined herein will have the respective meanings set forth in the Funding Agreement as hereinafter defined.

**RECITALS:**

WHEREAS, SIT Funding Corporation, a Delaware corporation (the "Borrower"), the financial institutions signatory thereto from time to time as lenders (the "Lenders"), the other parties thereto, and the Administrative Agent have entered into that certain Fifth Amended and Restated Receivables Funding and Administration Agreement dated as of December 22, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Funding Agreement") pursuant to which the Lenders (including the Assignor Lender) have agreed to make certain Advances to Borrower;

WHEREAS, Assignor Lender desires to assign to Assignee Lender [all/a portion] of its interest in the Advances (as described below) and the Borrower Collateral and to delegate to Assignee Lender [all/a portion] of its Commitment and other duties with respect to such Advances and Borrower Collateral;

WHEREAS, Assignee Lender desires to become a Lender under the Funding Agreement and to accept such assignment and delegation from Assignor Lender; and

WHEREAS, Assignee Lender desires to appoint the Administrative Agent to serve as agent for Assignee Lender under the Funding Agreement;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions, and covenants herein contained, Assignor Lender and Assignee Lender agree as follows:

**1. ASSIGNMENT, DELEGATION, AND ACCEPTANCE**

1.a Assignment. Assignor Lender hereby transfers and assigns to Assignee Lender, without recourse and without representations or warranties of any kind (except as set forth in Section 3.2 below), [all/such percentage] of Assignor Lender's right, title, and interest in the Advances, Related Documents and Borrower Collateral as will result in Assignee Lender having as of the Effective Date (as hereinafter defined) a Pro Rata Share thereof, as follows:

Assignee Lender's AdvancesPrincipal AmountPro Rata Share

Advances                    \$ \_\_\_\_\_                    %

1.b Delegation. Assignor Lender hereby irrevocably assigns and delegates to Assignee Lender [all/a portion] of its Commitments and its other duties and obligations as a Lender under the Related Documents equivalent to [100%/  %] of Assignor Lender's Commitment (such percentage representing a commitment of \$                  ).

1.c Acceptance by Assignee Lender. By its execution of this Agreement, Assignee Lender irrevocably purchases, assumes and accepts such assignment and delegation and agrees to be a Lender with respect to the delegated interest under the Related Documents and to be bound by the terms and conditions thereof. By its execution of this Agreement, Assignor Lender agrees, to the extent provided herein, to relinquish its rights and be released from its obligations and duties under the Funding Agreement.

1.d Effective Date. Such assignment and delegation by Assignor Lender and acceptance by Assignee Lender will be effective and Assignee Lender will become a Lender under the Related Documents as of the date of this Agreement ("Effective Date") and upon payment of the Assigned Amount and the Assignment Fee (as each term is defined below).

## 2. INITIAL PAYMENT AND DELIVERY OF REVOLVING NOTES

1.a Payment of the Assigned Amount. Assignee Lender will pay to Assignor Lender, in immediately available funds, not later than 12:00 noon (New York City time) on the Effective Date, an amount equal to its Pro Rata Share of the then outstanding principal amount of the Advances as set forth above in Section 1.1 together with accrued interest, fees and other amounts as set forth on Schedule 2.1 (the "Assigned Amount").

1.b Payment of Assignment Fee. [Assignor Lender] [Assignee Lender] will pay to the Administrative Agent, for its own account in immediately available funds, not later than 12:00 noon (New York City time) on the Effective Date, an assignment fee in the amount of \$3,500 (the "Assignment Fee") as required pursuant to Section 12.02(b) of the Funding Agreement.

1.c Execution and Delivery of Revolving Notes. Following payment of the Assigned Amount and the Assignment Fee, Assignor Lender will deliver to the Administrative Agent the Revolving Notes previously delivered to Assignor Lender for redelivery to Borrower and, if

requested by the Assignee Lender [or the Assignor Lender], the Administrative Agent will obtain from Borrower for delivery to [Assignor Lender and] Assignee Lender, new executed Revolving Notes evidencing Assignee Lender's [and Assignor Lender's respective] Pro Rata Share[s] in the Advances after giving effect to the assignment described in Section 1. Each new Revolving Note will be issued in the aggregate maximum principal amount of the Commitment of [the Assignee Lender] [and the Assignor Lender].

### **3. REPRESENTATIONS, WARRANTIES AND COVENANTS**

**1.a Assignee Lender's Representations, Warranties and Covenants.** Assignee Lender hereby represents, warrants, and covenants the following to Assignor Lender and the Administrative Agent:

Exhibit 12.02(b) - 2

---

(i) This Agreement is a legal, valid, and binding agreement of Assignee Lender, enforceable according to its terms;

(ii) The execution and performance by Assignee Lender of its duties and obligations under this Agreement and the Related Documents will not require any registration with, notice to, or consent or approval by any Governmental Authority;

(iii) Assignee Lender is familiar with transactions of the kind and scope reflected in the Related Documents and in this Agreement;

(iv) Assignee Lender has made its own independent investigation and appraisal of the financial condition and affairs of the Borrower and its Affiliates, has conducted its own evaluation of the Advances, the Related Documents and the Borrower's and its Affiliates' creditworthiness, has made its decision to become a Lender to Borrower under the Funding Agreement independently and without reliance upon Assignor Lender, any other Lender or the Administrative Agent, and will continue to do so;

(v)Assignee Lender is entering into this Agreement in the ordinary course of its business, and is acquiring its interest in the Advances for its own account and not with a view to or for sale in connection with any subsequent distribution; *provided* that at all times the distribution of Assignee Lender's property shall, subject to the terms of the Funding Agreement, be and remain within its control; and

(vi)As of the Effective Date, Assignee Lender is entitled to receive payments of principal and interest under the Funding Agreement without deduction for or on account of any taxes imposed by the United States of America or any political subdivision thereof, after giving effect to this assignment Borrower will not have any increased obligations under Sections 2.08(g), 2.09, or 12.04(b) of the Funding Agreement by virtue of such assignment, and Assignee Lender will indemnify the Administrative Agent from and against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, or expenses that are not paid by the Borrower pursuant to the terms of the Funding Agreement.

**1.b Assignor Lender's Representations, Warranties and Covenants.** Assignor Lender hereby represents, warrants and covenants the following to Assignee Lender:

(i)Assignor Lender is the legal and beneficial owner of the Assigned Amount;

(ii)This Agreement is a legal, valid and binding agreement of Assignor Lender, enforceable according to its terms;

(iii)The execution and performance by Assignor Lender of its duties and obligations under this Agreement will not require any registration with, notice to or consent or approval by any Governmental Authority;

Exhibit 12.02(b) - 3

---

(iv)Assignor Lender has full power and authority, and has taken all action necessary to execute and deliver this Agreement and to fulfill the obligations hereunder and to consummate the transactions contemplated hereby;

(v) Assignor Lender is the legal and beneficial owner of the interests being assigned hereby, free and clear of any adverse claim, lien, encumbrance, security interest, restriction on transfer, purchase option, call or similar right of a third party; and

(f) Assignor Lender [is] [is not] a Defaulting Lender.

#### **4. LIMITATIONS OF LIABILITY**

Neither Assignor Lender (except as provided in Section 3.2) nor the Administrative Agent makes any representations or warranties of any kind, nor assumes any responsibility or liability whatsoever, with regard to (a) the Related Documents or any other document or instrument furnished pursuant thereto or the Advances, or other Borrower Obligations, (b) the creation, validity, genuineness, enforceability, sufficiency, value or collectability of any of them, (c) the amount, value or existence of the Borrower Collateral, (d) the perfection or priority of any Lien upon the Borrower Collateral, or (e) the financial condition of Borrower or any of its Affiliates or other obligor or the performance or observance by Borrower or any of its Affiliates of its obligations under any of the Related Documents. Neither Assignor Lender nor the Administrative Agent has or will have any duty, either initially or on a continuing basis, to make any investigation, evaluation, appraisal of, or any responsibility or liability with respect to the accuracy or completeness of, any information provided to Assignee Lender which has been provided to Assignor Lender or the Administrative Agent by Borrower or any of its Affiliates. Nothing in this Agreement or in the Related Documents shall impose upon the Assignor Lender or the Administrative Agent any fiduciary relationship in respect of the Assignee Lender.

#### **5. FAILURE TO ENFORCE**

No failure or delay on the part of the Administrative Agent or Assignor Lender in the exercise of any power, right, or privilege hereunder or under any Related Document will impair such power, right, or privilege or be construed to be a waiver of any default or acquiescence therein. No single or partial exercise of any such power, right, or privilege will preclude further exercise thereof or of any other right, power, or privilege. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

#### **6. NOTICES**

Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given will be in writing and addressed to the respective party as set forth below its signature hereunder, or to such other address as the party may designate in writing to the other.

## **7. AMENDMENTS AND WAIVERS**

No amendment, modification, termination, or waiver of any provision of this Agreement will be effective without the written concurrence of Assignor Lender, the Administrative Agent and Assignee Lender.

## **8. SEVERABILITY**

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. In the event any provision of this Agreement is or is held to be invalid, illegal, or unenforceable under applicable law, such provision will be ineffective only to the extent of such invalidity, illegality, or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. In addition, in the event any provision of or obligation under this Agreement is or is held to be invalid, illegal, or unenforceable in any jurisdiction, the validity, legality, and enforceability of the remaining provisions or obligations in any other jurisdictions will not in any way be affected or impaired thereby.

## **9. SECTION TITLES**

Section and Subsection titles in this Agreement are included for convenience of reference only, do not constitute a part of this Agreement for any other purpose, and have no substantive effect.

## **10. SUCCESSORS AND ASSIGNS**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

## **11. APPLICABLE LAW**

THIS AGREEMENT WILL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

## 12. COUNTERPARTS

This Agreement and any amendments, waivers, consents, or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered (including by facsimile or electronic mail), will be deemed an original and all of which shall together constitute one and the same instrument.

\* \* \*

Exhibit 12.02(b) - 5

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first  
written above.

## Assignee Lender Assignor Lender

By: By:

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title:      Title:

Notice AddressNotice Address

Account InformationAccount Information

Acknowledged and Consented to:

**THE TORONTO-DOMINION BANK,**  
as Administrative Agent

By:

Name:

Title:

[Consented to:]<sup>6</sup>

**SIT FUNDING CORPORATION,**  
as Borrower

By:

Name:

Title:

---

<sup>6</sup> If required pursuant to Section 12.02.

Exhibit 12.02(b) - 6

## SCHEDULE 2.1

### Assignor Lender's Advances

#### Principal Amount

Advances      \$ \_\_\_\_\_

Accrued Interest      \$ \_\_\_\_\_

Unused Line Fee      \$ \_\_\_\_\_

Other + or -      \$ \_\_\_\_\_

Total      \$

All determined as of the Effective Date

---

### Exhibit A to Funding Agreement

#### CREDIT AND COLLECTION POLICY

[On file with Administrative Agent]

---

ANNEX 5.02(a)  
to  
**FUNDING AGREEMENT**

**REPORTING REQUIREMENTS OF THE BORROWER**

The Borrower shall furnish, or cause to be furnished, to each Managing Agent and the Administrative Agent:

(a) Reporting. (i) Monthly Report. As soon as available, and in any event no later than 5:00 p.m. (New York time) on the twentieth day of each calendar month (or, if such day is not a Business Day, the immediately succeeding Business Day), a monthly report (a “Monthly Report”) in the form attached hereto prepared as of the last day of the previous calendar month, certified by an officer of the Servicer. It is hereby understood and agreed that the Borrower shall be required to deliver a Monthly Report pursuant to the terms of this subsection (a)(i) notwithstanding that the Borrower may also be required to deliver Weekly Reports or Daily Reports as hereinafter described.

(ii) Weekly Report. If requested in writing to the Borrower by the Administrative Agent or any Lender at any time when a Ratings Event has occurred and is continuing, no later than 5:00 p.m. (New York time) on each Tuesday, a report (a “Weekly Report”) in the form attached hereto, prepared as of the last day of the immediately preceding week; provided that upon receipt of such request from the Administrative Agent or any Lender, the Borrower shall continue to deliver Weekly Reports until notified in writing by the Administrative Agent or the applicable Lender that Weekly Reports are no longer required to be delivered pursuant to the terms hereof.

(iii) Daily Report. If requested in writing to the Borrower by the Administrative Agent at any time when a Termination Event has occurred and is continuing, no later

than 5:00 p.m. (New York time) on the Business Day immediately following the date on which the daily reporting obligation arose, a daily report (a “Daily Report”) in the form attached hereto, prepared as of the close of business on the immediately preceding Business Day. The Borrower shall be required to deliver a Daily Report by no later than 5:00 p.m. (New York time) on each Business Day thereafter (each Daily Report relating to the immediately preceding Business Day); provided that upon receipt of such request from the Administrative Agent, the Borrower shall continue to deliver Daily Reports until notified in writing by the Administrative Agent that Daily Reports are no longer required to be delivered pursuant to the terms hereof.

(b) Annual Audited Financials. As soon as available, and in any event within ninety (90) days after the end of each fiscal year, a copy of (1) the audited consolidated financial statements for such year for the Parent and its Subsidiaries, certified, as to the audited financial statements, without qualification in a manner satisfactory to the Administrative Agent by any of (i) Deloitte & Touche USA LLP, (ii) Ernst & Young LLP, (iii) KPMG LLP, or (iv)

---

PricewaterhouseCoopers LLP (or any of their respective successors) or other nationally recognized independent public accountants acceptable to the Administrative Agent, with such financial statements being prepared in accordance with GAAP applied consistently throughout the period involved (except as approved by such accountants and disclosed therein) and (2) the unaudited consolidating financial statements for the Parent and its Subsidiaries.

(c) Quarterly Financials. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter (other than the last quarter of such fiscal year), financial information regarding the Parent and its Subsidiaries, certified by the Chief Financial Officer of the Parent, consisting of consolidated unaudited balance sheets as of the close of such fiscal quarter and the related statements of income and cash flows for that portion of the fiscal year ending as of the close of such fiscal quarter, all prepared in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes. Such financial information shall be accompanied

by the certification of the Chief Financial Officer of the Parent that (A) such financial information presents fairly in accordance with GAAP the financial position and results of operations of the Parent and its Subsidiaries, on a consolidated and consolidating basis, in each case as at the end of such quarter and for the period then ended and (B) any other information presented is true, correct and complete in all material respects and that there was no Incipient Termination Event or Termination Event in existence as of such time or, if an Incipient Termination Event or Termination Event shall have occurred and be continuing, describing the nature thereof and all efforts undertaken to cure such Incipient Termination Event or Termination Event. In addition, the Borrower shall furnish, or cause to be furnished, to the Administrative Agent and the Managing Agents, within forty-five (45) days after the end of each fiscal quarter, (1) a statement in reasonable detail showing the calculations used in determining compliance with each financial test described in Annex Z of the Sale Agreement and (2) a management discussion and analysis that includes a comparison of performance for the fiscal year to date as of the end of that fiscal quarter to the corresponding period in the prior year, as set forth in the quarterly filings made by the Parent with the Securities and Exchange Commission.

(d) Reports by Independent Accountants. The Borrower shall, within 180 days following the end of each fiscal year, cause the Servicer to initiate with the AUP Provider the application of the Agreed Upon Procedures. The Borrower shall provide the AUP Provider with any access granted to the Administrative Agent under clauses (i) through (iv) of Section 7.05(b) of the Funding Agreement for the purposes of preparing the AUP Provider's annual report.

(e) Specified Filing Documents. As soon as available, and in any event within five Business Days after the effectiveness thereof, copies of all amendments, restatements, supplements or other modifications to Specified Filing Documents that add any Obligor as the subject of the transactions contemplated thereby with respect to an Originator.

(f) Management Letters. Within 10 Business Days after receipt thereof by the Borrower, copies of all management letters, exception reports or similar letters or reports received by the Borrower from its independent certified public accountants.

(g) **Default Notices.** As soon as practicable, and in any event within five Business Days after an Authorized Officer of the Borrower has actual knowledge of the existence thereof, telephonic or telecopied notice of each of the following events, in each case specifying the nature and anticipated effect thereof and what action, if any, the Borrower proposes to take with respect thereto, which notice, if given telephonically, shall be promptly confirmed in writing on the next Business Day:

- (i) any Incipient Termination Event or Termination Event;
- (ii) any Adverse Claim made or asserted against any of the Borrower Collateral of which it becomes aware;
- (iii) the occurrence of any event that would have a material adverse effect on the aggregate value of the Borrower Collateral or on the assignments and Liens granted by the Borrower pursuant to the Funding Agreement;
- (iv) the occurrence of any event of the type described in Sections 4.02(h)(i), (ii) or (iii) of the Sale Agreement involving any Obligor obligated under Transferred Receivables with an aggregate Outstanding Balance at such time of \$2,000,000 or more;
- (v) the commencement of a case or proceeding by or against the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor seeking a decree or order in respect of the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor (A) under any Debtor Relief Law or any other applicable federal, state, provincial or foreign bankruptcy or other similar law, (B) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor or for any substantial part of its respective assets, or (C) ordering the winding up or liquidation of the affairs of the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor;
- (vi) the receipt of notice that (A) the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor is being placed under regulatory supervision, (B) any material license, permit, charter, registration or approval necessary for the conduct of the business of the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor is to be, or

may be, suspended or revoked, or (C) the Borrower, the Parent, the Servicer, any Originator, any other Subsidiary of the Parent or any Obligor is to cease and desist any practice, procedure or policy employed by it in the conduct of its business if such cessation could reasonably be expected to have a Material Adverse Effect; or

(vii) any other event, circumstance or condition that has had or could reasonably be expected to have a Material Adverse Effect.

---

(h) SEC Filings and Press Releases. Promptly upon their becoming available, copies of any final registration statements and the regular, periodic and special reports, if any, which the Parent shall have filed with the Securities and Exchange Commission (or any governmental agency substituted therefor) or any national securities exchange and copies of all management letters delivered to the Parent or any of its Subsidiaries by its accountants.

(i) ERISA Notices. Immediately upon becoming aware of the institution of any steps by the Borrower or any other Person to terminate any Pension Plan of the Borrower or an ERISA Affiliate of the Borrower, or the failure to make a required contribution to a Pension Plan of the Borrower or an ERISA Affiliate of the Borrower if such failure is sufficient to give rise to a lien under section 303(k) of ERISA, or the taking of any action with respect to a Pension Plan of the Borrower or an ERISA Affiliate of the Borrower which would be reasonably likely to result in the requirement that the Borrower or any ERISA Affiliate furnish a bond or other security to the PBGC or such Pension Plan, or the occurrence of any event with respect to any Pension Plan of the Borrower or an ERISA Affiliate of the Borrower which would be reasonably likely to result in the Borrower or any ERISA Affiliate incurring any material liability, fine or penalty, notice thereof and copies of all documentation relating thereto.

(j) Litigation. Promptly upon learning thereof, written notice of any Litigation affecting the Borrower that (i) seeks damages in excess of \$100,000, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan of the Borrower or any ERISA Affiliate of the Borrower, the

fiduciaries of such Plan (in their capacity as a fiduciary of any such Plan) or the assets of such Plan or against the Borrower or any ERISA Affiliate of the Borrower in connection with any Plan, (iv) alleges criminal misconduct by the Borrower (v) has resulted in a final judgment for the payment of money rendered against the Borrower of \$16,750 or more or (vi) would, if determined adversely, have a Material Adverse Effect.

(k) Other Documents. Such other financial and other information respecting the Transferred Receivables, the Contracts therefor or the condition or operations, financial or otherwise, of the Borrower, any Originator, the Parent or any of its other Subsidiaries as any Lender or Administrative Agent shall, from time to time, reasonably request.

(l) Miscellaneous Certifications. As soon as available, and in any event within 90 days after the end of each fiscal year, (i) a Bringdown Certificate in the form attached hereto, (ii) a Servicer's Certificate in the form attached hereto, and (iii) if requested, an opinion or opinions of counsel, in form and substance reasonably satisfactory to the Lenders and the Administrative Agent, reaffirming as of the date of such opinion the opinions of counsel with respect to the Borrower and the Originators delivered to the Lenders and the Administrative Agent on the Closing Date.

Financial reports required to be delivered pursuant to clauses (b), (c) and (h) above shall be deemed to have been delivered on the date on which such report is posted on the Parent's website, or to the extent any such reports are included in materials otherwise filed or furnished with the Securities and Exchange Commission and such posting or filing or furnishing shall be deemed to satisfy the financial reporting requirements of clauses (b), (c) and (h) above.

---

### Form of Monthly Report

**[Attached]**

**[\*\*\*]**

---

**Form of Weekly Report**

**[On file with Administrative Agent]**

---

**Form of Daily Report**

**[On file with Administrative Agent]**

---

**ANNEX X**

**DEFINITIONS**

**[Attached]**

---

**ANNEX Y**

**[Reserved]**

---

**Annex Z to Funding Agreement**

## FORM OF SPECIAL OBLIGOR APPROVAL NOTICE

The Toronto-Dominion Bank,  
as Administrative Agent  
130 Adelaide Street West, 12<sup>th</sup> Floor  
Toronto, ON, M5H 3P5

[Insert Date]

[Address]

SIT FUNDING CORPORATION

[Address]

Re: Approval of Special Obligor

Ladies and Gentlemen:

Reference is made to the Fifth Amended and Restated Receivables Funding and Administration Agreement, dated as of December 22, 2021, as amended (the “Funding Agreement”), by and among SIT Funding Corporation, TD Synnex Corporation, the financial institutions party thereto as lenders (the “Lenders”) and The Toronto-Dominion Bank, as a lender and as administrative agent for the Lenders (in such capacity, the “Administrative Agent”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Funding Agreement.

The Administrative Agent on behalf of the Requisite Lenders hereby notifies the Lenders of the approval of [name of party] as a Special Obligor (the “Special Obligor”) with an “Individual Obligor Percentage” equal to \_\_\_\_%. It is understood and agreed that the Administrative Agent may, if requested in writing by any Lender, revoke such approval at any time upon two (2) Business Days’ prior written notice to SIT Funding Corporation.

---

Very truly yours,

THE TORONTO-DOMINION BANK, as Administrative  
Agent and as a Managing Agent

By:  
Name:  
Title:

Consented to and Acknowledged by:

[REDACTED],  
as a Managing Agent

By:  
Name:  
Title:

[Consented to and Acknowledged by:

[REDACTED],  
as a Managing Agent

By:

Name:

Title:]

## DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.