

REFINITIV

# DELTA REPORT

## 10-K

PRIMO WATER CORP /CN/

10-K - DECEMBER 30, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	4695
CHANGES	467
DELETIONS	2646
ADDITIONS	1582

**United States**  
**Securities and Exchange Commission**  
Washington, D.C. 20549

**Form 10-K**

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended **December 31, 2022** ~~December 30, 2023~~

☐ **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 001-31410

**PRIMO WATER CORPORATION**

(Exact name of registrant as specified in its charter)

Ontario	98-0154711
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
1150 Assembly Dr.	
Suite 800	
Tampa, Florida	33607
United States	
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (813) 544-8515

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value per share	PRMW	New York Stock Exchange
		Toronto Stock Exchange

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

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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

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

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

The aggregate market value of the common equity held by non-affiliates of the registrant as of **July 02, 2022** **July 01, 2023** (based on the closing sale price of **\$13.57** **\$12.54** for the registrant's common shares as reported on the New York Stock Exchange on **July 01, 2022** **June 30, 2023**) was **\$2,120.2 million** **\$1,934.5 million**.

(Reference is made to Part II, Item 5 for a statement of assumptions upon which the calculation is made).

The number of the registrant's outstanding common shares as of **February 22, 2023** **February 21, 2024** was **159,940,055** **159,511,008**.

#### Documents incorporated by reference

Portions of our definitive proxy statement for the **2023** **2024** Annual and Special Meeting of Shareowners, to be filed within 120 days of **December 31, 2022** **December 30, 2023**, are incorporated by reference in Part III. Such proxy statement, except for the parts therein which have been specifically incorporated by reference, shall not be deemed "filed" for the purposes of this Annual Report on Form 10-K.

#### TABLE OF CONTENTS

<a href="#">ITEM 1. BUSINESS</a>	<a href="#">45</a>
<a href="#">ITEM 1A. RISK FACTORS</a>	<a href="#">11</a> <a href="#">12</a>
<a href="#">ITEM 1B. UNRESOLVED STAFF COMMENTS</a>	<a href="#">23</a>
<a href="#">ITEM 1C. CYBERSECURITY</a>	<a href="#">24</a>
<a href="#">ITEM 2. PROPERTIES</a>	<a href="#">23</a> <a href="#">25</a>
<a href="#">ITEM 3. LEGAL PROCEEDINGS</a>	<a href="#">24</a> <a href="#">25</a>
<a href="#">ITEM 4. MINE SAFETY DISCLOSURES</a>	<a href="#">24</a> <a href="#">25</a>
<a href="#">SUPPLEMENTAL ITEM PART I. EXECUTIVE OFFICERS OF THE REGISTRANT</a>	<a href="#">25</a> <a href="#">26</a>
<a href="#">PART II</a>	<a href="#">27</a> <a href="#">28</a>
<a href="#">ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREOWNER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	<a href="#">27</a> <a href="#">28</a>
<a href="#">ITEM 6. [Reserved]</a>	<a href="#">29</a> <a href="#">30</a>
<a href="#">ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	<a href="#">30</a> <a href="#">31</a>
<a href="#">ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	<a href="#">54</a> <a href="#">50</a>
<a href="#">ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	<a href="#">55</a> <a href="#">51</a>
<a href="#">ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	<a href="#">55</a> <a href="#">51</a>
<a href="#">ITEM 9A. CONTROLS AND PROCEDURES</a>	<a href="#">56</a> <a href="#">52</a>
<a href="#">ITEM 9B. OTHER INFORMATION</a>	<a href="#">56</a> <a href="#">52</a>
<a href="#">ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</a>	<a href="#">56</a> <a href="#">52</a>
<a href="#">PART III</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">ITEM 11. EXECUTIVE COMPENSATION</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREOWNER MATTERS</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES</a>	<a href="#">57</a> <a href="#">53</a>
<a href="#">PART IV</a>	<a href="#">58</a> <a href="#">54</a>
<a href="#">ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</a>	<a href="#">58</a> <a href="#">54</a>
<a href="#">ITEM 16. FORM 10-K SUMMARY</a>	<a href="#">61</a> <a href="#">57</a>
<a href="#">INDEX TO CONSOLIDATED FINANCIAL STATEMENTS</a>	<a href="#">F-1</a>
<a href="#">SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS</a>	<a href="#">F-56</a> <a href="#">45</a>

Our consolidated financial statements are prepared in accordance with United States generally accepted accounting principles ("GAAP") in U.S. dollars. Unless otherwise indicated, all amounts in this Annual Report on Form 10-K are in U.S. dollars and U.S. GAAP.

Any reference to 2023, 2022 2021 and 2020 2021 corresponds to our fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022, and January 2, 2021 January 1, 2022, respectively.

#### Forward-looking statements

In addition to historical information, this Annual Report on Form 10-K, and the reports and documents incorporated by reference in this Annual Report on Form 10-K, may contain statements relating to future events and future results. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation and involve known and unknown risks, uncertainties, future expectations and other factors that may cause actual results, performance or achievements of Primo Water Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements that relate to projections of sales, cash flows, capital expenditures or other financial items, statements regarding our intentions to pay regular quarterly dividends on our common shares, and discussions of estimated future revenue enhancements and cost savings. These statements also relate to our business strategy, goals and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. Generally, words such as "anticipate," "believe," "continue," "could," "endeavor," "estimate," "expect," "intend," "may," "will," "plan," "predict," "project," "should" and similar terms and phrases are used to identify forward-looking statements in this Annual Report on Form 10-K and in the documents incorporated in this Annual Report on Form 10-K by reference. These forward-looking statements reflect current expectations regarding future events and operating performance and are made only as of the date of this Annual Report on Form 10-K.

Factors that could cause actual results to differ materially from those described in this Annual Report on Form 10-K include, among others: financial condition and results of operations; our ability to compete successfully in the markets in which we operate; fluctuations in commodity prices and our ability to pass on increased costs to our customers or hedge against such rising costs, and the impact of those increased prices on our volumes; our ability to maintain favorable arrangements and relationships with our suppliers; our ability to manage supply chain disruptions and cost increases related to inflation; our ability to manage our operations successfully; currency fluctuations that adversely affect the exchange between currencies including the U.S. dollar, the British pound sterling, the Euro and the Canadian dollar; the impact on our financial results from uncertainty in the financial markets and other adverse changes in general economic conditions, including inflation and interest rates; any disruption to production at our manufacturing facilities; our ability to maintain access to our water sources; the impact of climate change on our business; our ability to protect our intellectual property; the seasonal nature of our business and the effect of adverse weather conditions; the impact of national, regional and global events, including those of a political, economic, business and competitive nature, such as the Russia/Ukraine war or the Israel/Hamas war; the impact of a pandemic, such as COVID-19, related government actions and our strategy in response thereto on our business; our ability to fully realize the potential benefit of the strategic opportunities that we pursue; our ability to realize cost synergies of our acquisitions due to integration difficulties and other challenges; our exposure to intangible asset risk; our ability to meet our obligations under our debt agreements, and risks of further increases to our indebtedness; our ability to maintain compliance with the covenants and conditions under our debt agreements; fluctuations in interest rates, which could increase our borrowing costs; our ability to recruit, retain and integrate new management; our ability to renew our collective bargaining agreements from time to time on satisfactory terms; compliance with product health and safety standards; liability for injury or illness caused by the consumption of contaminated products; liability and damage to our reputation as a result of litigation or legal proceedings; changes in the legal and regulatory environment in which we operate; our ability to adequately address the challenges and risks associated with our international operations and address difficulties in complying with laws and regulations including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010; the impact on our tax obligations and effective tax rate arising from changes in local tax laws or countries adopting more aggressive interpretations of tax laws; disruptions in our information systems; our ability to securely maintain our customers' confidential or credit card information, or other private data relating to our employees or the Company; our ability to maintain our quarterly dividend; or credit rating changes.

The forward-looking statements are not guarantees of future performance or events and, by their nature, are based on certain estimates and assumptions regarding interest and foreign exchange rates, expected growth, results of operations, performance, business prospects and opportunities and effective income tax rates, which are subject to inherent risks and uncertainties. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in forward-looking statements may include, but are not limited to, assumptions regarding management's current plans and estimates. Although we believe the assumptions underlying these forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could prove to be incorrect. Our operations involve risks and uncertainties, many of which are outside of our control, and any one or any combination of these risks and uncertainties could also affect whether the forward-looking statements ultimately prove to be correct. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. "Risk Factors" and elsewhere in this Annual Report on Form 10-K and those described from time to time in our future reports filed with the Securities and Exchange Commission and Canadian securities regulatory authorities.

We undertake no obligation to update any information contained in this Annual Report on Form 10-K or to publicly release the results of any revisions to forward-looking statements to reflect events or circumstances of which we may become aware of after the date of this Annual Report on Form 10-K. Undue reliance should not be placed on forward-looking statements.

All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing.

## PART I

### ITEM 1. BUSINESS

#### Our Company

When used in this report, the terms "Primo," "the Company," "our Company," "Primo Water Corporation," "we," "us," or "our" refers to Primo Water Corporation, together with its consolidated subsidiaries.

We originally incorporated in 1955 and, following the July 2021 continuance to the jurisdiction of the Province of Ontario, are governed by the Business Corporations Act (Ontario). Our principal executive office is located at 1150 Assembly Dr. Suite 800, Tampa, Florida, United States 33607.

Primo is a leading North America-focused pure-play water solutions provider in North America and Europe and generates approximately \$2.2 billion in annual revenue. Primo that operates largely under a recurring revenue model in the large format water category (defined as 3 gallons or greater). This business strategy is commonly referred to as "razor-razorblade" because the initial sale of a product creates a base of users who frequently purchase complementary consumable products. The razor in Primo's revenue model is its industry leading line-up of innovative water dispensers, which are sold through approximately 10,000 10,900 retail locations and online at various price points. The dispensers help increase household and business penetration which drives recurring purchases of Primo's razorblade offering or water solutions. Primo's razorblade offering is comprised of Water Direct, Water Exchange, and Water Refill. Through its Water Direct business, Primo delivers sustainable hydration solutions across its 21-country footprint direct to customers, whether at home or to businesses. Through its Water Exchange business, customers visit retail locations and purchase a pre-filled bottle of water. Once consumed, empty bottles are exchanged at our recycling center displays, which provide a ticket that offers a discount toward the purchase of a new bottle. Water Exchange is available in

approximately 17,500 retail locations. Through its Water Refill business, customers refill empty bottles at approximately 23,500 self-service refill drinking water machines, stations. Primo also offers water filtration units across its 21-country footprint. North America.

Primo's water solutions expand consumer access to purified, spring and mineral water to promote a healthier, more sustainable lifestyle while simultaneously reducing plastic waste and pollution. Primo is committed to its water stewardship standards and is proud to partner with the International Bottled Water Association in North America as well as with Watercoolers Europe, which ensure ensures strict adherence to safety, quality, sanitation and regulatory standards for the benefit of consumer protection. Environmental stewardship is a part of who we are, and we have worked to progressively achieve carbon neutrality throughout our organization. Our European operations have maintained carbon neutrality for more than eleven years, and our U.S. operations achieved carbon neutral certification in 2020 under the CarbonNeutral Carbon Neutral Protocol, an international standard administered by Climate Impact Partners. In 2021, the Company achieved carbon neutrality on a global basis. In late 2021, Primo announced its planned exit from the North American small-format retail water business. This business was relatively small and used predominantly single-use plastic bottles. The exit from this category is estimated to reduce reduced single-use retail water bottles from our production environment by more than 400 million, annually, while also improving overall margins. The exit was completed during the second quarter of 2022.

On November 2, 2023, Primo and Osmosis Buyer Limited, a company incorporated in England and a subsidiary of the Culligan Group ("Purchaser"), entered into a Share Purchase Agreement (the "Purchase Agreement") providing for the sale of Carbon Luxembourg S.à.r.l. and certain of its subsidiaries (the "European Business"). On December 29, 2023, Primo completed the sale of the European Business for aggregate deal consideration of \$575.0 million, adjusted for customary purchase price adjustments, resulting in total cash consideration of \$565.9 million (the "European Divestiture"). The European Divestiture did not include Primo's interest in Aimia Foods Limited ("Aimia"), Decantae Mineral Water Limited ("Decantae"), Fonhill Waters Ltd ("Fonhill"), John Farrer & Company Limited ("Farrers"), the portions of the Eden Springs Netherlands B.V. business located in the United Kingdom, Israel, and Portugal (collectively the "Remaining International Businesses"). The European Business and the Remaining International Businesses are collectively the "International Businesses." This deal is the first of several transactions that will occur in 2024 as part of a Board-approved plan to sell all of our international businesses representing a strategic shift in our operations. Accordingly, the International Businesses are presented herein as discontinued operations for all periods presented. See Note 2 to the Consolidated Financial Statements for additional information on discontinued operations. Unless otherwise noted, discussion within Part I and Part II relates to continuing operations.

During the second quarter of 2022, our Board of Directors approved the exit from our business in Russia. Accordingly, we recorded an impairment charge of \$11.2 million during the second quarter to reduce the carrying value of the assets to the estimated fair value less costs to sell. Separately, we reviewed and realigned our reporting segments, as further described in "Our Operations" below, segments. The decision to exit our business in Russia and the realignment of segments resulted in a triggering event for goodwill and intangible assets with indefinite lives requiring quantitative assessments for the combined Eden business (which, prior to realignment, included the Eden Europe and Eden Israel businesses) immediately before the realignment of segments and for the Eden Europe and Israel businesses upon realignment of segments. These assessments resulted in recording a goodwill impairment charge of \$11.2 million due to a decrease in cash flows associated with the exit from our business in Russia and recording a trademark impairment charge of \$6.7 million due primarily to a decrease in the royalty rate used in the quantitative analysis. These impairment charges along with totaling \$17.9 million are included in Net income (loss) from discontinued operations, net of income taxes on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. The impairment charge of \$11.2 million

\$11.2 million to reduce the carrying value of the Russia business to its estimated fair value less costs to sell resulted in total impairment charges of \$29.1 million which are included within impairment charges on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. All impairment charges are and is included in within the Europe reporting segment. Other category. The exit of our business in Russia was completed on July 19, 2022 and there was no material change to the charges recorded during the second third quarter upon sale. of 2022.

## Our Operations

At the beginning of 2023, our business operated through two reporting segments: (i) North America, which included our DS Services of America, Inc. ("DSS"), Aquaterra Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and the businesses associated with the acquisition of Primo Water Corporation ("Legacy Primo"), and (ii) Europe, which included the European business of Eden Springs Netherlands B.V. ("Eden Europe"), and our Decantae and Fonhill businesses. The Other category included the Israel business of Eden ("Eden Israel"), and our Aimia and Farrers businesses, as well as our corporate oversight function and other miscellaneous expenses.

During the second fourth quarter of 2022, 2023, we reviewed and realigned our reporting segments to reflect exclude the businesses within discontinued operations which reflects how the business will be managed and results will be evaluated by the Chief Executive Officer, who is the Company's chief operating decision maker. Following such review, certain of our businesses previously included in the Rest of World segment (now renamed "Europe") were realigned between the Europe one reporting segment and the Other category. Our two reporting segments are as follows: is North America, (which which includes our DS Services of America, Inc. ("DSS"), DSS, Aquaterra, Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and Legacy Primo businesses) and Europe (which includes the European business of Eden Springs Netherlands B.V. ("Eden Europe"), and our Decantae Mineral Water Limited ("Decantae") and Fonhill Waters Ltd ("Fonhill") businesses). businesses. The Other category includes the Israel business of Eden ("Eden Israel"), and our Aimia Foods Limited ("Aimia") and John Farrer & Company Limited ("Farrers") businesses, as well as our corporate oversight function and other miscellaneous expenses. expenses and the results of our business in Russia prior to the exit of the business during the third quarter of 2022. Segment reporting results have been recast to reflect these changes for all periods presented.

### North America

Our North America reporting segment provides bottled water solutions, water filtration and coffee services to customers in North America. Products included in our North America reporting segment consist primarily of bottled water, water dispensers, purified bottled water, self-service refill drinking water, premium spring, sparkling and flavored essence water, filtration equipment and coffee.

### Europe

Our Europe segment provides bottled water, water filtration and coffee services to customers in Europe. Products included in our Europe reporting segment consist primarily of bottled water, purified bottled water, premium spring, sparkling and flavored essence water, mineral water, filtration equipment and coffee.

### Other

The Other category includes our Eden Israel, Aimia and Farrers businesses, as well as our corporate oversight function and other miscellaneous expenses. expenses and the results of our business in Russia prior to the exit of the business during the third quarter of 2022.

## Competitive Strengths

The combination of our scale and density of our routes in key markets, our industry-leading infrastructure, and our emphasis on superior customer service is intended to create significant competitive strengths. We continually invest in our delivery, exchange and refill service infrastructure, call centers and service capabilities to earn our position as an industry leader. We believe these investments have positioned us to benefit from a number of positive industry dynamics and new growth opportunities. First, we intend to capture new customers as we benefit from favorable consumer trends across our addressable markets, including increased focus on health and wellness, and concerns about deteriorating municipal water quality. Second, we believe our ability to offer complementary water and filtration products and services represents a significant untapped opportunity. Third, the highly fragmented market in which we operate affords us ample opportunity to make the most of our scale, systems and customer density to execute synergistic tuck-in acquisitions across all of our service areas. We believe these strengths, along with the strengths outlined below, will allow us to maximize growth opportunities to drive sustainable and profitable growth.

#### **Leading Position in Multiple Service Platforms**

We have a leading volume-based national presence in the North American and European bottled water industry. We offer a portfolio of well-known brands with longstanding heritages, such as Primo®, Crystal Springs®, Mountain Valley®, Crystal Rock®, Vermont Pure®, Sparkletts®, Hinckley Springs®, Kentwood Springs®, Canadian Springs®, and Labrador Source® and Eden Springs®, which have contributed to our leadership position in the bottled water industry. In water filtration, we offer a complete range of products including carbon filtration and reverse osmosis filtration.

We are one of the leading direct-to-consumer providers that can offer comprehensive services to residential customers and small and medium-sized businesses, as well as large regional and national corporations and retailers. Our broad direct-to-consumer network creates an advantage in marketing and customer reach, while our extensive range of products and capabilities allows us to offer customers a convenient, single solution for high quality drinking water. We believe our position is strengthened by our presence in the exchange and refill channels and will be further strengthened through our ongoing efforts to enhance and promote our full-service water solutions offering to new and existing customers.

We also believe opportunities exist to increase sales of our products in our core markets by optimizing existing customer relationships, capitalizing on up-selling opportunities, obtaining new customers, exploring new channels of distribution and introducing new products through our broad reaching distribution network.

#### **International Water Delivery, Water Filtration or Point of Use and Office Coffee Service Platforms**

We believe having one of the leading North American and European water delivery production and distribution networks in the industry gives us the ability to reduce our purchasing, manufacturing and delivery costs relative to our competitors as well as drive customer density within the markets we serve. We have an extensive water delivery, water filtration and office coffee services distribution network with a unique ability to service customers, along with numerous locations through which we provide our exchange and refill offerings. We believe our footprint infrastructure and attention to customer service uniquely enable us to support local, regional and national accounts, which differentiates us in the industry. Our network has allowed us to secure strategic relationships, which have been successful in attracting new customers and leveraging our production and delivery infrastructure. We are able to provide multiple products to our water delivery, water filtration and office coffee services customers at minimal additional cost and generate additional profits on those incremental sales.

#### **High Levels of Customer Service and Strong Customer Integration**

Customer service and customer retention are key indicators of our success. Our goal is to increase the customer lifetime value through increased customer retention. Route Sales Representatives ("RSRs"), who comprise the customer-facing part of the business, are an important part of the customer relationship and not only drive customer service, but also generate new organic customer growth. We provide reliable delivery schedules and closely track call center and customer service metrics to continually improve customer satisfaction.

#### **Business Strategy**

Our business strategy is aligned around a common purpose and vision and operates largely under a recurring revenue model in the large format water category (defined as 3 gallons or greater). Our purpose defines and identifies who we are and what sets us apart. We aim to *Inspire Healthier Lives With Water Your Way*. In order to achieve our purpose, our vision guides our decisions and future investments to help differentiate us from our competitors. We aim to become the leading brand in the pure-play water category with a unique portfolio of sustainable drinking water solutions. To achieve this vision, we have aligned around a common set of global strategic pillars. These strategic pillars are integrated across our global business to help drive a differentiated offering for our customers while at the same time providing an engaged and purpose-driven culture for our associates. Through our strategies, we believe we can drive an enhanced customer experience while at the same time leverage our global scale to generate enhanced efficiencies. We also empower and motivate our associate base to help deliver for service our customers and their needs. When our associate experience is aligned and operating in tandem with that of our customers, we have the best ability to deliver growth for all stakeholders. Our transition to a pure-play water company was the first step on our journey to enhancing value and we believe our business strategy will enable long-term measurable success in support of our vision and purpose.

Our strategic pillars and goals include:

- **Water Your Way** - we provide a diverse set of water solutions and products for residential, small and medium-sized businesses and retail customers. We believe this allows our customers access to on-trend and high-quality drinking water whenever, wherever and however customers want it. Our goal is to establish Primo as the preferred water brand in the spaces we compete by increasing customer penetration of our water solutions while also diversifying our customer base. Our financial model is strengthened by the recurring-revenue nature of our business model. Our offering is further enhanced through digital channels allowing customers to manage their delivery and order preferences or purchase products on owned and third-party online sites of our retail partners.
- **Category Leading Innovation** - we focus on new product innovation to drive customer penetration and increased water consumption. We focus on selling-in dispensers to retail locations and online and then work to promote the sell-through of these products to customers. We also provide dispensers for rent to Water Direct customers. We have expanded our dispenser offering with a variety of options that include hot, cold and technology to brew coffee, tea and other beverages in numerous price ranges that are suitable for our retail customer needs. We have also enhanced our lineup with color and style options that are on trend for residential and business settings. Dispenser innovation and enhancements also enable us to improve our service efficiency and reduce service costs.
- **Customer for Life Promise** - we position the customer at the center of everything we do. Our goal is to increase the customer lifetime value through increased customer retention. We seek to understand customer needs and listen to their feedback across our product offerings. By providing trusted high-quality products and equipment and responding to their service needs, we believe we can enhance the value of the relationship. We continue to build out interactive digital touch-points to improve the customer experience.



- **Operational Excellence** - we believe we can unlock and increase efficiencies through our global scale and product offering. With our pure-play water focus we have begun streamlining and centralizing support functions in all geographies, functions. Additionally, we have enhanced our staff with a global procurement team to help drive valuable supplier partnerships and harmonize our best practices. In conjunction with our other strategies, as we increase our customer base and customer diversity, we believe it will improve our route density and network optimization.
- **Environmental, Social and Corporate Governance ("ESG") Leadership** - we strive to provide a positive impact on the environment, our associates and the communities where we live, work and service. We maintain sustainable water resources, have achieved carbon neutrality throughout our organization, aim to reduce our carbon footprint further and energy usage, and seek to increase the use of recycled packaging. In the social channel, we We promote associate health and safety initiatives, as well as diversity, equity and inclusion training for all management. Additionally, we aim to ensure our supplier community complies with all federal, state and local human relations laws and regulations, and each supplier is required to comply with our Global Supplier Code of Conduct. In the governance channel, our Our Code of Business Conduct and Ethics drives compliance with all relevant rules and regulations.
- **Associate Experience** - we are developing a purpose-driven culture that will drive an enhanced associate experience. Our goal is to attract and retain highly-engaged associates who will live our purpose in their interactions with our customers, as well as in their communities. We seek to implement an effective talent strategy that focuses on the entire associate lifecycle – onboarding to exit.

We ultimately believe that our connected strategies will help drive increased customer growth and greater customer retention due to our innovation and on-trend water solution offerings, all while leveraging our operating scale. Our associates will be highly-engaged in driving our purpose and engaging in our ESG leadership.

#### **Focus on Water Direct, Water Exchange, Water Refill and Water Filtration Solutions Growth**

Using our strategic pillars, our goals are to grow profitably as consumers move to healthier beverage options and to sell across multiple channels. This drives our customer density and consumption, reducing costs to serve.

We will remain focused on expanding our residential and small and medium-sized business customer base, a market segment that we believe remains underpenetrated, by continuing to capitalize on our strong direct-to-consumer distribution network, international sales and marketing efforts as well as our strategic partnerships. Additionally, the sale of our water dispensers through retail and digital channels helps us expand our customer base through which we can offer a diverse set of water solutions both direct and through retail stores.

We intend to utilize our e-commerce capabilities to employ data-driven customer acquisition, increase penetration, expand our customer base and provide a seamless strategy for improved customer experience, retention and long-term growth. Our e-commerce capabilities utilize common platforms while engaging and serving potential and current customers in the most optimized manner.

We believe our ability to offer complementary water and filtration products and services represents a significant untapped opportunity as nearly all of our existing and target customers consume multiple products. We believe we are well-positioned to capitalize on this opportunity utilizing our strong relationships and frequent face-to-face interactions with our large installed customer base. RSRs are trained to sell across our product set and are highly incentivized through our commission structure to promote new products to existing customers, which increases sales and average revenue per customer.

We intend to proactively pursue accretive acquisitions to complement our organic growth. The highly fragmented market in which we operate affords us ample opportunities to execute synergistic water delivery and filtration tuck-in acquisitions. Our acquisition strategy is consistent with our objective to continually build customer density and reduce the overall cost of servicing our existing customer base. We have a proven track record of achieving significant synergies and integrating companies onto our platform, and we believe that our acquisition strategy will continue to improve our profitability.

We have managed to pursue this acquisition strategy while reducing leverage levels by employing a combination of disciplined purchasing, successful integration and synergy realization, and divestiture of assets that are no longer instrumental to our purpose, vision or strategy. In the second quarter of 2022, Primo exited from the North American small-format retail water business. This business was relatively small and used predominantly single-use plastic bottles. The exit from this category is estimated to reduce single-use retail water bottles from our production environment by more than 400 million, annually, while also improving overall margins.

#### **Evaluate Acquisition Opportunities**

We will continue to evaluate additional opportunities to expand our positions in the water delivery and filtration service categories, as well as other higher margin or growth-oriented water categories where we believe our platform, operating strength and synergies can be leveraged. Additionally, we may use acquisitions to enter new geographies where we believe the customer demand aligns with our product offering.

#### **Financial Information about Segments**

For financial information about reporting segments and geographic areas, see Note 11 10 to the Consolidated Financial Statements contained in this Annual Report on Form 10-K.

#### **Ingredient and Packaging Supplies**

In addition to water, the principal raw materials required to produce our products are polyethylene terephthalate ("PET") resin, high-density polyethylene ("HDPE") and polycarbonate bottles, caps and preforms, labels and cartons and trays. The cost of these raw materials can fluctuate substantially over time. We have implemented a number of risk mitigation programs in order to reduce the risk of commodity fluctuations in key areas such as energy surcharges tied to certain energy indexes within North America and throughout our European footprint. America. Our core product of bottled water utilizes a reusable bottle that allows for the overall cost to service to be spread out over a number of recurring trips to our customer base. We utilize a refill, reuse and recycle concept with our three gallon ("3G") and five gallon ("5G") bottled water packaging. Where we have not established a risk mitigation program, it is often necessary to recover the increased cost of materials through price increases, which we have historically had success in implementing in order to reduce our overall exposure to rising ingredient and packaging costs.

Under many of our supply arrangements for these raw materials, the price we pay fluctuates along with certain changes in underlying commodity costs, such as resin in the case of PET, and HDPE. We believe that we will be able to either renegotiate contracts with these suppliers when they expire or find alternative sources for supply. We also believe there is adequate supply of the ingredient and packaging materials used to produce and package our products.

Generally, we bear the risk of increases in the costs of the ingredient and packaging materials used to produce our products, including the underlying costs of the commodities used to manufacture them and, to some extent, the costs of converting those commodities into the materials we purchase.

Resin for PET, HDPE and fuel are examples of underlying commodities for which we bear the risk of increases in costs. In addition, the contracts for certain of our ingredient and packaging materials permit our suppliers to increase the costs they charge us based on increases in their cost of converting the underlying commodities into the materials we purchase. In certain cases, those increases are subject to negotiated limits. Changes in the prices we pay for ingredient and packaging materials occur at times that vary by product and supplier, and take place on a monthly, quarterly or annual basis.

#### Trade Secrets, Copyrights, Trademarks and Licenses

We sell a majority of our 3G and 5G bottled water under our own brands while our office coffee services business sells both our branded products as well as products under which we have a distribution license. We own registrations for various trademarks that are important to our worldwide business, including Primo®, Alhambra®, Crystal Rock®, Mountain Valley®, Deep Rock®, Hinckley Springs®, Crystal Springs®, Kentwood Springs®, Mount Olympus®, Pureflo®, Sierra Springs®, Sparkletts®, and Renü® in the United States and Canadian Springs®, Labrador Source® and Amazon Springs® in **Canada, and Decantae®, Eden®, Eden Springs®, Chateaud'eau®, and Mey Eden® in Europe and Israel. Canada.** We have filed certain trademark registration applications and intend to develop additional trademarks and seek registrations for such trademarks and to develop other intellectual property. The licenses to which we are a party are of varying terms, including some that are perpetual. Trademark ownership is generally of indefinite duration when marks are properly maintained in commercial use.

Our success depends in part on our intellectual property, which includes trademarks for the names of the beverages we sell. To protect this intellectual property, we rely principally on registration of trademarks, contractual responsibilities and restrictions in agreements (such as indemnification, nondisclosure and confidentiality agreements) with employees, consultants and customers, and on the common law and/or statutory protections afforded to trademarks, copyrights, trade secrets and proprietary "know-how." We also closely monitor the use of our trademarks and, when necessary, vigorously pursue any party that infringes on our trademarks, using all available legal remedies.

#### Customers

We have limited customer concentration as no customer accounts for more than 10% of our net revenues.

#### Competition

Our principal competitors are local, regional and national bottled water businesses as well as providers of various types of water filtration units and services. We face significant competition in our business as distribution methods for bottled water products continue to change and evolve. Our business also faces increased competition from filtration units. In addition, consumers may choose to drink from municipal water sources instead of purchasing bottled water or using a filtration unit.

We seek to differentiate ourselves from our competitors by offering our customers high-quality products, category management strategies, packaging and marketing strategies, efficient distribution methods, and superior service.

#### Government Regulation and Environmental Matters

The production, distribution and sale in the United States of many of our products are subject to the Federal Food, Drug, and Cosmetic Act, the Federal Trade Commission Act, the Lanham Act, state consumer protection laws, federal, state and local workplace health and safety laws, various federal, state and local environmental protection laws and various other federal, state and local statutes and regulations applicable to the production, transportation, import, sale, safety, advertising, labeling and ingredients of such products. Outside the United States, the production, distribution and sale of our many products and related operations are also subject to numerous similar and other statutes and regulations.

A number of states have passed laws setting forth warning or labeling requirements relating to products made for human consumption. For example, the California law known as "Proposition 65" requires that a specific warning appear on any product sold in California containing a substance listed by that state as having been found to cause cancer or reproductive toxicity. This law, and others like it, exposes all food and beverage producers to the possibility of having to provide warnings on their products. The detection of even a trace amount of a listed substance can subject an affected product to the requirement of a warning label, although products containing listed substances that occur naturally or that are contributed to such products solely by a municipal water supply are generally exempt from the warning requirement. From time to time over the past several years, certain of our customers have received notices alleging that the labeling requirements of the relevant state regulation would apply to products manufactured by us and sold by them. There can be no assurance that we will not be adversely affected by actions against our customers or us relating to Proposition 65 or similar "failure to warn" laws.

We currently offer and use non-refillable recyclable containers in the United States and **other countries around the world. Canada.** We also offer and use refillable containers, which are also recyclable. Legal requirements apply in various jurisdictions in the United States and **other countries Canada** requiring that deposits or certain taxes or fees be charged for the sale, marketing and use of certain non-refillable beverage containers. The precise requirements imposed by these measures vary. Other types of beverage container-related deposit, recycling, tax and/or product stewardship statutes and regulations also apply in various jurisdictions. We anticipate that additional, similar legal requirements may be proposed or enacted in the future at local, state and federal **levels, both in the United States and elsewhere, levels.** In the second quarter of 2022, we exited from the North American small-format retail water business. This business was relatively small and used predominantly single-use plastic bottles. The exit from this category is estimated to reduce production of plastic water bottles by more than 400 million, annually, while also improving overall margins.

We are a member of the International Bottled Water Association ("IBWA"), **the Watercoolers Europe Association** and the Water Quality Association. These associations often set higher water quality standards than those set by governmental agencies. Members must comply with these standards, which are enforced by the members themselves. The IBWA requires submission to annual plant inspections administered by an independent third-party inspection agency, such as the National Sanitation Foundation. These inspections audit quality and testing records, review all areas of plant operations and the bottling process, and check compliance with relevant national standards, good manufacturing practices, and any other regulations set by the IBWA. If we fail to meet the standards set by the IBWA **the Watercoolers Europe Association** and the Water Quality Association, there could be an adverse impact on our reputation, which could have a material adverse effect on our business and results of operations.

All of our production facilities and other operations are subject to various environmental protection statutes and regulations, including those of the U.S. Environmental Protection Agency ("EPA"), which pertain to the use of water resources and the discharge of waste water. Failure to comply with these regulations can have serious consequences, including civil and administrative penalties. Compliance with these provisions has not had, and we do not expect such compliance to have, any material adverse effect on our capital expenditures, net income or competitive position.

Subject to the terms and conditions of the applicable policies, we have coverage for product recalls and product liability claims that could result from the injury, illness or death of consumers using our products, contamination of our products, or damage to or mislabeling of our products.



## Human Capital

### Employees

As of December 31, 2022 December 30, 2023, we had over 9,240 6,400 employees, of whom approximately 6,040 6,330 were in the North America reporting segment; approximately 2,110 were in the Europe reporting segment; and approximately 1,090 70 were in the Other category. We have entered into collective bargaining agreements covering approximately 380 390 of the employees in the North America reporting segment approximately 180 of the employees in the Europe reporting segment, and 450 in the Other category, which all contain terms that we believe are typical in our industry. As these agreements expire, we believe that they can be renegotiated on terms satisfactory to us. We consider our relations with employees to be generally good.

### Diversity and Inclusion

We are committed to creating an inclusive workplace that promotes and values diversity, where we embrace our differences and empower our associates to be authentic and transparent. Our company is made up of extraordinary people of every race, gender, religion, sexual orientation and background. We are committed to a culture built on our core value of respect for each other, respect for our customers, respect for our business partners and respect for our communities. We do not tolerate discrimination, harassment or retaliation.

We created a diversity, equity, and inclusion ("DEI") Strategy Committee, a cross-functional group of diverse associates across Primo that has taken the lead in formalizing our DEI Commitment. The commitment statement is an important first step. Our goal is to create a truly inclusive work culture that ensures diversity of thought is valued across our Company. We are committed to recognizing and embracing the whole associate. As part of this process, our associates and senior management are creating detailed and measurable actions to be incorporated into our strategic plans. And we are inserting a DEI lens into our recruitment processes that is deliberate, consistent and ensures that our talent base reflects the diversity of people, of perspectives and experiences that we need to truly be one Primo across the globe. To promote these goals, we appointed Shayron Barnes-Selby as our first Chief Diversity and Inclusion Officer in June 2021. Ms. Barnes-Selby is responsible for overseeing the implementation of the end-to-end DEI framework and program across our global footprint.

Primo offers several options for associates to raise concerns about harassment or discrimination, including an online web-based platform, a helpline, and by speaking with human resource partners or leaders in our organization. We will not tolerate retaliation or unfair treatment of any associate who reports concerns in good faith or who participates in an investigation of any such reports. Retaliation against an individual for reporting in good faith any violation or for participating in any such investigation is a serious violation of our Code of Business Conduct and Ethics that will subject the violator to appropriate disciplinary action, including possible termination of employment.

### Health and Safety

Primo is committed to providing our customers with safe and high-quality water products, while ensuring the health and safety of our associates, contractors, and the communities in which we operate. Our approach to health and safety is rooted in our tenets and core values, and we continuously strive to ensure that safety, security, and quality always come first.

The Company's health and safety program is designed to proactively identify, assess, and manage risks and hazards associated with our operations, products, and services. We operate in compliance with all applicable health and safety laws, regulations, and standards, and our program includes a comprehensive set of policies, procedures, and training programs that cover all aspects of our business operations, including manufacturing, distribution, and customer service.

At Primo, we believe that safety, security, and quality are the foundation of a successful organization. As such, we maintain a proactive approach to risk management, which includes regular risk assessments, observations and inspections to identify and mitigate unsafe conditions and behaviors in our operations while building a caring culture. We have a strong reporting process to ensure that all incidents and hazard identifications are investigated, and appropriate corrective and preventative actions are taken.

Primo is committed to continuously improving our health and safety program to ensure that we exceed the expectations of our stakeholders. We believe that our commitment to safety, security, and quality is essential to our long-term success, and we will continue to invest in our health and safety programs to achieve our goal of zero incidents.

### Total Rewards

Our compensation programs are designed to align the compensation of our associates with the Company's performance, offering market-competitive compensation, meaningful benefits, and differentiated rewards for our high performers. We believe that investing in our associates results in increased engagement, satisfaction and retention, which ultimately leads to an elevated customer experience and increased shareowner value.

Our total rewards philosophy is designed to:

- Attract, motivate, reward, and retain talent who contribute to the success of the Company;
- Value the diversity of our workforce, recognizing that different people have different needs, and thus strive to provide flexibility and choice in our reward system;
- Be both internally and externally equitable, providing our talent with opportunities, which relate to competitive practices and reflect individual responsibilities, skills, and contributions to the Company;
- Support the whole person, enabling personal and professional growth; and
- Be transparent and effectively communicate; simple and easy to understand the value.

Our target total direct compensation for our executive leadership is designed to be competitive with peer companies and market data to help us attract and retain top talent. A substantial portion of executive officer compensation is variable or at-risk, in line with our philosophy of rewarding our executives when they produce value for our shareowners and our associates.

It is also our intention to offer benefits that will allow our associates and their families to live healthier lives. We offer comprehensive benefits to all eligible associates. These include, among other benefits:

- Medical insurance, prescription drug benefits, dental and vision insurance;
- Accident insurance, critical illness insurance, life insurance, disability insurance, legal insurance, health savings and flexible spending accounts;

- Paid and unpaid leaves;
- Retirement plan; and
- Voluntary benefits that allow associates to select the options that meet their needs, including flexible time-off, telemedicine, and adoption assistance.

### **Serving Our Communities**

We are strongly committed **not only** to the communities we serve **but also and** to the world at large. After all, our families live, work and play in **our the** local communities **and around the globe, where we operate.**

It is part of our purpose to promote hydration and wellness via sponsorships and in-kind donations, and to provide aid in the times of need. We provide bottled water products for local sporting events, culinary and hospitality programs, fundraisers, and associate-supported efforts and have **also** contributed time and resources to many regional causes. **We also donated** **In addition, we donate** water to medical centers and first responders, as well as **supported support** hospitality partners feeding front-line workers during **the COVID-19 pandemic, extreme weather-related incidents and natural disasters.**

### **Availability of Information and Other Matters**

We are required to file annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission (the "SEC") and Canadian securities regulatory authorities. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file with the SEC at [www.sec.gov](http://www.sec.gov). Information filed with the Canadian securities regulatory authorities is available at [www.sedar.com](http://www.sedar.com).

Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are also available free of charge on our website at [www.primowatercorp.com](http://www.primowatercorp.com), as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information found on our website is not part of this or any other report that we file with, or furnish to, the SEC or to Canadian securities regulatory authorities nor is such information incorporated by reference herein or therein.

We are responsible for establishing and maintaining adequate internal control over financial reporting as required by the SEC. See "Management's Report on Internal Control over Financial Reporting" in Item 9A.

## **ITEM 1A. RISK FACTORS**

In addition to the other information set forth in this Annual Report on Form 10-K, you should carefully consider the following factors, which could materially affect our business, financial condition or results of **operations for both continuing operations and discontinued** operations. The risks described below are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may negatively affect our business, financial condition or results of operations.

### **Risks Related to Our Business, Industry and Operations**

#### **We may be unable to compete successfully in the markets in which we operate.**

We face competition in our business as distribution methods for bottled water products continue to change and evolve. The increasing availability of multi-gallon water bottles in retail stores could affect our business as some customers may choose to purchase water in returnable bottles through competitors' retail products rather than ours. Our business also faces increased competition from filtration units in the market. In addition, consumers may choose to drink from municipal water sources instead of purchasing bottled water or using a filtration unit. Additionally, retail and internet availability of these products could negatively affect demand for the direct distribution sources we offer.

#### **Supply chain disruptions and cost increases related to inflation **are having, had, and could continue to have, an adverse effect on our business, operating results, and financial condition.****

We **have** experienced inflationary cost increases in our underlying expenses, including transportation and labor costs. We **have also been were** impacted by global supply chain disruption, which **has** increased ocean freight voyage lead times for the shipment of our water dispensers to our branch locations and **has** increased freight costs.

**To date, the The** Company largely **has been was** able to mitigate the impacts of inflation and supply chain disruptions. Our mitigation strategies, such as price increases and cost control efforts, have provided us the necessary flexibility to respond to the risks.

While we have taken steps to minimize the impact of these increased costs, global supply chain disruption and inflationary pressures may increase, which could adversely affect our business, financial condition, results of operations and cash flows.

#### **Our ingredients, packaging supplies and other costs are subject to price increases, and we may be unable to effectively pass rising costs on to our customers.**

We typically bear the risk of changes in prices on the ingredient and packaging materials in our products. The majority of our ingredient and packaging supply contracts allow our suppliers to alter the prices they charge us based on changes in the costs of the underlying commodities, such as resin for PET, HDPE and polycarbonate bottles that are used to produce them and, in some cases, changes in production costs. These changes in the prices we pay for ingredient and packaging materials occur at times that vary by product and supplier, and take place, on a monthly, quarterly or annual basis.

Accordingly, we bear the risk of fluctuations in the costs of these ingredient and packaging materials, including the underlying costs of the commodities used to manufacture them and, to some extent, the costs of converting those commodities into the materials we purchase. If the cost of these ingredients or packaging materials increases, we may be unable to pass these costs along to our customers through adjustments to the prices we charge, which could have a negative effect on our results of operations. If we are able to pass these costs on to our customers through price increases, the impact those increased prices could have on our volumes is uncertain.

Our production facilities use a significant amount of electricity, natural gas and other energy sources to operate. Fluctuations in the price of fuel and other energy sources for which we have not locked in long-term pricing commitments or arrangements would affect our operating costs, which could negatively affect our results of operations.

#### **If we are unable to maintain relationships with our raw material suppliers, we may incur higher supply costs or be unable to deliver products to our customers.**

In addition to water, the principal raw materials required to produce our products are PET resin, HDPE and polycarbonate bottles, caps and preforms, labels and cartons and trays. We rely upon our ongoing relationships with our key suppliers to support our operations.

We typically enter into annual or multi-year supply arrangements with our key suppliers, meaning that our suppliers are obligated to continue to supply us with materials for one-year or multi-year periods, at the end of which we must either renegotiate the contracts with those suppliers or find alternative sources for supply. There can be no assurance that we will be able to either renegotiate contracts (with similar or more favorable terms) with these suppliers when they expire or, alternatively, if we are unable to renegotiate contracts with our key suppliers, there can be no assurance that we could replace them. We could also incur higher ingredient and packaging supply costs in renegotiating contracts with existing suppliers or replacing those suppliers, or we could experience temporary disruptions in our ability to deliver products to our customers, either of which could negatively affect our results of operations.

With respect to some of our key ingredients, we have entered into long-term supply agreements. In addition, the supply of specific ingredient and packaging materials could be adversely affected by many factors, including industry consolidation, energy shortages, governmental controls, labor disputes, natural disasters, pandemics, transportation interruption, political instability, acts of war or terrorism and other factors.

**If we fail to manage our operations successfully, our business and results of operations may be negatively affected.**

In recent years, we have grown our business and beverage offerings primarily through the acquisition of other companies, development of new product lines and growth with key customers. We believe that opportunities exist to grow our business by leveraging existing customer relationships, obtaining new customers, exploring new channels of distribution, introducing new products or identifying appropriate acquisition or strategic alliance candidates. The success of this strategy with respect to acquisitions depends on our ability to manage and integrate acquisitions and alliances into our existing business. Furthermore, the businesses or product lines that we acquire or align with may not be integrated successfully into our business or prove profitable. **In addition to the foregoing factors, our ability to expand our business in foreign countries is also dependent on, and may be limited by, our ability to comply with the laws of the various jurisdictions in which we may operate, as well as changes in local government regulations and policies in such jurisdictions.** If we fail to successfully manage our operations, our business and results of operation could be adversely affected.

**Our geographic diversity subjects us to the risk of currency fluctuations.**

We conduct operations in **many different** areas of the world, involving transactions denominated in **a variety of multiple** currencies. We are subject to currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. In addition, because our financial statements are denominated in U.S. dollars, changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on our results of operations. While we may enter into financial transactions to address these risks, there can be no assurance that currency exchange rate fluctuations will not negatively affect our financial condition, results of operations and cash flows. In addition, while the use of currency hedging instruments may provide us with protection from adverse fluctuations in currency exchange rates, by utilizing these instruments we potentially forego the benefits that might result from favorable fluctuations in currency exchange rates.

**Uncertainty in the financial markets and other adverse changes in general economic conditions in the countries in which we do business could adversely affect our industry, business and results of operations.**

Periods of uncertainty in the financial markets and adverse economic conditions in the countries in which we do business could have a number of different effects on our business, including:

- a reduction in consumer spending, which could result in a reduction in our sales volume;
- a negative impact on the ability of our customers to timely pay their obligations to us or our vendors to timely supply materials, thus reducing our cash flow;
- an increase in counterparty risk;
- an increased likelihood that one or more members of our banking syndicate may be unable to honor its commitments under our senior secured revolving credit facility ("Revolving Credit Facility"); and
- restricted access to capital markets that may limit our ability to take advantage of business opportunities.

If economic conditions deteriorate, our industry, business and results of operations could be materially and adversely affected.

**Substantial disruption to production at our production facilities could occur.**

A disruption in production at our production facilities or those of our suppliers, distribution channels or service networks could have a material adverse effect on our business. The disruption could occur for many reasons, including fire, natural disasters, pandemics, weather, manufacturing problems, contamination, diseases, strikes or labor shortages, supply chain disruptions, transportation interruption, government regulation, war, terrorism or other hostile acts. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively impact our business and results of operations.

**Our business is dependent on our ability to maintain access to our water sources; water scarcity, government regulation of water access and poor quality could negatively affect our long-term financial performance.**

Damage to or a disruption in the water flow at any one of our water sources, a dispute over water rights, increased legal restrictions on or government regulation of water use or access at our water sources or the failure to maintain access to our water sources could cause an increase in the cost of our products or shortages that would likely not allow us to meet market demand. The potential delivery and price disruptions due to the loss of any one water source or a decline in the volume of water available could significantly disrupt our business, result in the loss of customer confidence and have an adverse effect on our business, financial condition and results of operations. Further, if any of our municipal water sources were curtailed or eliminated as a result of, for example, a natural disaster, work stoppage or other significant event that disrupted water flow from such municipal source, we may have to purchase water from other sources, which could increase water and transportation costs and could result in supply shortages and price increases. Any one of these events could have a negative impact on our business, financial condition, reputation and results of operations.

Water is a limited resource facing significant challenges from population growth, environmental contamination and poor management. As demand for water continues to increase and if water becomes more scarce and the quality of water available deteriorates, our business may incur increasing costs or face capacity constraints, which could adversely affect our profitability or net sales in the long run. Furthermore, even if we are able to secure adequate water sources, the methods which we employ to do so, including acquisitions of additional water sources, may have a negative impact on our public reputation, especially in jurisdictions encountering drought or where water is considered a limited resource.

#### Climate change may have an adverse impact on our business and results of operations.

There is concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere is causing significant changes in weather patterns and an increase in the frequency or duration of extreme weather and climate events. These changes could adversely impact some of our facilities, the availability and cost of key raw materials and water resources we use. Public expectations for reductions in greenhouse gas emissions are rapidly changing and may require us to make additional investments in facilities and equipment, including more fuel-efficient vehicles. In addition, federal, state or local governmental authorities may propose legislative and regulatory initiatives in response to concerns over climate change, such as the new disclosure requirements that have been adopted in the European Union and California and additional requirements expected to be adopted by the SEC, which could directly or indirectly adversely affect have varying and inconsistent requirements that could increase our business, compliance costs and may require additional investments or increase the cost of raw materials, fuel, ingredients and water. Further, if we are unable to meet public expectations and regulatory developments, or if our existing practices and procedures are not adequate to meet new regulatory requirements, we may miss corporate opportunities or become subject to regulatory scrutiny or third-party claims. As a result, the effects of climate change could have an adverse impact on our business and results of operations.

#### Our success depends, in part, on our intellectual property, which we may be unable to protect.

While we own certain of the trademarks used to identify our beverages, other trademarks are used through licenses from third parties or by permission from our customers. Our success depends, in part, on our ability to protect our intellectual property across multiple jurisdictions.

To protect this intellectual property, we rely principally on registration of trademarks, contractual responsibilities and restrictions in agreements (such as indemnification, nondisclosure and confidentiality agreements) with employees, consultants and customers, and on common law and statutory protections afforded to trademarks, trade secrets and proprietary "know-how." In addition, we vigorously protect our intellectual property against infringements using any and all legal remedies available. Notwithstanding our efforts, we may not be successful in protecting our intellectual property for a number of reasons, including:

- our competitors may independently develop intellectual property that is similar to or better than ours;
- employees, consultants or customers may not abide by their contractual agreements and the cost of enforcing those agreements may be prohibitive, or those agreements may prove to be unenforceable or more limited than anticipated;
- foreign intellectual property laws may not adequately protect our intellectual property rights; and
- our intellectual property rights may be successfully challenged, invalidated or circumvented.

If we are unable to protect our intellectual property, our competitive position would weaken and we could face significant expense to protect or enforce our intellectual property rights.

Occasionally, third-parties may assert that we are, or may be, infringing on or misappropriating their intellectual property rights. In these cases, we intend to defend against claims or negotiate licenses when we consider these actions appropriate. Intellectual property cases are uncertain and involve complex legal and factual questions. If we become involved in this type of litigation, it could consume significant resources and divert our attention from business operations.

If we are found to infringe on the intellectual property rights of others, we could incur significant damages, be enjoined from continuing to manufacture, market or use the affected product, or be required to obtain a license to continue manufacturing or using the affected product. A license could be very expensive to obtain or may not be available at all. Similarly, changing products or processes to avoid infringing the rights of others may be costly or impracticable.

#### Our business is seasonal and adverse weather conditions could negatively affect our business, financial condition and results of operations.

The sales of our products are influenced to some extent by weather conditions in the markets in which we operate. Unusually cold or rainy weather during the summer months may reduce the demand for our bottled water and other products and contribute to lower revenues, which could negatively affect our profitability.

#### Global or regional unrest, conflict, geopolitical disputes or catastrophic events could affect our operations and results of operations.

Our business can be affected by war, large-scale terrorist or other hostile acts, especially those directed against the United States or other major industrialized countries in which we do business, major natural disasters, long-term periods of drought, or widespread outbreaks of infectious diseases. Such events could impair our ability to manage our business, could disrupt our supply of raw materials, and could affect production, transportation and delivery of products. In addition, For example, the U.S.-China trade relations remain uncertain, and if tensions continue to worsen, we may increase our onshoring and diversification efforts to reduce reliance on the Chinese supply chain which could impact our supply chain, production and delivery of products. Further, regional conflicts, such events as the Ukraine-Russia and Israel-Hamas conflicts, could cause disruption escalate and expand, which in turn could have negative impacts on our operations, including our operations and associates in Israel, and the global economy and financial markets. Such disruptions of regional or global economic activity which can affect consumers' purchasing power in the affected areas and, therefore, reduce demand for our products.

#### The outbreak of contagious diseases, similar to COVID-19, pandemic has could adversely affected, and may continue to affect our business, financial condition and results of operations.

Our business could be adversely affected by the effects of a widespread outbreak of contagious diseases, similar to COVID-19, which impacted global, national and local economies, created a number of macroeconomic challenges that impacted our business, including volatility and uncertainty in business planning, disruptions in global supply chains, material, freight and labor inflation, shortages of and delays in obtaining certain materials and labor shortages.

The extent of the impact of a pandemic similar to the COVID-19 pandemic on our business and financial results will depend on numerous evolving factors that we are not able to accurately predict and that all will vary by market, including the duration and scope of the pandemic, the emergence of new variants of the virus and the efficacy of vaccines against such variants, global economic conditions during and after the pandemic, including disruptions in the global supply chain, inflation and labor shortages, government actions that have been taken, or may be taken in the future, in response to the pandemic, and changes in customer behavior in response to the pandemic, some of which may be more than just temporary.

While we have developed and implemented and continue to develop and implement health and safety protocols, business continuity plans and crisis management protocols and other operational actions in an effort to try to mitigate the negative impact of COVID-19 on our employees and our business, there can be no assurance that we will be successful in our efforts, and as a result, our business, financial condition and results of operations may be adversely affected.

#### Strategic Risks

**We may devote a significant amount of our management's attention and resources to our ongoing review of strategic opportunities, including potential divestitures, and we may not be able to fully realize the potential benefit of any such alternatives that we pursue.**

As part of our overall strategic planning process, from time to time we evaluate whether there are alternatives available to complement our strategy of organic growth and growth through diversification. Accordingly, we may from time to time be engaged in evaluating potential transactions and other strategic alternatives, and we may engage in discussions that may result in one or more transactions. Although there would be uncertainty that any of these discussions would result in definitive agreements or the completion of any transaction, we may devote a significant amount of our management's attention and resources to evaluating and pursuing a transaction or opportunity, which could negatively affect our operations.

**We are executing strategic alternatives for our remaining international businesses. There can be no assurance that the strategic plan to divest our Remaining International Businesses will receive the level of market support that we expect or that we will be able to achieve the anticipated operational, strategic and other benefits. Moreover, our business will be less diversified geographically, which could make us more susceptible to changing market conditions in North America.**

In addition, we may incur significant costs in connection with evaluating and pursuing other strategic opportunities, regardless of whether any transaction is completed. We may not fully realize the potential benefits of any strategic alternatives or transactions that we pursue.

**We may not realize the expected revenue and cost synergies related to our acquisitions.**

The success of our acquisitions will depend, in part, on our ability to realize all or some of the anticipated benefits from integrating with our existing businesses. The integration process may be complex, costly, time-consuming and subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. The difficulties of integrating the operations and realizing revenue and cost synergies include, among others:

- failure to implement our business plan for the combined business;
- unanticipated issues in integrating manufacturing, logistics, information, communications and other systems;
- possible inconsistencies in standards, controls, procedures and policies, and compensation structures between acquired structures and our structure;
- failure to retain key customers and suppliers;
- unanticipated changes in applicable laws and regulations;
- failure to retain key employees;
- additional exposure to risks of new markets and geographies;
- inherent operating risks; and
- other unanticipated issues, expenses and liabilities.

We may not be able to maintain the levels of revenue, earnings or operating efficiency that each of the Company, on the one hand, and the acquired businesses, on the other hand, had achieved or might achieve separately. Even if we realize the expected benefits, this may not be achieved within the anticipated time frame. Furthermore, the synergies from acquisitions may be offset by costs incurred in consummating such acquisitions or in integrating the acquired businesses, increases in other expenses, operating losses or unrelated adverse results in the business. As a result, there can be no assurance that such synergies will be achieved.

In addition, actual results may differ from pro forma financial information of the combined companies due to changes in the fair value of assets acquired and liabilities assumed, changes in assumptions used to form estimates, differences in accounting policies between the companies, and completion of purchase accounting.

**Changes in future business conditions could cause business investments and/or recorded goodwill, indefinite life intangible assets or other intangible assets to become impaired, resulting in substantial losses and write-downs that would negatively affect our results of operations.**

As part of our overall strategy, we will, from time to time, make investments in other businesses. These investments are made upon targeted analysis and due diligence procedures designed to achieve a desired return or strategic objective. These procedures often involve certain assumptions and judgment in determining investment amount or acquisition price. After consummation of an acquisition or investment, unforeseen issues could arise that adversely affect anticipated returns or that are otherwise not recoverable as an adjustment to the purchase price. Even after careful integration efforts, actual operating results may vary significantly from initial estimates. We evaluate the recoverability of recorded goodwill and indefinite life intangible asset amounts annually, or when evidence of potential impairment exists. The impairment test is based on several factors requiring judgment and certain underlying assumptions. Goodwill accounted for approximately **\$1,293.0 million** **\$1,004.6 million** of our recorded total assets as of **December 31, 2022** **December 30, 2023**. Our other intangible assets with indefinite lives as of **December 31, 2022** **December 30, 2023** relate primarily to the trademarks acquired in our historical acquisitions. These assets have an aggregate net book value of **\$438.6 million** **\$381.2 million**, and are more fully described in Note 1 to the Consolidated Financial Statements.

As of **December 31, 2022** **December 30, 2023**, our intangible assets subject to amortization, net of accumulated amortization for continuing operations were **\$456.1 million** **\$333.0 million**, which consisted principally of **\$416.4 million** **\$310.7 million** of customer relationships that arose from acquisitions, **\$21.4 million** **\$13.8 million** of software, and **\$8.2 million** **\$5.9 million** of patents. Customer relationships are typically amortized over the period for which we expect to receive the economic benefits. The customer relationships acquired in connection with our historical acquisitions are amortized over the expected remaining useful life of those relationships on a basis that reflects the pattern of realization of the estimated undiscounted after-tax cash flows. We review the estimated useful life of these intangible assets annually, taking into consideration the specific net cash flows related to the intangible asset, unless a review is required more frequently due to a triggering event such as the loss of a significant customer. The permanent loss of, or significant decline in sales to customers included in the intangible asset would result in either an impairment in the value of the intangible asset or an accelerated amortization of any remaining value and could lead to an impairment of the fixed assets that were used to service that customer. Principally, a decrease in expected reporting segment cash flows, changes in market conditions, loss of key customers and a change in our imputed cost of capital may indicate potential impairment of recorded goodwill, trademarks or trade names. For additional information on accounting policies we have in place for goodwill and indefinite life intangible asset impairment, see our discussion under "Critical Accounting Policies" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K and Note 1 to the Consolidated Financial Statements.

#### **Financial, Credit and Liquidity Risks**

**We have a significant amount of outstanding indebtedness, which could adversely affect our financial health, and future cash flows may not be sufficient to meet our obligations.**



As of **December 31, 2022** **December 30, 2023**, our total indebtedness was **\$1.5 billion** **\$1.3 billion**. Our present indebtedness and any future borrowings could have important adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations to make interest payments on this indebtedness;
- making it more difficult to satisfy debt service and other obligations;
- increasing the risk of a future credit ratings downgrade of our indebtedness, which would increase future debt costs;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available or limiting our ability to borrow additional funds to pay dividends, to fund capital expenditures and other corporate purposes and to grow our business;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and
- placing us at a competitive disadvantage to our competitors that may not be as highly leveraged as we are.

Our levels of indebtedness are driven, in part, by our strategy of growth by acquisitions. There can be no assurance that we will be successful in obtaining any future debt financing on favorable terms or at all and to the extent we become more leveraged, we face an increased likelihood that one or more of the risks described above would materialize. In addition, our actual cash requirements in the future may be greater than expected. We cannot assure you that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us in amounts sufficient to enable us to pay our indebtedness or to fund our other liquidity needs.

If we fail to generate sufficient cash flow from future operations to meet our debt service obligations, we may need to refinance all or a portion of our indebtedness on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness on attractive terms, commercially reasonable terms or at all. If we cannot service or refinance our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances, any of which could impede the implementation of our business strategy, prevent us from entering into transactions that would otherwise benefit our business and/or have a material adverse effect on our financial condition and results of operations. Our future operating performance and our ability to service or refinance our indebtedness will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

**Our Revolving Credit Facility and the indentures governing our outstanding notes each contain various covenants limiting the discretion of our management in operating our business, which could prevent us from capitalizing on business opportunities and taking some corporate actions.**

Our Revolving Credit Facility and the indentures governing our outstanding notes each impose significant operating and financial restrictions on us. These restrictions will limit or restrict, among other things, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- make restricted payments (including paying dividends on, redeeming, repurchasing or retiring our capital stock);
- make investments;
- create liens;
- sell assets;
- enter into agreements restricting our subsidiaries' ability to pay dividends, make loans or transfer assets to us;
- engage in transactions with affiliates; and
- consolidate, merge or sell all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications. In addition, our Revolving Credit Facility also requires us, under certain circumstances, to maintain compliance with certain financial covenants as described in the "Covenant Compliance" section in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations". Our ability to comply with these covenants may be affected by events beyond our control, including those described in this "Risk Factors" section. A breach of any of the covenants contained in our Revolving Credit Facility, or the indentures governing our outstanding notes could result in an event of default under one or more of the documents governing such obligations, which would allow the lenders under our Revolving Credit Facility to declare all borrowings outstanding, or in the case of the note holders of our outstanding notes, all principal amounts outstanding on such notes, to be due and payable. Any such acceleration would trigger cross-default provisions under the Revolving Credit Facility, and the indentures governing our outstanding notes and, potentially, our other indebtedness. In the event of an acceleration of payment obligations, we would likely be unable to pay our outstanding indebtedness with our cash and cash equivalents then on hand. We would, therefore, be required to seek alternative sources of funding, which may not be available on commercially reasonable terms, terms as favorable as our current agreements or at all. If we are unable to refinance our indebtedness or find alternative means of financing our operations, we may be required to curtail our operations, face bankruptcy, or take other actions that are inconsistent with our current business practices or strategy. For additional information about our Revolving Credit Facility, see our discussion under "Liquidity and Capital Resources" in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report on Form 10-K and Note **17** **16** to the Consolidated Financial Statements.

**A portion of our debt may be variable rate debt, and changes in interest rates could adversely affect us by causing us to incur higher interest costs with respect to such variable rate debt.**

Our Revolving Credit Facility subjects us to interest rate risk. The rate at which we pay interest on amounts borrowed under such facility fluctuates with changes in interest rates and our debt leverage. Accordingly, with respect to any amounts from time to time outstanding under our Revolving Credit Facility, we are and will be exposed to changes in interest rates. **In 2022 and 2023, interest rates have risen significantly in efforts to mitigate ongoing inflation, which has increased our debt service costs over prior periods.** If we are unable to adequately manage our debt structure in response to changes in the market, our interest expense could increase, which would negatively affect our financial condition and results of operations. **The As of December 30, 2023, there were no** outstanding borrowings under the Revolving Credit **Facility as of December 31, 2022 were \$197.0 million. Facility.**

**Risks Related to Our Human Capital**

**Our success depends in part upon our ability to recruit, retain and prepare succession plans for our CEO, CFO, senior management and key employees.**



The performance of our Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), senior management and other key employees is critical to our success. In January 2024, we appointed Robbert Rietbroek as our new CEO after the planned retirement of Tom Harrington, which was announced in May 2023. We plan to continue to invest time and resources in developing our senior management and key employee teams. Our long-term success will depend on our ability to recruit and retain capable senior management and other key employees, and any failure to do so could have a material adverse effect on our future operating results and financial condition. Further, if we fail to adequately plan for the succession of our CEO, CFO, senior management and other key employees, our results of operations could be negatively affected.

**Our business could be adversely affected by increased labor costs.**

Increased labor costs, due to factors such as competition for workers, labor shortages, labor market pressures, increased minimum wage requirements, paid sick leave or vacation accrual mandates, or other legal or regulatory changes, may adversely impact our operating costs. In addition, competition for all qualified personnel is increasingly intense and there can be no assurance that we will be successful in hiring, training, and retaining personnel in the future. The extent and duration of the impact of labor market challenges are subject to numerous factors, including the continuing impact of the COVID-19 pandemic, availability of qualified personnel and competition from within our industry.

**We may not be able to renew collective bargaining agreements on satisfactory terms, or we could experience strikes.**

Some of our employees are covered by collective bargaining agreements expiring on various dates. We may not be able to renew our collective bargaining agreements on satisfactory terms or at all. This could result in strikes or work stoppages, which could impair our ability to manufacture and distribute our products and result in a substantial loss of sales. The terms of existing or renewed agreements could also significantly increase our costs or negatively affect our ability to increase operational efficiency.

**Risks Related to Our Information Technology, Cybersecurity and Data Protection**

**We depend on key information systems, and an interruption or cybersecurity breach, disruption or misuse of our information systems, and or the information systems of our third-party service providers, could have a material adverse effect on our business.**

We depend on highly complex key information systems to accurately and efficiently transact our business, provide information to management and prepare financial reports. We rely on third-party providers for various networking, application hosting and related business process services which support our key information systems. Issues maintaining and upgrading such systems is increasingly costly, and issues with performance by these third-parties may disrupt our operations and as a result, our operating expenses could increase, which could negatively affect our results of operations.

In addition, these systems and services are vulnerable to interruptions or other failures resulting from, among other things, natural disasters, war, terrorism or other hostile acts, software, equipment or telecommunications failures, processing errors or supplier defaults. Moreover, the nature of these digital systems makes them potentially vulnerable to cybersecurity attacks, such as computer viruses, ransomware, phishing, hackers, or other security issues or supplier defaults. Security issues. In addition, the rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks.

Cybersecurity attacks have become increasingly common and we have experienced immaterial business disruption, monetary loss and data loss as a result of phishing, business email compromise and other types of attacks. Such events may be difficult to detect, and once detected, their impact may be difficult to assess and address. Additionally, security, backup and disaster recovery measures may not be adequate or implemented properly to avoid such disruptions or failures. Any disruption or failure of these systems or services could cause substantial errors, data loss, processing inefficiencies, security breaches, inability to use the systems or process transactions, loss of customers or other business disruptions, any of which could negatively affect our business and results of operations, subject us to penalties or result in reputational harm.

**If we are unable to securely maintain our customers' confidential or credit card information, or other private data relating to our employees or our Company, we could be subject to negative publicity, costly government enforcement actions or private litigation, which could damage our business reputation and negatively affect our results of operations.**

The protection of our customer, employee and Company data is critical to us. We have procedures and technology in place to safeguard our customers' debit card, credit card and other personal information, our employees' private data and Company records and intellectual property. However, if we experience a data security breach of any kind, we could be exposed to negative publicity, government enforcement actions, private litigation or costly response measures. In addition, our reputation within the business community and with our customers may be affected, which could result in our customers discontinuing their purchases of our products and services or their use of the debit or credit card payment option. Any loss of our ability to securely offer our customers a credit card payment option would make our products less attractive to many small organizations by negatively affecting our customer experience and significantly increasing our administrative costs related to customer payment processing. This could cause us to lose customers and could have a negative effect on our results of operations. While we maintain insurance coverage that is intended to address certain aspects of data security risks, the coverage may be insufficient to cover all losses or all types of claims that may arise.

In addition, the regulatory environment surrounding information security and privacy is increasingly demanding, with frequent imposition of new and changing requirements. For example, the European Union's General Data Protection Regulation, which became effective in 2018, and the California Consumer Privacy Act, which became effective in 2020, impose significant new requirements on how we collect, process and transfer personal data, as well as significant fines for non-compliance. Compliance with changes in privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes.

**Legal, Regulatory and Tax Risks**

**Our products may not meet health and safety standards or could become contaminated and we could be liable for injury, illness or death caused by consumption of our products.**

We have adopted various quality, environmental, health and safety standards. However, our products may still not meet these standards or could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our bottlers, distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. We may be liable to our customers if the consumption of any of our products causes injury, illness or death. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect our business, results of operations or cash flows.

**Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.**

We are party to various litigation claims and legal proceedings. We evaluate these claims and proceedings to assess the likelihood of unfavorable outcomes, and, if possible, estimate the amount of potential losses. If our products are not safely and/or properly manufactured or designed, personal injuries or property damage could result, which could subject us to claims for damages. The costs associated with defending product liability and other claims, and the payment of damages, could be substantial. Our reputation could also be adversely affected by such claims, whether or not successful.

We may establish a reserve as appropriate based upon assessments and estimates in accordance with our accounting policies, and we have also asserted insurance claims where appropriate. We base our assessments, estimates and disclosures on the information available to us at the time and rely on legal and management judgment. Actual outcomes or losses or any recoveries we may receive from insurance may differ materially from assessments and estimates. Actual settlements, judgments or resolutions of these claims or proceedings may negatively affect our business and financial performance. A successful claim against us that is not covered by insurance or is in excess of our available insurance limits could require us to make significant payments of damages and could negatively affect our business, financial condition and results of operations. For more information, see "Item 3. Legal Proceedings."

**Changes in the legal and regulatory environment in the jurisdictions in which we operate could negatively affect our results of operations, adversely affect demand for our products and services or result in litigation.**

As a producer and distributor of foods and beverages, we must comply with various federal, state, provincial, local and foreign laws and regulations relating to production, packaging, quality, labeling and distribution, including, in the United States, those of the federal Food, Drug and Cosmetic Act, the Fair Packaging and Labeling Act, the Federal Trade Commission Act, the Nutrition Facts Labeling Rule, the Food Safety Modernization Act, the Bioterrorism Act, the Ground Water Rule and California Proposition 65. We are also subject to various federal, state, provincial, local and foreign environmental laws and workplace regulations. These laws and regulations include, in the United States, the Occupational Safety and Health Act, the Unfair Labor Standards Act, the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Federal Motor Carrier Safety Act, laws governing equal employment opportunity, customs and foreign trade laws and regulations, laws relating to the maintenance of fuel storage tanks, laws relating to mineral and chemical concentration and water quality, consumption and treatment, and various other federal statutes, laws and regulations, distribution. The Food and Drug Administration ("FDA") regulates bottled water as a food. Our bottled water must meet FDA requirements of safety for human consumption, labeling, processing, security and distribution under sanitary conditions and production in accordance with FDA "Current Good Manufacturing Practices." We import certain of our manufacturing equipment, and we must comply with import laws and regulations. Outside the United States, the production and distribution of our products We are also subject to various federal, state, provincial, local and foreign environmental laws and workplace regulations. These laws and regulations may change as a result of political, economic, or social events. Such regulatory changes may include changes in food and drug laws, laws related to advertising, accounting standards, taxation requirements, competition laws and environmental laws, including laws relating to the regulation of water rights and treatment.

Changes in laws, regulations or government policy and related interpretations may alter the environment in which we do business, which may negatively affect our results of operations or increase our costs or liabilities.

*Food/Beverage Production*

A number of states have passed laws setting forth warning or labeling requirements relating to products made for human consumption. For example, the California law known as Proposition 65 requires that a specific warning statement appear on any product sold in California containing a substance listed by that state as having been found to cause cancer or reproductive toxicity. This law, and others like it, exposes all food and beverage producers to the possibility of having to provide warnings on their products. The detection of even a trace amount of a listed substance can subject an affected product to the requirement of a warning label, although products containing listed substances that occur naturally or that are contributed to such products solely by a municipal water supply are generally exempt from the warning requirement. From time to time over the past several years, certain of our customers have received notices alleging that the labeling requirements of the relevant state regulation would apply to products manufactured by us and sold by them. There can be no assurance that we will not be adversely affected by actions against our customers or us relating to Proposition 65 or similar "failure to warn" laws. Were any such claim to be pursued or succeed, we might in some cases be required to indemnify our customers for damages and provide warnings on our products in order for them to be sold in certain states. Any negative media attention, adverse publicity or action arising from allegations of violations could adversely affect consumer perceptions of our products and harm our business.

*Energy/Conservation Initiatives*

The EPA has oversight over the Energy Star certification program for appliances, including bottled water dispensers. Since 2014, the EPA has required appliances in the program dispensers, intended to adhere to a lower energy consumption standard of 0.87 kilowatt hours per day, consumption. While we are working closely with our water cooler manufacturers to ensure we have continued access to Energy Star certified bottled water dispensers, there can be no assurances that we will continue to have such access. Our inability to utilize compliant dispensers could negatively affect our business, financial condition, reputation and results of operations.

Recent initiatives have taken place in several markets in which we operate regarding bottled water. Regulations have been proposed in some jurisdictions that would ban the use of public funds to purchase bottled water, enact local taxes on bottled water and water extraction and restrict the withdrawal of water from public and private sources. We believe that the adverse publicity associated with these initiatives is generally aimed at the retail, small bottle segment of the industry that is a minimal part of our business, and that our customers can readily distinguish our products from the retail bottles that are currently the basis for concern in some areas. Our customers typically buy their water in reusable multi-gallon water bottles that are placed on coolers and reused many times. While we believe that to date we have not directly experienced any adverse effects from these concerns, and that our products are sufficiently different from those under scrutiny, there is no assurance that adverse publicity about any element of the bottled water industry will not affect public behavior by discouraging consumers from buying bottled water products generally. In that case, our sales and other financial results could be adversely affected.

The increasing concern over climate change also may result in more regional, federal and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. In the event that such regulation is more aggressive than the sustainability measures that we are currently undertaking to monitor our emissions and improve our energy efficiency, we may experience significant increases in our costs of operation and delivery. In particular, increasing regulation of fuel emissions could substantially increase the cost of energy, including fuel, required to operate our facilities or transport and distribute our products, particularly in our Primo Water North America business, thereby substantially increasing the distribution and supply chain costs associated with our products. As a result, climate change could negatively affect our business and results of operations.

*Packaging Ingredients*

The manufacture and use of resins and Bisphenol A ("BPA") used to make our 3G and 5G water bottles are subject to regulation by the FDA. These regulations relate to substances used in food packaging materials. BPA is contained in substantially all of our 3G and 5G returnable polycarbonate plastic bottles. Negative media attention regarding BPA has generated concern in the bottled water market. Regulatory agencies in several jurisdictions worldwide, including the FDA, have found these materials to be safe for food contact at current levels, but a significant change in regulatory rulings or state or local laws concerning BPA could have an adverse effect on our business. Extensive negative public perception regarding food packaging that uses BPA or other types of plastics, or the presence of nanoplastics in water generally, could cause consumers to stop purchasing our products manufactured in polycarbonate bottles. Further, the emergence of new scientific evidence or reports that suggests our polycarbonate water bottles are unsafe, or interpretations of existing evidence by regulatory agencies that lead to prohibitions on the use of polycarbonate plastic as packaging for food contact materials, could cause a

serious disruption in our ability to package our bottled water products. If polycarbonate plastic becomes a banned substance, we may not be able to adopt alternative packaging, and conduct extensive and costly safety testing, in time to prevent adverse effects to our business, financial condition and results of operations. Further, if our competitors successfully integrate BPA-free packaging into their business and BPA is subsequently deemed undesirable or unsafe, our competitors may have a significant competitive advantage over us.

#### *Hazardous Materials*

We engage in or have in the past engaged in the handling, storage or use of hazardous substances, including for the maintenance and fueling of our vehicle **fleet for our North America business, fleet**. We are also required to obtain environmental permits from governmental authorities for certain operations. We cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. We could also be held liable for any consequences arising out of human exposure to hazardous substances or other environmental damage.

Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances. These laws often impose liability even if the owner or operator did not know of, or was not responsible for, the release of such hazardous substances and also impose liability on persons who arrange for hazardous substances to be sent to disposal or treatment facilities. In addition to actions brought by governmental agencies, private plaintiffs may also bring personal injury claims arising from the presence of hazardous substances on a property. From time to time, we have also been named a potentially responsible party at third-party waste disposal sites. There can be no assurances that we will not be required to make material expenditures in the future for these or other contamination-related concerns or that other responsible parties will conduct any required cleanup. Environmental laws and regulations are complex, change frequently and tend to become more stringent over time. The costs of complying with current and future environmental laws and regulations and our liabilities arising from past or future releases of, or exposure to, hazardous substances may negatively affect our business, financial condition or results of operations.

#### *International Trade Regulations*

Currently, a large portion of our dispensers are assembled by independent manufacturers in, and imported from, China. These import operations are subject to international trade regulations, including import charges and other agreements among the United States and its trading partners, including China.

The previous U.S. presidential administration made significant changes to U.S. trade policy, including new or increased tariffs on a broad range of goods imported into the United States, particularly from China. Further, these changes in U.S. trade policy have triggered retaliatory protectionist actions by affected countries. Given the uncertainty regarding the scope and duration of these trade actions by the United States and other countries, as well as the potential for additional trade actions, the impact on our operations and results remains uncertain and could be significant. To the extent that our supply chain, costs, sales or profitability are negatively affected by the existing tariffs or any other trade actions (including duties, import charges or other similar restrictions or other reductions in trade), our business, financial condition and results of operations may be materially adversely affected.

#### **We are subject to risks associated with our international operations, including compliance with applicable U.S. and foreign anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010 and other applicable anti-corruption laws, which may increase the cost of doing business in international jurisdictions.**

We currently operate internationally **and we intend to continue expansion of our international operations. We now operate in 18 European countries across North America, the United Kingdom, Portugal** and Israel. As a result, our business is exposed to risks inherent in foreign operations. If we fail to adequately address the challenges and risks associated with our international operations and acquisition strategy, we may encounter difficulties in our international operations and implementing our strategy, which could impede our growth or harm our operating results. These risks, which can vary substantially by jurisdiction, include the difficulties associated with managing an organization with operations in multiple countries, compliance with differing laws and regulations (including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act of 2010 and local laws prohibiting payments to government officials and other corrupt practices, tax laws, regulations and rates), enforcing agreements and collecting receivables through foreign legal systems. Although we have implemented policies and procedures designed to ensure compliance with these laws, there can be no assurance that our employees, contractors and agents will not take actions in violation of our policies, particularly as we expand our operations through organic growth and acquisitions. Any such violations could subject us to civil or criminal penalties, including material fines or prohibitions on our ability to offer our products in one or more countries, and could also materially damage our reputation, brand, international expansion efforts, business and operating results. Additional risks include the potential for restrictive actions by foreign governments, changes in economic conditions in each market, foreign customers who may have longer payment cycles than customers in the United States, the impact of economic, political and social instability of those countries in which we operate and acts of nature, such as typhoons, tsunamis, or earthquakes. The overall volatility of the economic environment has increased the risk of disruption and losses resulting from hyper-inflation, currency devaluation and tax or regulatory changes in certain countries in which we have operations.

#### **We are subject to the risk of increased taxes.**

We base our tax positions upon our understanding of the tax laws of the various countries in which we have assets or conduct business activities. However, our tax positions are subject to review and possible challenge by taxing authorities. This includes adverse changes to the manner in which Canada and other countries tax multinational companies and interpret or change their tax laws. We cannot determine in advance the extent to which some jurisdictions may assess additional tax or interest and penalties on such taxes. In addition, our effective tax rate may be increased by changes in the valuation of deferred tax assets and liabilities, changes in our cash management strategies, changes in local tax rates or countries adopting more aggressive interpretations of tax laws.

Our income tax expense includes tax benefits resulting from several reorganizations of our legal entity structure and refinancing of intercompany debt during the last three years. However, since the calculation of our tax liabilities involves dealing with uncertainties in the application of complex and changing tax laws and regulations in a multitude of jurisdictions across our **global** operations, our effective tax rate may ultimately be different than the amount we are currently reporting. In addition, several jurisdictions in which we operate have tax laws with detailed transfer pricing rules which require that all transactions with nonresident related parties be priced using arm's length pricing principles, and that contemporaneous documentation must exist to support such pricing. There is a risk that the taxing authorities may not deem our transfer pricing documentation acceptable. The Organization for Economic Cooperation and Development released guidance related to Base Erosion and Profit Shifting which may also result in legislative changes that could impact our effective tax rate.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act ("IRA"), which introduces among other items, an excise tax that would impose a 1% surcharge on stock repurchases by covered corporations beginning in 2023. We could be subject to this new excise tax depending on the manner in which the stock repurchase is funded.

#### **Risks Related to Our Common Shares**

**We may not continue our quarterly dividend and shareowners may never obtain a return on their investment.**

We have paid quarterly cash dividends since 2012. Most recently, our Board of Directors declared a dividend of **\$0.08 \$0.09** per common share to be paid in cash on **March 27, 2023 March 25, 2024** to shareowners of record at the close of business on **March 10, 2023 March 8, 2024**. However, there can be no assurance that we will continue to declare quarterly dividends in the future. The declaration and payment of future dividends on our common shares is subject to, among other things, the best interests of our shareowners, our results of operations, cash balances and future cash requirements, financial condition, statutory regulations and covenants and other restrictions on payment set forth in the instruments governing our indebtedness in effect from time to time. Accordingly, shareowners must rely on sales of their common shares after price appreciation, which may never occur, as the only way to realize any return on their investment.

**General Risk Factors**

**We also face other risks that could adversely affect our business, results of operations or financial condition, which include:**

- any requirement to restate financial results in the event of inappropriate application of accounting principles or otherwise;
- any event that could damage our reputation;
- failure to properly manage credit risk from customers;
- failure of our processes to prevent and detect unethical conduct of employees;
- any significant failure of internal controls over financial reporting;
- failure of our prevention and control systems related to employee compliance with internal policies and regulatory requirements;
- failure of corporate governance policies and procedures; and
- credit ratings changes.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

**ITEM 1C. CYBERSECURITY**

**Cybersecurity Risk Management, Strategy and Governance**

The Company maintains a robust cybersecurity infrastructure to safeguard our operations, networks and data through comprehensive security measures including our technology tools, internal management and external service providers.

The Company's Global Chief Information Security Officer ("CISO") is responsible for assessing, identifying, and managing the risks from cybersecurity threats. This individual has over 30 years of experience in information security positions. Our CISO holds the Certified Information Security Manager and Certified Information Systems Security Professional certifications from ISACA and ISC2, respectively, two leading independent cybersecurity associations.

Our Board of Directors, primarily through the Audit Committee, oversees management's approach to managing cybersecurity risks. The Audit Committee holds periodic discussions with management regarding the Company's guidelines and policies with respect to cybersecurity risks and receives regular reports regarding such risks and the steps management has taken to monitor and control any exposure resulting from such risks. Our CISO also leads an annual review and discussion with the full Board of Directors dedicated to Primo's cyber risks, threats, and protections and provides updates throughout the year, as warranted.

We have processes and a risk-based approach that align with the National Institute of Standards and Technology Cybersecurity Framework. Our information security program includes, among other aspects, vulnerability management, antivirus and malware protection, encryption and access control, and employee training. The CISO reviews emerging threats, controls, and procedures as part of assessing, identifying, and managing risks. This review aids in the identification of material breaches at other companies, including our third-party service providers. The CISO also discusses trends in cyber risks and our strategy to defend our information against cybersecurity incidents with our Audit Committee and executive leadership team on a regular basis, in addition to the annual review and discussion with the full board.

In addition to our dedicated information security and technology teams monitoring our daily operations, we engage independent third-party cybersecurity providers for managed systems security, endpoint detection and response, and threat and vulnerability management. Regular communication with these providers aids in the identification and remediation of potential threats, and we regularly review our relationships with and services from these providers against industry standards and evolving cybersecurity threats.

We also endeavor to apprise employees of emerging risks and require them to undergo annual security awareness trainings and supplemental trainings as needed. All employees undergo annual training and there are additional trainings for certain roles and functions. Additionally, we conduct periodic internal exercises to gauge the effectiveness of the trainings and assess the need for additional training.

Material cybersecurity incidents are required to be reported to the Board of Directors and to the SEC on Form 8-K. Our systems and services are vulnerable to interruptions or other failures resulting from cybersecurity attacks, such as computer viruses, ransomware, phishing, hackers, or other security issues. In addition, the rapid evolution and increased adoption of new technologies, such as artificial intelligence, may intensify our cybersecurity risks. An interruption or cybersecurity breach, disruption or misuse of our information systems, or the information systems of our third-party service providers, could have a material negative effect on our business, financial condition and results of operations but we have processes in place to mitigate these risks. As of the date of this report, we have not experienced material business disruption, monetary loss, and/or data loss as a result of phishing, business email compromise or other types of attacks.

**ITEM 2. PROPERTIES**

Our business is supported by our extensive manufacturing and distribution network. Our manufacturing footprint encompasses 6338 strategically located manufacturing and production facilities and 318186 branch distribution and warehouse facilities. Our facilities are used to support our operations and are suitable and adequate to carry out our business at expected capacity for the foreseeable future. The facilities and square footage amounts noted below do not include vacant or underutilized properties.

The following table is a summary of our properties by segment as of December 31, 2022; December 30, 2023 and excludes properties classified as discontinued operations:

(square feet in millions)	(square feet in millions)	North America								(square feet in millions)	North America	Other 2		Total		
		Sq		Sq		Sq		Sq								
		Count	Ft.	Count	Ft.	Count	Ft.	Count	Ft.							
	Count									Count	Sq Ft.	Count	Sq Ft.	Count	Sq Ft.	
Manufacturing and Production	Manufacturing and Production															
Owned	Owned	14	0.9	11	0.4	—	—	25	1.3							
Owned	Owned															
Leased <sub>1</sub>	Leased <sub>1</sub>	29	1.4	5	0.1	4	2.3	38	3.8							
		43	2.3	16	0.5	4	2.3	63	5.1							
	38															
Branch Distribution and Warehouses	Branch Distribution and Warehouses															
Owned	Owned	46	0.7	6	0.2	—	—	52	0.9							
Owned	Owned															
Leased <sub>1</sub>	Leased <sub>1</sub>	145	2.1	114	0.8	7	0.6	266	3.5							
		191	2.8	120	1.0	7	0.6	318	4.4							
	186															
Office Space	Office Space															
Owned	Owned	3	0.1	1	0.1	—	—	4	0.2							
Owned	Owned															
Leased <sub>1</sub>	Leased <sub>1</sub>	—	—	8	0.3	4	0.1	12	0.4							
		3	0.1	9	0.4	4	0.1	16	0.6							
	3															
Total	Total	237	5.2	145	1.9	15	3.0	397	10.1	Total	227	5.1	2	0.1	229	5.2

1 Lease terms for non-owned properties expire between 2023 2024 and 2056 2040.

2 Properties in our Other category include locations primarily in the United Kingdom and Israel as well as our Corporate headquarters.

### ITEM 3. LEGAL PROCEEDINGS

We are subject to various claims and legal proceedings with respect to matters such as governmental regulations, income taxes, and other actions arising out of the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on our financial position or results of operations.

Pursuant to SEC rules, we will disclose any proceeding in which a government authority is a party and that arises under any federal, state or local provisions enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment only where we believe that such proceedings, individually or in the aggregate, will result in monetary sanctions on us, exclusive of interest and costs, above \$500,000 or is otherwise material to our financial position, results of operations, or cash flows.

The Israeli Ministry of Environmental Protection (the "Ministry") has alleged that a non-profit recycling corporation, which collects and recycles bottles sold by manufacturers, including Eden Israel, failed to meet recycling quotas in 2016, in violation of Israeli law. The law imposes liability directly on manufacturers, and the Ministry has asserted that the manufacturers involved with the corporation owe a fine. In December 2022, it was determined that Eden Israel would be



subject to a fine in the amount of approximately \$1.4 million which has been accrued for within accounts payable and accrued liabilities on our Consolidated Balance Sheet as of December 31, 2022.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

#### SUPPLEMENTAL ITEM PART I. INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following is a list of names, ages, offices and backgrounds of all of our executive officers as of March 1, 2023 February 28, 2024. Our officers do not serve for a set term.

	Office	Age
Thomas Harrington Robbert Rietbroek	Chief Executive Officer	65 50
David Hass	Chief Financial Officer	44 45
Marni Morgan Poe	Chief Legal Officer and Secretary	53 54
William "Jamie" Jamieson	Global Chief Information Officer	50 51
Mercedes Romero	Chief Procurement Officer	56 57
Anne Melaragni	Chief Human Resources Officer	47 48
Jason Ausher	Chief Accounting Officer	49 50

- Thomas Harrington Robbert Rietbroek was appointed as our Chief Executive Officer and as a director on our Board of Directors effective as of the beginning of 2019. Prior 2024. Mr. Rietbroek is a seasoned executive bringing more than 25 years of experience at Fortune 500 companies to his appointment. Mr. Harrington served Primo Water, including five years as the Chief Executive Officer of our North America business unit since our acquisition of DS Services in December 2014 and was appointed President Route Based Services in July 2016. Prior to the acquisition, Mr. Harrington served in various roles with DS Services from 2004 to 2014, including Chief Executive Officer, President, Chief Operating Officer, West Division President, and Senior Vice President, Central Division. Prior to joining DS Services, Mr. Harrington served in various roles with Coca-Cola Enterprises, Inc. including Vice President and General Manager responsible for Quaker Foods North America (QFNA), a reported sector of Coca-Cola Enterprises PepsiCo. Prior to his role at Quaker, Mr. Rietbroek was a Senior Vice President and General Manager PepsiCo Australia and New York Zealand. Before his tenure at PepsiCo, Mr. Rietbroek served as Vice President and Chicago divisions. He General Manager Australia, New Zealand, Pacific Islands and Vice President and Global Sector Leader Baby and Child Care at Kimberly-Clark. Mr. Rietbroek also served spent nearly 16 years at Procter & Gamble in various sales a variety of management and marketing roles with Pepperidge Farm from 1979 to 1985, in North America, Latin America, Europe, Middle East, and Africa. Mr. Harrington previously served as a member of the board of directors of the National Automatic Merchandising Association, the International Bottled Water Association Rietbroek has worked across multiple consumer goods categories and the Water Quality Association. He has served on our Board since the beginning of 2019. been recognized for exceptional brand building and innovation, achieving several awards and recognitions.
- David Hass was appointed Chief Financial Officer in January 2023. Prior to his appointment, Mr. Hass served as Chief Strategy Officer for the Company since 2020. From 2011 to 2020, Mr. Hass served in various roles with legacy Primo, including Chief Strategy Officer, Vice President of Strategy, Vice President of Financial Planning & Analysis (FP&A), as well as GM General Manager of the Canadian Business Unit and the Water Direct Business Unit. From 2007 to 2011, Mr. Hass served as Vice President of Consumer Investment Banking at Stifel (formerly Thomas Weisel Partners). Prior to that, Mr. Hass served as an Associate in the Client Financial Management practice at Accenture.
- Marni Morgan Poe has served as our Chief Legal Officer and Secretary since 2010. Prior to her appointment, Ms. Poe served as our Corporate Counsel from 2008 to 2010. Prior to joining us, Ms. Poe was a partner at the law firm of Holland & Knight LLP from 2000 to 2006 and an associate of the law firm from 1995 to 2000.
- William "Jamie" Jamieson was appointed Global Chief Information Officer in April 2019. Prior to joining us, Mr. Jamieson served as senior vice president Senior Vice President and chief information officer Chief Information Officer for GNC from 2015 to 2019, overseeing enterprise technology teams and platforms. From 2000 to 2015, he held various senior roles leading information technology service delivery for Charming Charlie and Chico's FAS, Inc., both fashion retailers.
- Mercedes Romero was appointed Chief Procurement Officer in August 2020. Prior to joining us, Ms. Romero served as Vice President Sourcing and Supply Management from 2019 to 2020 for Ryder System Inc., overseeing global spend and supply planning teams. From 2017 to 2019, Ms. Romero served as Chief Procurement Officer/VP Procurement Americas with the Campari Group. From 1995 to 2017, Ms. Romero held various senior roles leading procurement and supply chain transformations for TEVA Pharma, Diageo, Starbucks, Clorox and Procter & Gamble. Ms. Romero currently serves on the board of directors of John B. Sanfilippo & Son, Inc., a publicly traded snack food manufacturer, and MarineMax Inc., a publicly traded recreational boat and yacht retailer.
- Anne Melaragni was appointed Chief Human Resources Officer in May 2021. Ms. Melaragni joined Primo in September 2020 as Senior Vice President – Human Resources, North America. Prior to joining us, from November 2019 to August 2020, she served as Chief People Officer for CARE, a global non-profit based in Atlanta, where she oversaw Human Resources ("HR") strategy and execution, the associate experience and global total rewards. Previously, from July 2019 to October 2019, Ms. Melaragni was responsible for driving HR strategy and organizational transformation as the Head of Human Resources at Norfolk Southern. Over the previous 16 years, from 2003 to 2019, Ms. Melaragni held various positions with United Parcel Service, including Global Head of Total Rewards, Vice President – HR, Organizational Transformation and Vice President – HR, International & Emerging Markets. Prior to UPS, Ms. Melaragni led the HR team at Sitestuff.com, a real estate procurement start-up in Austin, Texas.



- Jason Ausher was appointed Chief Accounting Officer in May 2015. Prior to his appointment, from 2011 to 2015, Mr. Ausher served as our VP Treasurer, Corporate Development. From 2010 to 2011, Mr. Ausher served as our Corporate Controller, and from 2008 to 2010, he held the position of Controller for our U.S. Business Unit. From 2003 to 2008, Mr. Ausher held numerous positions with Walter Industries, Inc. and Mueller Water Products Inc. (a water infrastructure business and spin-off of Walter Industries, Inc.), including the position of Vice President of Finance. Prior to this, from 1996 to 2002, Mr. Ausher was with PricewaterhouseCoopers LLP.

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREOWNER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares are listed on the Toronto Stock Exchange ("TSX") and on the New York Stock Exchange ("NYSE") under the ticker symbol "PRMW."

As of February 22, 2023 February 21, 2024, we had 888 880 shareowners of record. This number was determined from records maintained by our transfer agent and does not include beneficial owners of securities whose securities are held in the names of various dealers or clearing agencies. The closing sale price of our common shares on February 22, 2023 February 21, 2024 was \$16.30 \$15.19 on the NYSE and C\$22.13 20.51 on the TSX.

Our Board of Directors has declared a quarterly cash dividend in each quarter during 2022 2023 and 2021. 2022. The quarterly cash dividend in 2023 was \$0.08 per common share and aggregated to approximately \$51.8 million. The quarterly cash dividend in 2022 was \$0.07 per common share and aggregated to approximately \$45.7 million. The quarterly cash dividend in 2021 was \$0.06 per common share and aggregated to approximately \$39.0 million. We intend to pay a regular quarterly dividend on our common shares subject to, among other things, the best interests of our shareowners, our results of operations, cash balances and future cash requirements, financial condition, statutory regulations and covenants set forth in the Revolving Credit Facility and indentures governing our outstanding notes as well as other factors that our Board of Directors may deem relevant from time to time.

Dividends to shareowners who are non-residents of Canada will generally be subject to Canadian withholding tax. Under current Canadian tax law, dividends paid by a Canadian corporation to a non-resident shareowner are generally subject to Canadian withholding tax at a 25% rate. Under the current tax treaty between Canada and the United States, U.S. residents who are entitled to treaty benefits are generally eligible for a reduction in this withholding tax rate to 15% (and to 5% for a shareowner that is a corporation and is the beneficial owner of at least 10% of our voting stock). Accordingly, under current tax law, our U.S. resident shareowners who are entitled to treaty benefits will generally be subject to a Canadian withholding tax at a 15% rate on dividends paid by us, provided that they have complied with applicable procedural requirements to claim the benefit of the reduced rate under the tax treaty. The fifth protocol to the tax treaty between Canada and the United States places additional restrictions on the ability of U.S. residents to claim these reduced rate benefits. U.S. residents generally will be entitled on their U.S. federal income tax returns to claim a foreign tax credit, or a deduction, for Canadian withholding tax that applies to them, subject to certain applicable limitations. U.S. investors should consult their tax advisors with respect to the tax consequences and requirements applicable to them, based on their individual circumstances.

There are certain restrictions on the payment of dividends under our Revolving Credit Facility and the indentures governing our outstanding notes. The Revolving Credit Facility and the indentures governing our outstanding notes are discussed in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

For information on securities authorized for issuance under our equity compensation plans, see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareowner Matters" in this Annual Report on Form 10-K.

#### Calculation of Aggregate Market Value of Non-Affiliate Shares

For purposes of calculating the aggregate market value of common shares held by non-affiliates as shown on the cover page of this Annual Report on Form 10-K, it was assumed that all of the outstanding shares were held by non-affiliates except for outstanding shares held or controlled by our directors and executive officers. For further information concerning shareholdings of officers, directors and principal shareowners, see "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareowner Matters" in this Annual Report on Form 10-K.

#### Shareowner Return Performance Graph

The following graph shows changes over our past five fiscal years in the value of \$100, assuming reinvestment of dividends, invested in: (i) our common shares; (ii) the Russell 2000 Index; (iii) the Toronto Stock Exchange's S&P/TSX Composite Index; (iv) the peer group utilized in prior annual reports, which consists of publicly-traded companies in the water water- and route based route-based service industries, comprised of of: UniFirst Corp., Corporation, ADT Inc., Chemed Corp., Corporation, Terminix Global Holdings Inc. fka ServiceMaster Global Holdings, Inc. (included through the last trading day as a public company), Cintas Corporation, A. O. A.O. Smith Corporation, Franklin Electric Co., Inc., IDEX Corporation, Pentair plc, Xylem Inc., The Brink's Company, Evoqua Water Technologies Corp. (included through the last trading day as a public company), Mueller Water Products, Inc., Rollins, Inc., Zurn Elkay Water Solutions Corporation (formerly known as Rexnord Corporation, Corporation), Stericycle Inc., Tetra Tech, Inc., and Watts Water Technologies Inc. Windstream; (iv) a new peer group utilized in this Annual Report on Form 10-K, which better reflects our business consisting of publicly-traded companies in the water- and route-based service industries, comprised of: Addus HomeCare Corporation, ADT Inc., A.O. Smith Corporation, Aveanna Healthcare Holdings Inc. was removed, The Brink's Company, Casella Waste Systems, Inc., Chemed Corporation, Cintas Corporation, Consolidated Communications Holdings, Inc., Frontier Communications, Inc., Health Services Group, Inc., Heritage-Crystal Clean, Inc. (included through the last trading day as a peer company as it is no longer publicly traded, public company), Rollins, Inc., Stericycle Inc., UniFirst Corporation, and Waste Connections, Inc. The closing price of Primo's common shares as of December 30, 2022 December 29, 2023, the last trading day of 2022, 2023, was C\$21.02 19.96 on the TSX and \$15.54 \$15.05 on the NYSE. The following table is in US dollars.

We have updated our broad market index to the Russell 2000 Index from the S&P/TSX Composite Index as the members of the Russell 2000 Index are more comparable in size, type and business scope to our own.

5323

ASSUMES \$100 INVESTED ON DECEMBER 30, 2017 29, 2018  
ASSUMES DIVIDENDS REINVESTED  
FISCAL YEAR ENDING DECEMBER 31, 2022 30, 2023



	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Common Shares that May Yet Be Purchased Under the Plans or Programs
October 2, 2022 - October 31, 2022	53,648	\$ 14.35	N/A	N/A
November 1, 2022 - November 30, 2022	115	\$ 13.35	N/A	N/A
December 1, 2022 - December 31, 2022	70,520	\$ 15.32	N/A	N/A
<b>Total</b>	<b>124,283</b>			

	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Common Shares that May Yet Be Purchased Under the Plans or Programs
October 1 - October 31, 2023	—	\$ —	N/A	N/A
November 1 - November 30, 2023	75	\$ 14.79	N/A	N/A
December 1 - December 30, 2023	80,895	\$ 14.69	N/A	N/A
<b>Total</b>	<b>80,970</b>			

ITEM 6. [Reserved]

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

### Objective

The following discussion provides an analysis of the Company's financial condition, cash flows and results of operations from management's perspective and should be read in conjunction with the consolidated financial statements and notes thereto included in Part II, Item 8 of this Annual Report on Form 10-K. Our objective is to also provide discussion of events and uncertainties known to management that are reasonably likely to cause reported financial information not to be indicative of future operating results or of future financial condition and to offer information that provides understanding of our financial condition, cash flows and results of operations.

### Overview

Primo is a leading North America-focused pure-play water solutions provider in North America and Europe and generates approximately \$2.2 billion in annual revenue. Primo that operates largely under a recurring revenue model in the large format water category (defined as 3 gallons or greater). This business strategy is commonly referred to as "razor-razorblade" because the initial sale of a product creates a base of users who frequently purchase complementary consumable products. The razor in Primo's revenue model is its industry leading line-up of innovative water dispensers, which are sold through approximately 10,000 10,900 retail locations and online at various price points. The dispensers help increase household and business penetration which drives recurring purchases of Primo's razorblade offering or water solutions. Primo's razorblade offering is comprised of Water Direct, Water Exchange, and Water Refill. Through its Water Direct business, Primo delivers sustainable hydration solutions across its 21-country footprint direct to the customers, whether at home or to businesses. Through its Water Exchange business, customers visit retail locations and purchase a pre-filled bottle of water. Once consumed, empty bottles are exchanged at our recycling center displays, which provide a ticket that offers a discount toward the purchase of a new bottle. Water Exchange is available in approximately 17,500 retail locations. Through its Water Refill business, customers refill empty bottles at approximately 23,500 self-service refill drinking water machines. stations. Primo also offers water filtration units across its 21-country footprint. North America.

Primo's water solutions expand consumer access to purified, spring and mineral water to promote a healthier, more sustainable lifestyle while simultaneously reducing plastic waste and pollution. Primo is committed to its water stewardship standards and is proud to partner with the International Bottled Water Association in North America as well as with Watercoolers Europe, which ensure ensures strict adherence to safety, quality, sanitation and regulatory standards for the benefit of consumer protection. Environmental stewardship is a part of who we are, and we have worked to progressively achieve carbon neutrality throughout our organization. Our European operations have maintained carbon neutrality for more than eleven years, and our U.S. operations achieved carbon neutral certification in 2020 under the CarbonNeutral Carbon Neutral Protocol, an international standard administered by Climate Impact Partners. In 2021, the Company achieved carbon neutrality on a global basis. In late 2021, we Primo announced our its planned exit from the North American small-format retail water business. This business was relatively small and used predominantly single-use plastic bottles. The exit from this category is estimated to reduce reduced single-use retail water bottles from our production environment by more than 400 million, annually, while also improving overall margins. The exit was completed during the second quarter of 2022.

The markets in which we operate are subject to some seasonal variations. Our water delivery sales are generally higher during the warmer months. Our purchases of raw materials and related accounts payable fluctuate based upon the demand for our products. The seasonality of our sales volume causes our working capital needs to fluctuate throughout the year.

We conduct operations in countries involving transactions denominated in a variety of currencies. We Canada and we are subject to currency exchange risks to the extent that our costs are denominated in currencies other than those in which we earn revenues. As our financial statements are denominated in U.S. dollars, fluctuations in currency exchange

rates between the U.S. dollar and other currencies the Canadian dollar have had and will continue to have an impact on our results of operations.

Ingredient and packaging costs represent a significant portion of our cost of sales. These costs are subject to global and regional commodity price trends. Our most significant commodities are polyethylene terephthalate ("PET") resin, high-density polyethylene ("HDPE") and polycarbonate bottles, caps and preforms, labels and cartons and trays. We attempt to manage our exposure to fluctuations in ingredient and packaging costs by entering into fixed price commitments for a portion of our ingredient and packaging requirements and implementing price increases as needed.

In 2022, 2023, our capital expenditures were devoted primarily to supporting growth in our business, maintaining existing facilities and making equipment upgrades.

During On November 2, 2023, Primo and Osmosis Buyer Limited, a company incorporated in England and a subsidiary of the second Culligan Group ("Purchaser"), entered into a Share Purchase Agreement (the "Purchase Agreement") providing for the sale of Carbon Luxembourg S.à.r.l. and certain of its subsidiaries (the "European Business"). On December 29, 2023, Primo completed the sale of the European Business for aggregate deal consideration of \$575.0 million, adjusted for customary purchase price adjustments, resulting in total cash consideration of \$565.9 million (the "European Divestiture"). The European Divestiture did not include Primo's interest in Aimia Foods Limited ("Aimia"), Decantae Mineral Water Limited ("Decantae"), Fonthill Waters Ltd ("Fonthill"), John Farrer & Company Limited ("Farrers"), the portions of the Eden Springs Netherlands B.V. business located in the United Kingdom, Israel, and Portugal (collectively the "Remaining International Businesses"). The European Business and the Remaining International Businesses are collectively the "International Businesses." This deal is the first of several transactions that will occur in 2024 as part of a Board-approved plan to sell all of our international businesses representing a strategic shift in our operations. Accordingly, the International Businesses are presented herein as discontinued operations for all periods presented. See Note 2 to the Consolidated Financial Statements for additional information on discontinued operations. Unless otherwise noted, discussion within Part I and Part II relates to continuing operations.

At the beginning of 2023, our business operated through two reporting segments: (i) North America, which included our DS Services of America, Inc. ("DSS"), Aquaterra Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and the businesses associated with the acquisition of Primo Water Corporation ("Legacy Primo"), and (ii) Europe, which included the European business of Eden Springs Netherlands B.V. ("Eden Europe"), and our Decantae and Fonthill businesses. The Other category included the Israel business of Eden ("Eden Israel"), and our Aimia and Farrers businesses, as well as our corporate oversight function and other miscellaneous expenses.

As a result of the Board approved plan to sell all of our International Businesses, during the fourth quarter of 2022, 2023, we reviewed and realigned our reporting segments to reflect exclude the businesses within discontinued operations which reflects how the business will be managed and results will be evaluated by the Chief Executive Officer, who is the Company's chief operating decision maker. Following that such review, certain of our businesses previously included in the Rest of World segment (now renamed "Europe") were realigned between the Europe one reporting segment and the Other category. Our two reporting segments are as follows: is North America, (which which includes our DS Services of America, Inc. ("DSS"), DSS, Aquaterra, Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and Legacy Primo businesses) and Europe (which includes the European business of Eden Springs Netherlands B.V. ("Eden Europe"), Decantae Mineral Water Limited ("Decantae") and Fonthill Waters Ltd ("Fonthill") businesses). businesses. The Other category includes the Israel business of Eden ("Eden Israel"), Aimia Foods Limited ("Aimia") and John Farrer & Company Limited ("Farrers") businesses, as well as our corporate oversight function and other miscellaneous expenses. expenses and the results of our business in Russia prior to the exit of the business during the third quarter of 2022. Segment reporting results have been recast to reflect these changes for all periods presented.

Our fiscal year is based on either a 52- or 53-week 53-week period ending on the Saturday closest to December 31. For the fiscal years ended December 30, 2023, December 31, 2022 and January 1, 2022, we had 52 weeks of activity, compared to 53 weeks of activity for the year ended January 2, 2021. We estimate the additional week contributed \$19.4 million of additional revenue and \$3.9 million of additional operating income for the year ended January 2, 2021. One of our subsidiaries uses a calendar year-end which differs from the Company's 52- or 53- week fiscal year-end. Differences arising from the use of the different fiscal year-ends were not deemed material for the fiscal years ended December 31, 2022, January 1, 2022 or January 2, 2021. activity.

#### Impact of the COVID-19 Pandemic General Economic and General Economic Geopolitical Conditions

Our global operations and supplier relationships expose us to risks associated with the coronavirus ("COVID-19") pandemic, which has resulted in challenging operating environments. COVID-19 has spread across the globe to all of the countries in which we operate. While we have operated in the COVID-19 environment for more than two years and many of the pandemic's impacts are becoming the "new normal", the situation continues to evolve. Depending on its trajectory, the pandemic may contribute to further economic uncertainty, recession or slowdown in growth, or result in further changes in demand for our services and products, further increases in operating costs (whether as a result of changes to our supply chain, increases in employee costs, general economy-wide inflation or otherwise), and further impacts on our supply chain, each or all of which can impact our ability to make, manufacture, distribute and sell our products. Moreover, disruptions to global supply chains, labor shortages, inflation and the ongoing Russia/Ukraine war and Israel/Hamas wars, all of which are likely to continue to create challenging economic conditions for our business, through increased costs, increased employee attrition and vacancies, lower consumer spending, volatility in financial markets or other impacts. In addition, measures that While we have taken steps to minimize the impact of these increased costs, global supply chain disruption may deteriorate and inflationary pressures may increase, which could adversely affect our ability business, financial condition, results of operations and cash flows. To date, our operations in Israel have not been materially impacted by the Israel/Hamas war, though we continue to access our offices, plants, warehouses, distribution centers or other facilities, or that impact monitor the ability situation closely and prioritize the safety of our customers, employees, distributors, suppliers and other third parties to do the same, may impact the availability of our and their employees, many of whom are not able to perform their job functions remotely. associates. While we continually review and modify our health and safety protocols, business continuity plans and crisis management protocols as needed and have taken other operational actions in an effort to try to mitigate the negative impact of COVID-19 on our employees and our business, the extent of the impact will depend on numerous evolving factors that we are not able to accurately predict and that all will vary by market, including the duration and scope of the pandemic, the emergence of new variants of the virus and the efficacy of vaccines against such variants, global economic conditions during and after the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic and changes in customer behavior in response to the pandemic, some of which may be more than just temporary.

In response to COVID-19, certain government authorities have enacted programs which provide various economic stimulus measures, including several tax provisions. Among the business tax provisions is the deferral of certain payroll and other tax remittances to future years and wage subsidies as reimbursement for a portion of certain furloughed employees' salaries. During the years ended December 31, 2022, January 1, 2022, and January 2, 2021, we received wage subsidies under these programs totaling \$0.4 million, \$3.7 million, and \$7.4 million, respectively. We review our eligibility for these programs for each qualifying period and account for such wage subsidies on an accrual basis when the conditions for eligibility are met. The Company has adopted an accounting policy to present wage subsidies as a reduction of selling, general and administrative ("SG&A") expenses. In addition, deferred payroll and other taxes totaling nil and \$7.5 million were included in accounts payable and accrued liabilities on our Consolidated Balance Sheets as of December 31, 2022 and January 1, 2022, respectively.

## Divestiture Acquisition and Financing Transactions

### Divestitures

On November 2, 2023, Primo and Osmosis Buyer Limited, a company incorporated in England and a subsidiary of the Culligan Group, entered into a Share Purchase Agreement providing for the sale of the European Business. As described above, the European Divestiture closed on December 29, 2023.

During the second quarter of 2022, our Board of Directors approved the exit from our business in Russia. Accordingly, we recorded an impairment charge of \$11.2 million during the second quarter to reduce the carrying value of the assets to the estimated fair value less costs to sell. The exit from our business in Russia was completed on July 19, 2022 and there was no material change to the charges recorded during the second third quarter upon sale of 2022.

In the second quarter of 2022, as part of our overall strategy to increase profitability and further reduce our environmental footprint, we exited the North America single-use retail bottled water category, which consisted primarily of 1-gallon, 2.5 gallon 2.5-gallon and case-pack water. The exit did not affect our large format exchange, refill, and dispenser business or our Mountain Valley brand, which sells products primarily in glass bottles. On an annualized basis, these products have accounted for revenue of approximately \$140 million.

On February 28, 2020, we completed the sale of our coffee, tea and extract solutions business, S. & D. Coffee, Inc. ("S&D") for consideration of \$405.0 million paid at closing in cash, with customary post-closing working capital adjustments, which were resolved in June 2020 by payment of \$1.5 million from the Company to the purchaser of S&D. We used the proceeds of the transaction to finance a portion of the acquisition of Primo Water Corporation ("Legacy Primo" and such transaction, the "Legacy Primo Acquisition").

In July 2017, we entered into a Share Repurchase Agreement with Refresco Group B.V., a Dutch company ("Refresco"), pursuant to which we sold to Refresco, in January 2018, our carbonated soft drinks and juice businesses and our Royal Crown International finished goods export business (collectively, the "Traditional Business" and such transaction, the "Traditional Business Divestiture").

As a result of the S&D divestiture, the operating results associated with the S&D business have been presented as discontinued operations for all years presented. The following discussion and analysis of financial condition and results of operations are those of our continuing operations unless otherwise indicated. For additional information regarding our discontinued operations, see Note 2 to the Consolidated Financial Statements.

### Acquisitions

On December 30, 2021, Eden Springs Netherlands B.V., a wholly-owned subsidiary of the Company ("Eden"), completed the acquisition of Sip-Well NV, the leading distributor of water solutions in Belgium (the "SipWell Acquisition"). The total cash consideration paid by Eden in the SipWell Acquisition was \$53.1 million, subject to adjustments for any non-permitted leakage since a locked box date. The SipWell Acquisition was funded through a combination of incremental borrowings under the Company's Revolving Credit Facility (defined below) and cash on hand.

On March 2, 2020, pursuant to the terms and conditions of the Agreement and Plan of Merger entered into on January 13, 2020, Cott Corporation completed the acquisition of Legacy Primo. The aggregate consideration paid in the Legacy Primo Acquisition was approximately \$798.2 million and includes \$377.6 million of our common shares issued by us to holders of Legacy Primo common stock, \$216.1 million paid in cash by us to holders of Legacy Primo common stock, \$196.9 million of cash paid to retire outstanding indebtedness on behalf of Legacy Primo, \$4.7 million to settle a pre-existing liability and \$2.9 million in fair value of replacement common share options and restricted stock units for vested Legacy Primo awards. The Legacy Primo Acquisition is consistent with our strategy of transitioning to a pure-play water solutions provider.

In connection with the closing of the Legacy Primo Acquisition, Cott Corporation changed its corporate name to Primo Water Corporation and its ticker symbol on the New York Stock Exchange and Toronto Stock Exchange to "PRMW" \$140.0 million.

### Financing Activity

On April 30, 2021, we issued \$750.0 million of 4.375% senior notes due April 30, 2029 ("2029 Notes") to qualified purchasers in a private placement offering under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2029 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. The 2029 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the Revolving Credit Facility and the €450.0 million of 3.875% senior notes due October 31, 2028. The 2029 Notes will mature on April 30, 2029 and interest is payable semi-annually on April 30th and October 31st of each year commencing on October 31, 2021. The proceeds of the 2029 Notes, along with available cash on hand, were used to redeem in full the \$750.0 million of 5.500% senior notes due April 1, 2025 ("2025 Notes") and pay related premiums, fees and expenses.

We incurred approximately \$11.2 million of financing fees for the issuance of the 2029 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2029 Notes. The redemption of the 2025 Notes included \$20.6 million in premium payments, accrued interest of \$3.6 million, and the write-off of \$6.6 million in deferred financing fees.

On October 22, 2020, we issued €450.0 million (\$479.1 499.4 million at exchange rates in effect on December 31, 2022 December 30, 2023) of 3.875% senior notes due October 31, 2028 ("2028 Notes") to qualified purchasers in a private placement offering under Rule 144A under the Securities Act, and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2028 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. The 2028 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the Revolving Credit Facility the €450.0 million of 5.500% senior notes due July 1, 2024 ("2024 Notes") and the 2025 2029 Notes. The 2028 Notes will mature on October 31, 2028 and interest is payable semi-annually on April 30th and October 31st of each year commencing on April 30, 2021. The proceeds of the 2028 Notes, along with borrowings from the Revolving Credit Facility, were used to redeem in full the 2024 Notes and pay related premiums, fees and expenses.

We incurred approximately \$8.5 million of financing fees for the issuance of the 2028 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2028 Notes. The redemption of the 2024 Notes included \$14.7 million in premium payments, accrued interest of \$9.0 million, and the write-off of \$5.1 million in deferred financing fees.

On March 6, 2020, we entered into a credit agreement among the Company, as parent borrower, Primo Water Holdings Inc. and certain other subsidiary borrowers, certain other subsidiaries of the Company from time to time designated as subsidiary borrowers, Bank of America, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto (the "Credit Agreement").

On January 13, 2023, we entered into the Second LIBOR Transition Amendment to the Credit Agreement, which replaced interest rate calculations based on LIBOR with calculations based on the Secured Overnight Financing Rate ("SOFR"). See Note 16 to the Consolidated Financial Statements for more details.

The Credit Agreement provides for a senior secured revolving credit facility in an initial aggregate committed amount of \$350.0 million (the "Revolving Credit Facility"), which may be increased by incremental credit extensions from time to time in the form of term loans or additional revolving credit commitments. The Revolving Credit Facility has a five



year maturity date and includes letter of credit and swing line loan sub facilities. Initial borrowings under the Revolving Credit Facility were used to refinance in full and terminate our previously existing asset-based lending credit facility ("ABL facility").

## Summary Financial Results

Net income from continuing operations in 2022 2023 was \$29.6 million \$63.8 million or \$0.18 \$0.40 per diluted common share, compared with net loss income from continuing operations of \$3.2 million \$58.7 million or \$0.02 \$0.36 per diluted common share, in 2021 2022.

The following items of significance affected our 2022 2023 financial results:

- Net revenue increased \$141.8 million to \$1,771.8 million in 2023 compared to \$1,693.2 million in 2022, an increase of \$78.6 million, or 6.8% 4.6%, in 2022 compared to the prior year due primarily to customer growth and increased demand for products and services from residential and business customers of \$116.5 million \$35.0 million and pricing initiatives of \$168.3 million \$120.9 million, partially offset by the exit from the single-use retail bottled water business in North America of \$101.3 million \$41.0 million, a decrease in dispenser revenue of \$13.0 million, the sale exit from our business in Russia of the Russia business of \$6.4 million \$7.4 million and the impact of unfavorable foreign exchange rates of \$55.6 million \$2.4 million;
- Gross profit increased to \$1,293.4 million \$1,137.0 million in 2022 2023 from \$1,157.4 million \$1,019.2 million in 2021 2022. Gross profit as a percentage of revenue was 58.4% 64.2% in 2022 2023 compared to 55.8% 60.2% in 2021 2022. The 260 400 basis point increase is due primarily to increased demand and pricing initiatives, partially offset by the impact of unfavorable foreign exchange rates;
- SG&A expenses increased to \$1,151.4 million \$976.0 million in 2022 2023 compared to \$1,034.3 million \$883.8 million in the prior year 2022 due primarily to higher selling and operating costs that supported volume and revenue growth. These costs included inflationary growth related primarily to labor and transportation cost increases, which increased by \$61.3 million \$37.1 million and \$26.5 million \$7.0 million, respectively, from 2021, 2022, and increases in insurance costs of \$12.3 million and professional fees of \$7.5 million from 2022, partially offset by the favorable impact exit from our business in Russia of foreign exchange rates of \$28.0 million \$5.0 million. SG&A expenses as a percentage of net revenue was 52.0% 55.1% in 2022 2023 compared to 49.9% 52.2% in 2021 2022;
- Loss on disposal of property, plant and equipment, net was related primarily to the disposal of \$8.5 million \$9.1 million of equipment that was either replaced or no longer being used in our reporting segments;
- Acquisition and integration expenses increased decreased to \$15.3 million \$9.5 million in 2022 2023 compared to \$10.8 million \$12.1 million in 2021 2022 due primarily to costs in the prior year associated with the exit from the single-use retail bottled water business in North America, and ongoing integration costs incurred in connection with the Legacy Primo Acquisition, partially offset by increased professional fees. Acquisition and integration expenses as a percentage of net revenue increased to 0.5% in 2023 compared to 0.7% in 2022 compared to 0.5% in 2021 2022;
- Impairment charges increased decreased to \$29.1 million nil from nil \$11.2 million in the prior year due to the non-recurrence of the non-cash asset impairment charges charge resulting from the exit of from our business in Russia and realignment of our segments. The charges include an asset impairment charge of \$11.2 million, a goodwill impairment charge of \$11.2 million and a trademark impairment charge of \$6.7 million in the current year; 2022;
- Gain on sale of property increased decreased to \$21.0 million in 2023 from \$38.8 million in 2022 from nil in 2021 due to the completion smaller aggregate value of sale transactions for two of our North America owned real properties; properties in 2023 compared to 2022;
- Other expense, net was \$8.8 million \$1.2 million in 2023 compared to Other income, net of \$2.5 million in 2022 compared to \$27.9 million in 2021 due primarily to higher unrealized foreign exchange losses in the current year period and costs to redeem our 2025 Notes incurred in 2021 2023;
- Income tax expense was \$19.7 million \$27.0 million on pre-tax income from continuing operations of \$49.3 million \$90.8 million in 2022 2023 compared to income tax expense of \$9.5 million \$19.5 million on pre-tax income from continuing operations of \$6.3 million \$78.2 million in the prior year year. The increase was due primarily to increased income lower foreign exchange losses in the U.S. related relative to real property sales in the fourth quarter of 2022 and the debt refinancing costs incurred in the second quarter of 2021. The impact of the increased income is partially offset by impairment charges incurred in the second quarter of 2022 for which minimal tax benefits were recognized; prior year.
- Adjusted EBITDA increased to \$420.1 million \$380.7 million in 2022 2023 compared to \$380.0 million \$343.8 million in the prior year 2022 due to the items listed above; and
- Cash flows provided by operating activities from continuing operations was \$281.6 million \$289.2 million in 2022 2023 compared to \$258.7 million \$238.3 million in the prior year. 2022. The \$22.9 million \$50.9 million increase was due primarily to improved earnings, excluding non-cash charges and income partially offset by and an increase in cash used for provided by working capital relative to the prior year.

## Critical Accounting Policies

Our significant accounting policies and recently issued accounting pronouncements are described in Note 1 to the Consolidated Financial Statements included in this Annual Report on Form 10-K. We believe the following represent our critical accounting policies:

### Estimates

The preparation of the these Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Consolidated Financial Statements include estimates and assumptions that, in the opinion of management, were significant to the underlying amounts representing the future valuation of intangible assets, long-lived assets and goodwill, insurance reserves, realization of deferred income tax assets, and the resolution of tax contingencies, and projected benefit plan obligations. contingencies.

### Impairment Testing of Goodwill

Primo The Company operates through four operating segments: its North America Europe, Eden Israel, and Aimia. The North America and Europe operating segments are segment, which is also its sole reportable operating segments, and Eden Israel and Aimia are nonreportable operating segments within segment. We test goodwill for impairment



at least annually on the first day of the fourth quarter, based on our Other category, reporting unit carrying values, calculated as total assets less non-interest bearing liabilities, as of the end of the third quarter, or more frequently if we determine a triggering event has occurred during the year.

We evaluate goodwill for impairment on a reporting unit basis, which is an operating segment or a level below an operating segment, referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component. However, two or more components of an operating segment can be aggregated and deemed a single reporting unit if the components have similar economic characteristics. Our North America operating segment was determined to have three components: DSS, Aquaterra, and Mountain Valley. We have determined that DSS and Aquaterra have similar economic characteristics and have aggregated them as a single reporting unit for the purpose of testing goodwill for impairment ("DSSAqua"). Our Europe operating segment was determined to be Therefore, for the purpose of testing goodwill for impairment for the fiscal year ended December 30, 2023, we have three components: Eden Europe, Decantae, and Fonhill, none of which have similar economic characteristics. Our Aimia operating segment was determined to have two components: Aimia and Farrers, neither of which have similar economic characteristics. Our Eden Israel operating segment was determined to be a single component. We have thus determined our reporting units are DSSAqua and Mountain Valley, Eden Europe, Eden Israel, Aimia, Decantae, Farrers and Fonhill. Valley. During 2022, we identified triggering events arising from 1) our exit from our Russia business and 2) the realignment of our segments (both described above), which required us to perform an impairment test. We elected to bypass the qualitative assessment and performed an interim quantitative impairment test as of May 10, 2022. The interim quantitative impairment test was performed both (1) on a pre-realignment basis on the combined Eden reporting unit (which, prior to realignment, included the Eden Europe and Eden Israel businesses), and (2) on a post-realignment basis, on the Eden Europe and Eden Israel reporting units separately.

We determined the fair value of the reporting units being evaluated using a mix of the income approach (which is based on the discounted cash flows of the reporting unit) and the guideline public company approach. We weighted the income approach and the guideline public company approach at 50.0% each to determine the fair value of the reporting unit. We believe using a combination of these approaches provides a more accurate valuation because it incorporates the expected cash generation of the Company in addition to how a third-party market participant would value the reporting unit. As the business is assumed to continue in perpetuity, the discounted future cash flows include a terminal value. Critical assumptions used in our valuation of reporting units included the anticipated future cash flows, a weighted-average terminal growth rate of 1.5%, a discount rate of 9.0%, and the comparable company multiples. The anticipated future cash flows assumption reflects projected revenue growth rates, SG&A expenses and capital expenditures. The terminal growth rate assumption incorporated into the discounted cash flow calculation reflects our long-term view of the market and industry, projected changes in the sale of our products, pricing of such products and operating profit margins. The discount rate was determined using various factors and sensitive assumptions, including bond yields, size premiums and tax rates. This rate was based on the weighted average cost of capital a market participant would use if evaluating the reporting unit as an investment. The comparable company multiples were based on operating data from guideline publicly traded companies and provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. These multiples were evaluated and adjusted based on specific characteristics of the reporting units relative to the selected guideline companies and applied to the reporting units' operating data to arrive at an indication of value. These assumptions are considered significant unobservable inputs and represent our best estimate of assumptions that market participants would use to determine the fair value of the respective reporting units. The key inputs into the discounted cash flow analysis were consistent with market data, where available, indicating that the assumptions used were in a reasonable range of observable market data.

Based on the quantitative assessment including consideration of the sensitivity of the assumptions made and methods used to determine fair value, industry trends and other relevant factors, we determined that, (1) on a pre-realignment basis, goodwill was impaired for the combined Eden reporting unit and, as a result, we recognized an impairment charge of \$11.2 million (which is included in impairment charges in the Consolidated Statement of Operations for the year ended December 31, 2022), and (2) on a post-realignment basis, the estimated fair value of each of the Eden Europe and Eden Israel reporting units equaled their respective carrying values (therefore, no goodwill impairment charges were recorded for these two reporting units).

We had goodwill of \$1,293.0 million \$1,004.6 million on the our Consolidated Balance Sheet at December 31, 2022 as of December 30, 2023, which represents amounts for the DSSAqua and Mountain Valley Eden Europe, Eden Israel, Aimia, Decantae, and Fonhill reporting units.

units, as well as goodwill within our Other category.

For purposes of the 2022 annual test for the fiscal year ended December 30, 2023, we elected to perform a qualitative assessment for all reporting units to assess whether it was more likely than not that the fair value of these reporting units exceeded their respective carrying values. In performing these assessments, management relied on a number of factors including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors that would have a negative effect on earnings and cash flows, overall financial performance compared with forecasted projections in prior periods, and other relevant reporting unit events, the impact of which are all significant judgments and estimates. Based on these factors, management concluded that it was more likely than not that the fair values of our reporting units were greater than their respective carrying amounts, including goodwill, indicating no impairment. Goodwill allocated to impairment during the DSSAqua, Mountain Valley, Eden Europe, Eden Israel, Aimia, Decantae, and Fonhill reporting units as of December 31, 2022 are \$981.2 million, \$16.0 million, \$184.6 million, \$61.4 million, \$47.6 million, \$1.2 million, and \$1.0 million, respectively. fiscal year ended December 30, 2023.

Each year during the fourth quarter, we re-evaluate the assumptions used in our assessments, such as revenue growth rates, SG&A expenses, capital expenditures and discount rates, to reflect any significant changes in the business environment that could materially affect the fair value of our reporting units. Based on the evaluations performed in 2022, 2023, we determined that the fair value of each of our reporting units exceeded their carrying amounts.

There are inherent uncertainties related to each of the above listed assumptions, and our judgment in applying them. Changes in the assumptions used in our qualitative assessment could result in impairment charges that could be material to our Consolidated Financial Statements in any given period.

During 2020, we identified a triggering event arising from Refer to Note 2 to the impact of the COVID-19 pandemic and performed an interim quantitative impairment test as of June 27, 2020. We determined that Consolidated Financial Statements for discussion regarding goodwill was impaired for the Eden, Decantae, and Farrers reporting units and recognized impairment charges of \$103.3 million, \$0.3 million and \$0.5 million, respectively. These impairment charges are included in impairment charges in the Consolidated Statement of Operations for the year ended January 2, 2021. discontinued operations entities.

#### **Impairment Testing of Intangible Assets with an Indefinite Life**

Our intangible assets with indefinite lives relate to trademarks acquired in the acquisition of businesses, and there are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of these intangible assets. Our trademarks with indefinite lives are not amortized, but rather are tested for impairment at least annually or more frequently if we determine a triggering event has occurred during the year. We compare the carrying amount of the intangible assets to its fair value and when the carrying amount is greater than the fair value, we recognize an impairment loss. Our intangible assets with indefinite lives relate primarily to trademarks acquired in the Legacy Primo

Acquisition, trademarks acquired in the acquisition of DSS, Legacy Primo, trademarks acquired in the acquisition of Eden (including the trademarks associated with our Eden Europe and Eden Israel businesses), DSS, one of the trademarks acquired in the acquisition of Aquaterra, trademarks acquired in the acquisition of Mountain Valley, and trademarks acquired in the acquisition of Crystal Rock and trademarks acquired in the acquisition of SipWell (collectively, the "Trademarks").

As a result of the triggering events described above arising from the exit from our Russia business and realignment of segments, we also performed recoverability tests on the trademarks with an indefinite life acquired in the acquisition of Eden ("Eden Trademarks") as of May 10, 2022. We elected to bypass the qualitative assessment and performed an interim quantitative impairment test as of May 10, 2022 on the Eden Trademarks. The interim quantitative impairment test was performed for the Eden Trademarks, including the Eden Europe and Eden Israel trademarks, to identify any impairment immediately prior to the segment realignment. The interim quantitative impairment test was then performed for the trademarks with indefinite lives associated with the Eden Europe and Eden Israel businesses upon segment realignment.

To determine the fair value of the trademarks being evaluated, we use a relief from royalty method of the income approach, which calculates a fair value royalty rate that is applied to revenue forecasts associated with the trademark. The resulting cash flows are discounted using a rate to reflect the risk of achieving the projected royalty savings attributable to the trademark. The assumptions used to estimate the fair value of the trademark are subjective and require significant management judgment, including estimated future revenues, the fair value royalty rate (which is estimated to be a reasonable market royalty charge that would be charged by a licensor of the trademarks) and the risk adjusted discount rate. Based on our impairment test, we determined that, (1) on a pre-realignment basis, the estimated fair value of the Eden Trademarks exceeded the carrying value by approximately 9.0% (therefore, no impairment charge was recorded for this trademark), and (2) on a post-realignment basis, the estimated fair value of the trademarks with indefinite lives associated with our Eden Israel business exceeded the carrying value by approximately 103.0% (therefore, no impairment charge was recorded for this trademark), and the trademarks with indefinite lives associated with our Eden Europe business were impaired and recognized an impairment charge of \$6.7 million. The impairment charge is included in impairment charges in the Consolidated Statement of Operations for the year ended December 31, 2022. The impairment charge is due primarily to the decrease in the royalty rate used in the quantitative assessment.

As of December 31, 2022, the Trademarks These assets have an aggregate net book value of \$437.2 million.

During the fourth quarter \$379.7 million as of 2022, management concluded that it was more likely than not that the fair value of the Trademarks were greater than their respective carrying value, indicating no impairment. December 30, 2023.

We assessed qualitative factors to determine whether the existence of events or circumstances indicated that it was more likely than not that the fair value of the Trademarks were less than their respective carrying value. The qualitative factors we assessed included macroeconomic conditions, industry and market considerations, cost factors that would have a negative effect on earnings and cash flows, overall financial performance compared with forecasted projections in prior periods, and other relevant events, the impact of which are all significant judgments and estimates. We During the fourth quarter of 2023, we concluded that it was more likely than not that the fair value of the Trademarks was were more than their carrying value and therefore we were not required to perform any additional testing.

There are inherent uncertainties related to each of the above listed assumptions, and our judgment in applying them. Changes in the assumptions used in our qualitative assessment could result in impairment charges that could be material to our Consolidated Financial Statements in any given period.

During 2020, we identified a triggering event arising from the impact of the COVID-19 pandemic and performed an interim quantitative impairment test as of June 27, 2020. We determined the Eden Trademarks and the Aquaterra Trademark were impaired and recognized impairment charges of \$9.9 million and \$1.2 million, respectively. These impairment charges are included in impairment charges in Refer to Note 2 to the Consolidated Statement of Operations Financial Statements for discussion regarding intangible assets for the year ended January 2, 2021. discontinued operations entities.

#### Other Intangible Assets

As of December 31, 2022 December 30, 2023, our intangible assets subject to amortization, net of accumulated amortization, for continuing operations were \$456.1 million \$333.0 million, consisting principally of \$416.4 million \$310.7 million of customer relationships that arose from acquisitions, \$21.4 million \$13.8 million of software, and \$8.2 million \$5.9 million of patents. Customer relationships are typically amortized over the period for which we expect to receive the economic benefits. The customer relationship intangible assets acquired in our acquisitions are amortized over the expected remaining useful life of those relationships on a basis that reflects the pattern of realization of the estimated undiscounted after-tax cash flows. We review the estimated useful life of these intangible assets annually, unless a review is required more frequently due to a triggering event, such as the a loss of a significant customer. Our review of the estimated useful life takes into consideration the specific net cash flows related to the intangible asset. The permanent loss of, or significant decline in sales to customers included in the intangible asset would result in either an impairment in the value of the intangible asset or an accelerated amortization of any remaining value and could lead to an impairment of the fixed assets that were used to service that customer. We did not record impairment charges for our intangible assets subject to amortization in 2022, 2021 or 2020, the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022.

#### Impairment and Disposal of Long-Lived Assets

When adverse events occur, we compare the carrying amount of long-lived assets to the estimated undiscounted future cash flows at the lowest level of independent cash flows for the group of long-lived assets and recognize any impairment loss based on discounted cash flows in the Consolidated Statements of Operations, taking into consideration the timing of testing and the asset's remaining useful life. The expected life and value of these long-lived assets is based on an evaluation of the competitive environment, history and future prospects as appropriate. We did not record impairments of long-lived assets during the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022.

#### Insurance Reserves

We maintain insurance retention programs under our general liability, auto liability, and workers' compensation insurance programs. We also carry excess coverage to mitigate catastrophic losses. We use an independent third-party actuary to assist in determining our insurance reserves. Insurance reserves are accrued on an undiscounted basis based on known claims and estimated incurred but not reported claims not otherwise covered by insurance. The estimates are developed utilizing standard actuarial methods and are based on historical claims experience and actuarial assumptions, including loss development factors and expected ultimate loss selections. The inherent uncertainty of future loss projections could cause actual claims to differ from our estimates. The Company recorded insurance reserves of \$58.7 \$67.0 million and \$60.1 \$58.7 million as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022, respectively, within accounts Accounts payable and accrued liabilities and other Other long-term liabilities in the Consolidated Balance Sheets, of which \$12.3 \$8.8 million and \$17.2 \$12.3 million, respectively, was covered by insurance and included as a component of accounts Accounts receivable, net of allowance and other Other long-term assets. assets in the Consolidated Balance Sheets.

#### Income Taxes

We are subject to income taxes in Canada as well as in numerous foreign jurisdictions. Significant judgments and estimates are required in determining the income tax expense in these jurisdictions. Our income tax expense, deferred tax assets and liabilities and reserves for unrecognized tax benefits reflect management's best assessment of estimated future taxes to be paid in the jurisdictions in which we operate.

Deferred income taxes arise from temporary differences between the tax and financial statement recognition of revenue and expense. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. In projecting future taxable income, we begin with historical results adjusted for the results of discontinued operations and changes in accounting policies and incorporate assumptions including the amount of future Canadian and foreign pre-tax income, the reversal of temporary differences, and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses. Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future.

The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations in a multitude of jurisdictions across our global operations.

Financial Accounting Standards Board ("FASB" ("FASB")) Accounting Standards Codification ("ASC" ("ASC")) Topic 740, "Income Taxes" ("Income Taxes" ("ASC 740" 740")) provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. ASC 740 also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

We recognize tax liabilities in accordance with ASC 740 and we adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

#### Pension Costs

We account for our defined benefit pension plans in accordance with ASC No. 715-20, "Compensation—Defined Benefit Plans—General" ("ASC 715-20"). The funded status is the difference between the fair value of plan assets and the benefit obligation. The adjustment to accumulated other comprehensive income represents the net unrecognized actuarial gains or losses and unrecognized prior service costs. Future actuarial gains or losses that are not recognized as net periodic benefits cost in the same periods will be recognized as a component of other comprehensive income.

We maintain several defined benefit plans that cover certain of our employees. We record the expenses associated with these plans based on calculations which include various actuarial assumptions such as discount rates and expected long-term rates of return on plan assets. Material changes in pension costs may occur in the future due to changes in these assumptions. Future annual amounts could be impacted by changes in the discount rate, changes in the expected long-term rate of return, changes in the level of contributions to the plans and other factors.

We utilize a yield curve analysis to determine the discount rates for our defined benefit plans' obligations. The yield curve considers pricing and yield information for high quality corporate bonds with maturities matched to estimated payouts of future pension benefits. The expected return on plan assets is based on our expectation of the long-term rates of return on each asset class based on the current asset mix of the funds, considering the historical returns earned on the type of assets in the funds. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when appropriate. The effects of the modifications to the actuarial assumptions which impact the projected benefit obligation are amortized over future periods.

Effective as of December 31, 2021, our U.S. Plan was terminated. In accordance with the amended plan documents, we anticipate making distributions for all plan participants (either directly to the participant or to an insurance company depending upon their optional payment election) and expect to distribute all plan assets in fiscal year 2023.

In connection with certain other collective bargaining agreements to which we are a party, we are required to make contributions on behalf of certain union employees to multiemployer pension plans. The ongoing contributions and liabilities associated with these plans are not material.

#### Non-GAAP Measures

In this Annual Report on Form 10-K, we supplement our reporting of financial measures determined in accordance with GAAP by utilizing certain non-GAAP financial measures that exclude certain items to make period-over-period comparisons for our underlying operations before material charges. We exclude these items to better understand trends in the business. We exclude the impact of foreign exchange to separate the impact of currency exchange rate changes from our results of operations. We also exclude the impact of the 53<sup>rd</sup> week of operations for the fiscal year ended January 2, 2021.

We also utilize earnings (loss) before interest expense, taxes, depreciation and amortization ("EBITDA"), which is GAAP net loss from continuing operations before interest expense, net, expense for income taxes and depreciation and amortization. We consider EBITDA to be an indicator of operating performance. We also use EBITDA, as do analysts, lenders, investors and others, because it excludes certain items that can vary widely across different industries or among companies within the same industry. These differences can result in considerable variability in the relative costs of productive assets and the depreciation and amortization expense among companies. We also utilize adjusted EBITDA, which is EBITDA excluding acquisition and integration costs, share-based compensation costs, COVID-19 costs, impairment charges, foreign exchange and other losses, net, loss on disposal of property, plant and equipment, net, loss on extinguishment of long-term debt, (gain) loss on sale of business, (gain) loss on sale of property, and other adjustments, net, as the case may be ("Adjusted EBITDA"). We consider Adjusted EBITDA to be an indicator of our operating performance. Adjusted EBITDA excludes certain items to make more meaningful period-over-period comparisons of our underlying operations before material changes.

Because we use these adjusted financial results in the management of our business and to understand underlying business performance, we believe this supplemental information is useful to investors for their independent evaluation and understanding of our business performance and the performance of our management. The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, our financial statements prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this Annual Report on Form 10-K reflect our judgment of particular items, and may be different from, and therefore may not be comparable to, similarly titled measures reported by other companies.

The following table summarizes our EBITDA and Adjusted EBITDA for the fiscal years ended December 30, 2023, December 31, 2022 and January 1, 2022:

(in millions of U.S. dollars)	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022

<b>Net income from continuing operations</b>	<b>\$ 63.8</b>	<b>\$ 58.7</b>	<b>\$ 4.9</b>
Interest expense, net	71.4	67.8	68.3
Income tax expense	27.0	19.5	7.7
Depreciation and amortization	193.3	182.0	160.2
<b>EBITDA</b>	<b>\$ 355.5</b>	<b>\$ 328.0</b>	<b>\$ 241.1</b>
Acquisition and integration costs	9.5	12.1	9.1
Share-based compensation costs	14.1	16.4	15.5
COVID-19 costs	—	(0.6)	2.0
Impairment charges	—	11.2	—
Foreign exchange and other losses (gains), net	5.7	0.9	(0.5)
Loss on disposal of property, plant and equipment, net	9.1	7.4	9.1
Loss on extinguishment of long-term debt	—	—	27.2
Gain on sale of business	—	(0.7)	—
Gain on sale of property	(21.0)	(38.8)	—
Other adjustments, net	7.8	7.9	0.8
<b>Adjusted EBITDA</b>	<b>\$ 380.7</b>	<b>\$ 343.8</b>	<b>\$ 304.3</b>

### Results of Operations - Continuing Operations

The following table summarizes our Consolidated Statements of Operations as a percentage of net revenue for 2022, 2021 the fiscal years ended December 30, 2023, December 31, 2022 and 2020: January 1, 2022:

(in millions of U.S. dollars)	2022		2021		2020	
		Percentage of Revenue		Percentage of Revenue		Percentage of Revenue
Revenue, net	\$ 2,215.1	100.0 %	\$ 2,073.3	100.0 %	\$ 1,953.5	100.0 %
Cost of sales	921.7	41.6 %	915.9	44.2 %	839.6	43.0 %
Gross profit	1,293.4	58.4 %	1,157.4	55.8 %	1,113.9	57.0 %
Selling, general and administrative expenses	1,151.4	52.0 %	1,034.3	49.9 %	1,006.6	51.5 %
Loss on disposal of property, plant and equipment, net	8.5	0.4 %	9.3	0.4 %	10.6	0.5 %
Acquisition and integration expenses	15.3	0.7 %	10.8	0.5 %	33.7	1.7 %
Impairment charges	29.1	1.3 %	—	— %	115.2	5.9 %
Gain on sale of property	(38.8)	(1.8) %	—	— %	—	— %
Operating income (loss)	127.9	5.8 %	103.0	5.0 %	(52.2)	(2.7) %
Other expense, net	8.8	0.4 %	27.9	1.3 %	18.7	1.0 %
Interest expense, net	69.8	3.2 %	68.8	3.3 %	81.6	4.2 %
Income (loss) from continuing operations before income taxes	49.3	2.2 %	6.3	0.3 %	(152.5)	(7.8) %
Income tax expense	19.7	0.9 %	9.5	0.5 %	4.3	0.2 %
Net income (loss) from continuing operations	29.6	1.3 %	(3.2)	(0.2) %	(156.8)	(8.0) %
Net income from discontinued operations, net of income taxes (Note 2)	—	— %	—	— %	25.1	1.3 %
Net income (loss)	\$ 29.6	1.3 %	\$ (3.2)	(0.2) %	\$ (131.7)	(6.7) %
Depreciation & amortization	\$ 242.8	11.0 %	\$ 219.1	10.6 %	\$ 202.1	10.3 %

(in millions of U.S. dollars)	2023		2022		2021	
	\$	%	\$	%	\$	%
Revenue, net	1,771.8	100.0	1,693.2	100.0	1,576.4	100.0
Cost of sales	634.8	35.8	674.0	39.8	685.4	43.5
Gross profit	1,137.0	64.2	1,019.2	60.2	891.0	56.5
Selling, general and administrative expenses	976.0	55.1	883.8	52.2	769.8	48.8
Loss on disposal of property, plant and equipment, net	9.1	0.5	7.4	0.4	9.1	0.6
Acquisition and integration expenses	9.5	0.5	12.1	0.7	9.1	0.6

Impairment charges	—	—	11.2	0.7	—	—
Gain on sale of property	(21.0)	(1.2)	(38.8)	(2.3)	—	—
<b>Operating income</b>	<b>163.4</b>	<b>9.2</b>	<b>143.5</b>	<b>8.5</b>	<b>103.0</b>	<b>6.5</b>
Other expense (income), net	1.2	0.1	(2.5)	(0.1)	22.1	1.4
Interest expense, net	71.4	4.0	67.8	4.0	68.3	4.3
<b>Income from continuing operations before income taxes</b>	<b>90.8</b>	<b>5.1</b>	<b>78.2</b>	<b>4.6</b>	<b>12.6</b>	<b>0.8</b>
Income tax expense	27.0	1.5	19.5	1.2	7.7	0.5
<b>Net income from continuing operations</b>	<b>63.8</b>	<b>3.6</b>	<b>58.7</b>	<b>3.5</b>	<b>4.9</b>	<b>0.3</b>
<b>Net income (loss) from discontinued operations, net of income taxes (Note 2)</b>	<b>174.3</b>	<b>9.8</b>	<b>(29.1)</b>	<b>(1.7)</b>	<b>(8.1)</b>	<b>(0.5)</b>
<b>Net income (loss)</b>	<b>238.1</b>	<b>13.4</b>	<b>29.6</b>	<b>1.7</b>	<b>(3.2)</b>	<b>(0.2)</b>
<b>Depreciation and amortization</b>	<b>193.3</b>	<b>10.9</b>	<b>182.0</b>	<b>10.7</b>	<b>160.2</b>	<b>10.2</b>

The following table summarizes our net revenue, gross profit, SG&A expenses and operating income (loss) by reporting segment for 2022, 2021 the fiscal years ended December 30, 2023, December 31, 2022 and 2020: January 1, 2022:

(in millions of U.S. dollars)	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022
<u>Revenue, net</u>			
North America	\$ 1,771.2	\$ 1,685.6	\$ 1,562.9
Other	0.6	7.6	13.5
Total	<u>\$ 1,771.8</u>	<u>\$ 1,693.2</u>	<u>\$ 1,576.4</u>
<u>Gross profit</u>			
North America	\$ 1,136.4	\$ 1,013.5	\$ 881.0
Other	0.6	5.7	10.0
Total	<u>\$ 1,137.0</u>	<u>\$ 1,019.2</u>	<u>\$ 891.0</u>
<u>Selling, general and administrative expenses</u>			
North America	\$ 919.7	\$ 830.8	\$ 720.6
Other	56.3	53.0	49.2
Total	<u>\$ 976.0</u>	<u>\$ 883.8</u>	<u>\$ 769.8</u>
<u>Operating income (loss)</u>			
North America	\$ 222.2	\$ 203.7	\$ 146.0
Other	(58.8)	(60.2)	(43.0)
Total	<u>\$ 163.4</u>	<u>\$ 143.5</u>	<u>\$ 103.0</u>

(in millions of U.S. dollars)	2022	2021	2020
<u>Revenue, net</u>			
North America	\$ 1,685.6	\$ 1,562.9	\$ 1,493.2
Europe	265.3	247.6	240.5
Other	264.2	263.8	221.3
Eliminations	—	(1.0)	(1.5)
Total	<u>\$ 2,215.1</u>	<u>\$ 2,073.3</u>	<u>\$ 1,953.5</u>
<u>Gross profit</u>			
North America	\$ 1,013.5	\$ 881.0	\$ 862.9
Europe	178.9	168.3	164.7
Other	101.0	108.1	86.3
Total	<u>\$ 1,293.4</u>	<u>\$ 1,157.4</u>	<u>\$ 1,113.9</u>
<u>Selling, general and administrative expenses</u>			
North America	\$ 830.8	\$ 720.6	\$ 712.5
Europe	174.8	176.6	171.6

Other	145.8	137.1	122.5
Total	<u>\$ 1,151.4</u>	<u>\$ 1,034.3</u>	<u>\$ 1,006.6</u>
<u>Operating income (loss)</u>			
North America	\$ 203.7	\$ 146.0	\$ 130.0
Europe	(28.4)	(10.2)	(124.0)
Other	(47.4)	(32.8)	(58.2)
Total	<u>\$ 127.9</u>	<u>\$ 103.0</u>	<u>\$ (52.2)</u>

The following tables summarize revenue by channel for 2022, 2021 the fiscal years ended December 30, 2023, December 31, 2022 and 2020; January 1, 2022:

For the Year Ended December 31, 2022										
For the Fiscal Year Ended December 30, 2023							For the Fiscal Year Ended December 30, 2023			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	North America	Europe	Other	Eliminations	Total	(in millions of U.S. dollars)	North America	Other	Total
<u>Revenue, net</u>	<u>Revenue, net</u>									
Water Direct/Water Exchange										
Water Direct/Water Exchange										
Water Direct/Water Exchange		\$1,242.8	\$201.9	\$ 46.0	\$ —	\$1,490.7				
Water Refill/Water Filtration										
Water Refill/Water Filtration		192.0	32.6	2.8	—	227.4				
Other Water		73.8	1.6	76.4	—	151.8				
Water Dispensers										
Water Dispensers		70.5	—	—	—	70.5				
Other		106.5	29.2	139.0	—	274.7				
Total	Total	<u>\$1,685.6</u>	<u>\$265.3</u>	<u>\$264.2</u>	<u>\$ —</u>	<u>\$2,215.1</u>				

For the Year Ended January 1, 2022					
(in millions of U.S. dollars)	North America	Europe	Other	Eliminations <sup>1</sup>	Total
<u>Revenue, net</u>					
Water Direct/Water Exchange	\$ 1,051.0	\$ 182.4	\$ 43.1	\$ —	\$ 1,276.5
Water Refill/Water Filtration	180.5	32.3	0.6	—	213.4
Other Water	162.6	1.2	80.5	—	244.3
Water Dispensers	65.4	—	—	—	65.4
Other	103.4	31.7	139.6	(1.0)	273.7
Total	<u>\$ 1,562.9</u>	<u>\$ 247.6</u>	<u>\$ 263.8</u>	<u>\$ (1.0)</u>	<u>\$ 2,073.3</u>

<sup>1</sup> Intersegment revenue between the Other category and the Europe reporting segment was \$1.0 million for the year ended January 1, 2022.

For the Year Ended January 2, 2021					
(in millions of U.S. dollars)	North America	Europe	Other	Eliminations <sup>1</sup>	Total
<u>Revenue, net</u>					
Water Direct/Water Exchange	\$ 965.8	\$ 177.6	\$ 34.0	\$ —	\$ 1,177.4
Water Refill/Water Filtration	175.1	29.3	—	—	204.4
Other Water	160.7	—	63.5	—	224.2
Water Dispensers	75.9	—	—	—	75.9
Other	115.7	33.6	123.8	(1.5)	271.6



Total	\$	1,493.2	\$	240.5	\$	221.3	\$	(1.5)	\$	1,953.5
-------	----	---------	----	-------	----	-------	----	-------	----	---------

Intersegment revenue between the Other category and the Europe reporting segment was \$1.5 million for the year ended January 2, 2021.

(in millions of U.S. dollars)	For the Fiscal Year Ended December 31, 2022		
	North America	Other	Total
<u>Revenue, net</u>			
Water Direct/Water Exchange	\$ 1,242.8	\$ 7.4	\$ 1,250.2
Water Refill/Water Filtration	192.0	—	192.0
Other Water	73.8	—	73.8
Water Dispensers	70.5	—	70.5
Other	106.5	0.2	106.7
Total	\$ 1,685.6	\$ 7.6	\$ 1,693.2

## Results of Operations

(in millions of U.S. dollars)	For the Fiscal Year Ended January 1, 2022		
	North America	Other	Total
<u>Revenue, net</u>			
Water Direct/Water Exchange	\$ 1,051.0	\$ 13.5	\$ 1,064.5
Water Refill/Water Filtration	180.5	—	180.5
Other Water	162.6	—	162.6
Water Dispensers	65.4	—	65.4
Other	103.4	—	103.4
Total	\$ 1,562.9	\$ 13.5	\$ 1,576.4

The following table summarizes the change in revenue by reporting segment for 2022: the fiscal year ended December 30, 2023:

(in millions of U.S. dollars)	For the Fiscal Year Ended December 30, 2023		
	North America	Other	Total
Change in revenue	\$ 85.6	\$ (7.0)	\$ 78.6
Impact of foreign exchange <sup>1</sup>	2.4	—	2.4
Change excluding foreign exchange	\$ 88.0	\$ (7.0)	\$ 81.0
Percentage change in revenue	5.1 %	(92.1)%	4.6 %
Percentage change in revenue excluding foreign exchange	5.2 %	(92.1)%	4.8 %

(in millions of U.S. dollars)	For the Year Ended December 31, 2022				
	North America	Europe	Other	Eliminations	Total
Change in revenue	\$ 122.7	\$ 17.7	\$ 0.4	\$ 1.0	\$ 141.8
Impact of foreign exchange <sup>1</sup>	2.4	33.6	19.6	—	55.6
Change excluding foreign exchange	\$ 125.1	\$ 51.3	\$ 20.0	\$ 1.0	\$ 197.4
Percentage change in revenue	7.9 %	7.1 %	0.2 %	(100.0)%	6.8 %
Percentage change in revenue excluding foreign exchange	8.0 %	20.7 %	7.6 %	(100.0)%	9.5 %

<sup>1</sup> Impact of foreign exchange is the difference between the current year's revenue translated utilizing the current year's average foreign exchange rates less the current year's revenue translated utilizing the prior year's average foreign exchange rates.

The following table summarizes the change in revenue by reporting segment for the fiscal year ended December 31, 2022:

(in millions of U.S. dollars)	For the Fiscal Year Ended December 31, 2022		
	North America	Other	Total
Change in revenue	\$ 122.7	\$ (5.9)	\$ 116.8
Impact of foreign exchange <sup>1</sup>	2.4	0.4	2.8

Change excluding foreign exchange	\$	125.1	\$	(5.5)	\$	119.6
Percentage change in revenue		7.9 %		(43.7)%		7.4 %
Percentage change in revenue excluding foreign exchange		8.0 %		(40.7)%		7.6 %

1 Impact of foreign exchange is the difference between the current year's revenue translated utilizing the current year's average foreign exchange rates less the current year's revenue translated utilizing the prior year's average foreign exchange rates.

The following table summarizes the change in revenue by reporting segment for 2021:

(in millions of U.S. dollars)	For the Year Ended January 1, 2022				
	North America	Europe	Other	Eliminations	Total
Change in revenue	\$ 69.7	\$ 7.1	\$ 42.5	\$ 0.5	\$ 119.8
Impact of foreign exchange <sup>1</sup>	(4.6)	(8.1)	(16.0)	—	(28.7)
Change excluding foreign exchange	\$ 65.1	\$ (1.0)	\$ 26.5	\$ 0.5	\$ 91.1
Percentage change in revenue	4.7 %	3.0 %	19.2 %	(33.3)%	6.1 %
Percentage change in revenue excluding foreign exchange	4.4 %	(0.4)%	12.0 %	(33.3)%	4.7 %
Impact of 53 <sup>rd</sup> week in 2020	\$ 18.9	\$ —	\$ 0.5	\$ —	\$ 19.4
Change excluding foreign exchange and impact of 53 <sup>rd</sup> week in 2020	\$ 84.0	\$ (1.0)	\$ 27.0	\$ 0.5	\$ 110.5
Percentage change in revenue excluding foreign exchange and impact of 53 <sup>rd</sup> week in 2020	5.7 %	(0.4)%	12.2 %	(33.3)%	5.7 %

1 Impact of foreign exchange is the difference between the current year's revenue translated utilizing the current year's average foreign exchange rates less the current year's revenue translated utilizing the prior year's average foreign exchange rates.

The following table summarizes the change in gross profit by reporting segment for 2022; the fiscal year ended December 30, 2023:

For the Year Ended December 31, 2022										
For the Fiscal Year Ended December 30, 2023							For the Fiscal Year Ended December 30, 2023			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	North America	Europe	Other	Eliminations	Total	(in millions of U.S. dollars)	North America	Other	Total
Change in gross profit	Change in gross profit	\$132.5	\$10.6	\$(7.1)	\$ —	\$136.0				
Impact of foreign exchange <sup>1</sup>	Impact of foreign exchange <sup>1</sup>	1.4	22.4	5.5	—	29.3				
Change excluding foreign exchange	Change excluding foreign exchange	\$133.9	\$33.0	\$(1.6)	\$ —	\$165.3				
Percentage change in gross profit	Percentage change in gross profit	15.0 %	6.3 %	(6.6)%	— %	11.8 %	Percentage change in gross profit	12.1 %	(89.5)%	11.6 %
Percentage change in gross profit excluding foreign exchange	Percentage change in gross profit excluding foreign exchange	15.2 %	19.6 %	(1.5)%	— %	14.3 %	Percentage change in gross profit excluding foreign exchange	12.3 %	(89.5)%	11.7 %

- 1 Impact of foreign exchange is the difference between the current year's gross profit translated utilizing the current year's average foreign exchange rates less the current year's gross profit translated utilizing the prior year's average foreign exchange rates.

The following tables summarize the change in gross profit by reporting segment for 2021; the fiscal year ended December 31, 2022:

For the Year Ended January 1, 2022										
For the Fiscal Year Ended December 31, 2022							For the Fiscal Year Ended December 31, 2022			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	North America	Europe	Other	Eliminations	Total	(in millions of U.S. dollars)	North America	Other	Total
Change in gross profit	Change in gross profit	\$ 18.1	\$ 3.6	\$ 21.8	\$ —	\$ 43.5				
Impact of foreign exchange 1	Impact of foreign exchange 1	(2.5)	(5.2)	(6.2)	—	(13.9)				
Change excluding foreign exchange	Change excluding foreign exchange	\$ 15.6	\$(1.6)	\$ 15.6	\$ —	\$ 29.6				
Percentage change in gross profit	Percentage change in gross profit	2.1 %	2.2 %	25.3 %	— %	3.9 %	Percentage change in gross profit	15.0 %	(43.0)%	14.4 %
Percentage change in gross profit excluding foreign exchange	Percentage change in gross profit excluding foreign exchange	1.8 %	(1.0)%	18.1 %	— %	2.7 %	Percentage change in gross profit excluding foreign exchange	15.2 %	(40.0)%	14.6 %
Impact of 53rd week in 2020		\$ 12.2	\$ —	\$ —	\$ —	\$ 12.2				
Change excluding foreign exchange and impact of 53rd week in 2020		\$ 27.8	\$(1.6)	\$ 15.6	\$ —	\$ 41.8				
Percentage change in gross profit excluding foreign exchange and impact of 53rd week in 2020		3.3 %	(1.0)%	18.1 %	— %	3.8 %				

- 1 Impact of foreign exchange is the difference between the current year's gross profit translated utilizing the current year's average foreign exchange rates less the current year's gross profit translated utilizing the prior year's average foreign exchange rates.

Our corporate oversight function is not treated as a segment; it includes certain general and administrative costs that are disclosed in the Other category.

The following table summarizes our EBITDA and Adjusted EBITDA for the fiscal years ended December 31, 2022, January 1, 2022 and January 2, 2021, respectively.

(in millions of U.S. dollars)	For the Year Ended		
	December 31, 2022	January 1, 2022	January 2, 2021
Net income (loss) from continuing operations	\$ 29.6	\$ (3.2)	\$ (156.8)
Interest expense, net	69.8	68.8	81.6
Income tax expense	19.7	9.5	4.3
Depreciation and amortization	242.8	219.1	202.1
EBITDA 1	\$ 361.9	\$ 294.2	\$ 131.2

Acquisition and integration costs	15.3	10.8	33.7
Share-based compensation costs	17.2	17.5	22.1
COVID-19 costs	(0.6)	2.4	20.8
Impairment charges	29.1	—	115.2
Foreign exchange and other losses, net	15.1	8.7	1.5
Loss on disposal of property, plant and equipment, net	8.5	9.3	10.6
Loss on extinguishment of long-term debt	—	27.2	19.7
Gain on sale of business	(0.8)	(3.8)	(0.6)
Gain on sale of property	(38.8)	—	—
Other adjustments, net	13.2	13.7	7.3
<b>Adjusted EBITDA <sup>1</sup></b>	<b>\$ 420.1</b>	<b>\$ 380.0</b>	<b>\$ 361.5</b>

<sup>1</sup> Includes \$3.9 million of benefit associated with the 53<sup>rd</sup> week for the year ended January 2, 2021.

## Fiscal Year Ended December 30, 2023 Compared to Fiscal Year Ended December 31, 2022 Compared to Year Ended January 1, 2022

### Revenue, Net

Net revenue increased \$141.8 million to \$1,771.8 million in 2023 compared to \$1,693.2 million in 2022, an increase of \$78.6 million, or 6.8%, in 2022 from 2021, 4.6%. Excluding the impact of foreign exchange, net revenue increased \$197.4 million \$81.0 million, or 9.5% 4.8%, in 2022 2023 from 2021, 2022.

North America net revenue increased \$122.7 million to \$1,771.2 million in 2023 from \$1,685.6 million in 2022, an increase of \$85.6 million, or 7.9% 5.1%, in 2022 from 2021 due primarily to customer growth and increased demand for products and services from residential and business customers of \$76.8 million \$35.0 million and pricing initiatives of \$134.4 million \$120.9 million, partially offset by the exit from the single-use retail bottled water business in North America of \$101.3 million \$41.0 million, a decrease in dispenser revenue of \$13.0 million and the unfavorable impact of foreign exchange rates of \$2.4 million.

Europe Other net revenue increased \$17.7 million decreased to \$0.6 million in 2023 from \$7.6 million in 2022, a decrease of \$7.0 million, or 7.1% (92.1)%, in 2022 from 2021 due primarily to customer growth and increased demand for products and services the exit from residential and our business customers in Russia of \$38.8 million, pricing initiatives of \$15.2 million, partially offset by the sale of the Russia business of \$6.4 million and unfavorable impact of foreign exchange rates of \$33.6 million.

Other net revenue increased \$0.4 million, or 0.2%, in 2022 from 2021 due primarily to customer growth and increased demand for products and services from residential and business customers of \$0.9 million, pricing initiatives of \$18.7 million, partially offset by the unfavorable impact of foreign exchange rates of \$19.6 million. \$7.4 million.

### Gross Profit

Gross profit increased to \$1,293.4 million \$1,137.0 million in 2022 2023 from \$1,157.4 million \$1,019.2 million in 2021, 2022. Gross profit as a percentage of revenue was 58.4% 64.2% in 2022 2023 compared to 55.8% 60.2% in 2021, 2022.

North America gross profit increased to \$1,136.4 million in 2023 from \$1,013.5 million in 2022, from \$881.0 million in 2021, and gross profit as a percentage of revenue was 64.2% in 2023 compared to 60.1% in 2022 compared to 56.4% in 2021, 2022. The 370 410 basis point increase is due primarily to increased demand and pricing initiatives.

Europe gross profit increased to \$178.9 million in 2022 from \$168.3 million in 2021, and gross profit as a percentage of revenue remained relatively flat at 67.4% in 2022 compared to 68.0% in 2021.

Other gross profit decreased to \$101.0 million \$0.6 million in 2022 2023 from \$108.1 million \$5.7 million in 2021, 2022, and gross profit as a percentage of revenue was 38.2% 100.0% in 2022 2023 compared to 41.0% 75.0% in 2021, 2022. The 280 basis point decrease in gross profit is due primarily to the unfavorable impact exit from our business in Russia in the third quarter of inflationary cost increases, 2022.

### Selling, General and Administrative Expenses

SG&A expenses increased to \$1,151.4 million \$976.0 million in 2022 2023 compared to \$1,034.3 million \$883.8 million in 2021, 2022. SG&A expenses as a percentage of net revenue was 52.0% 55.1% in 2022 2023 compared to 49.9% 52.2% in 2021, 2022.

North America SG&A expenses increased to \$919.7 million in 2023 compared to \$830.8 million in 2022, compared to \$720.6 million in 2021, due primarily to higher selling and operating costs that supported volume and revenue growth. These costs included inflationary growth related primarily to labor and transportation cost increases, which increased by \$41.9 million \$37.1 million and \$23.1 million \$7.0 million, respectively, from 2021.

Europe SG&A expenses decreased to \$174.8 million 2022 and increases in 2022 compared to \$176.6 million in 2021, due primarily to the favorable impact insurance costs of foreign exchange rates of \$21.4 million, partially offset by higher selling and operating costs that supported volume and revenue growth. These costs included inflationary labor and transportation cost increases, which increased by \$13.4 million and \$2.6 million, respectively, \$12.3 million from 2021, 2022.

Other SG&A expenses increased to \$145.8 million \$56.3 million in 2023 compared to \$53.0 million in 2022 compared primarily related to \$137.1 million in 2021, due primarily to inflationary labor and transportation cost increases, which increased by \$6.0 million and \$0.8 million higher professional fees of \$7.5 million, respectively from 2021, partially offset by the favorable impact exit from our business in Russia in the third quarter of foreign exchange rates 2022 of \$6.6 million \$5.0 million.

### Acquisition and Integration Expenses

Acquisition and integration expenses increased decreased to \$15.3 million \$9.5 million in 2022 2023 compared to \$10.8 million \$12.1 million in 2021, 2022. Acquisition and integration expenses as a percentage of net revenue was 0.5% in 2023 compared to 0.7% in 2022 compared to 0.5% in 2021, 2022.

North America acquisition and integration expenses increased to \$6.4 million in 2023 compared to \$10.8 million in 2022, compared to \$5.2 million in 2021, due primarily to costs in the prior year associated with the exit from the single-use retail bottled water business in North America and ongoing integration costs incurred in connection with the Legacy Primo Acquisition, America.

Europe Other acquisition and integration expenses increased to \$3.2 million in 2022 2023 compared to \$1.7 million in 2021, due primarily to higher costs associated with tuck-in acquisitions.

Other acquisition and integration expenses decreased to \$1.3 million in 2022, compared to \$3.9 million in 2021, due primarily to lower acquisition and integration costs related to the Legacy Primo business. increased professional fees in 2023.

#### **Impairment Charges**

Impairment charges increased to \$29.1 million in 2022 compared decreased to nil in 2021. 2023 compared to \$11.2 million in 2022. Impairment charges as a percentage of revenue was 1.3% nil in 2022 2023 compared to nil 0.7% in 2021, 2022.

Europe impairment charges increased to \$29.1 million in 2022 compared to nil in 2021. The decrease is due to the non-cash asset impairment charges charge in Other resulting from the exit of our business in Russia and realignment of our segments. The charges include an asset impairment charge of \$11.2 million, a goodwill impairment charge of \$11.2 million and a trademark impairment charge of \$6.7 million in 2022.

#### **Gain on Sale of Property**

Gain on sale of property decreased to \$21.0 million in 2023 from \$38.8 million in 2022.

The decrease was due to smaller aggregate value of sale transactions for our North America owned real properties than in 2022.

#### **Operating Income (Loss)**

Operating income was \$163.4 million in 2023 compared to \$143.5 million in 2022.

North America operating income increased to \$38.8 million \$222.2 million in 2023 compared to \$203.7 million in 2022, due to the items discussed above.

Other operating loss decreased to \$58.8 million in 2023 compared to \$60.2 million in 2022, due to the items discussed above.

#### **Other Expense (Income), Net**

Other expense, net was \$1.2 million in 2023 compared to Other income, net of \$2.5 million in 2022, due primarily to higher unrealized foreign exchange losses in 2023 compared to 2022.

#### **Income Taxes**

Income tax expense was \$27.0 million in 2023 compared to \$19.5 million in 2022. The effective tax rate was 29.7% in 2023 compared to 24.9% in 2022.

The effective tax rate for 2023 varied from the effective tax rate from 2022 due primarily to increased income in a tax-paying jurisdiction and increased losses in a tax jurisdiction with existing valuation allowances. The effective tax rate for 2023 differs from the Canadian statutory rate primarily due to: (a) significant permanent differences for which we have not recognized a tax benefit; (b) income in tax jurisdictions with lower statutory tax rates than Canada; and (c) losses in tax jurisdictions with existing valuations allowances.

### **Fiscal Year Ended December 31, 2022 Compared to Fiscal Year Ended January 1, 2022**

#### **Revenue, Net**

Net revenue increased to \$1,693.2 million in 2022 from \$1,576.4 million in 2021, an increase of \$116.8 million, or 7.4%. Excluding the impact of foreign exchange, net revenue increased \$119.6 million, or 7.6%, in 2022 from 2021.

North America net revenue increased to \$1,685.6 million in 2022 from \$1,562.9 million in 2021, an increase of \$122.7 million, or 7.9%, due primarily to increased demand for products and services from residential and business customers of \$76.8 million and pricing initiatives of \$134.4 million, partially offset by the exit from the single-use retail bottled water business in North America of \$101.3 million and the unfavorable impact of foreign exchange rates of \$2.4 million.

Other net revenue decreased to \$7.6 million in 2022 from \$13.5 million in 2021, a decrease of \$5.9 million, or 43.7%, due primarily to the exit from our business in Russia in the third quarter of 2022 of \$6.1 million.

#### **Gross Profit**

Gross profit increased to \$1,019.2 million in 2022 from \$891.0 million in 2021. Gross profit as a percentage of net revenue was 60.2% in 2022 compared to 56.5% in 2021.

North America gross profit increased to \$1,013.5 million in 2022 from \$881.0 million in 2021, and gross profit as a percentage of revenue was 60.1% in 2022 compared to 56.4% in 2021. The 370 basis point increase is due primarily to increased demand and pricing initiatives.

Other gross profit decreased to \$5.7 million in 2022 from \$10.0 million in 2021, and gross profit as a percentage of revenue was 75.0% in 2022 compared to 74.1% in 2021. The decrease in gross profit is due primarily to the exit from our business in Russia in the third quarter of 2022.

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

SG&A expenses increased to \$883.8 million in 2022 compared to \$769.8 million in 2021. SG&A expenses as a percentage of net revenue was 52.2% in 2022 compared to 48.8% in 2021.

North America SG&A expenses increased to \$830.8 million in 2022 compared to \$720.6 million in 2021, due primarily to higher selling and operating costs that supported volume and revenue growth. These costs included inflationary labor and transportation cost increases, which increased by \$41.9 million and \$23.1 million, respectively, from 2021.

Other SG&A expenses increased to \$53.0 million in 2022 compared to \$49.2 million in 2021, due primarily to inflationary labor cost increases, which increased by \$4.9 million from 2021.

#### **Acquisition and Integration Expenses**

Acquisition and integration expenses increased to \$12.1 million in 2022 compared to \$9.1 million in 2021. Acquisition and integration expenses as a percentage of net revenue was 0.7% in 2022 compared to 0.6% in 2021.



North America acquisition and integration expenses increased to \$10.8 million in 2022 compared to \$5.2 million in 2021, due primarily to costs associated with the exit from the single-use retail bottled water business in North America and ongoing integration costs incurred in connection with the Legacy Primo Acquisition.

Other acquisition and integration expenses decreased to \$1.3 million in 2022 compared to \$3.9 million in 2021, due primarily to lower acquisition and integration costs relating to the Legacy Primo business.

#### **Impairment Charges**

Impairment charges increased to \$11.2 million in 2022 compared to nil in 2021. Gain on sale of property impairment charges as a percentage of revenue was 1.8% 0.7% in 2022 compared to nil in 2021.

The increase was due to the completion of sale transactions for two owned real properties non-cash asset impairment charge in North America. Other resulting from the exit from our business in Russia in 2022.

#### **Operating Income (Loss)**

Operating income was \$127.9 million \$143.5 million in 2022 compared to operating income of \$103.0 million in 2021.

North America operating income increased to \$203.7 million in 2022 compared to \$146.0 million in 2021, due to the items discussed above.

Europe operating loss increased to \$28.4 million in 2022 compared to \$10.2 million in 2021, due to the items discussed above.

Other operating loss increased to \$47.4 million \$60.2 million in 2022 compared to \$32.8 million \$43.0 million in 2021, due to the items discussed above.

#### **Other Expense (Income), Net**

Other expense, income, net was \$8.8 million \$2.5 million in 2022 compared to \$27.9 million Other expense, net of \$22.1 million in 2021, due primarily to unrealized foreign exchange losses in 2022 and costs to redeem our 2025 Notes incurred in 2021.

#### **Income Taxes**

Income tax expense was \$19.7 million \$19.5 million in 2022 compared to \$9.5 million \$7.7 million in 2021. The effective tax rate was 40.0% 24.9% in 2022 compared to 150.8% 61.1% in 2021.

The effective tax rate for 2022 varied from the effective tax rate from 2021 due primarily to increased income in the U.S. related to real property sales in the fourth quarter of 2022 and the debt refinancing costs incurred in the second quarter of 2021. The impact of the increased income is partially offset by impairment charges incurred in the second quarter of 2022 for which minimal tax benefits were recognized. The effective tax rate for 2022 differs from the Canadian statutory rate primarily due to: (a) significant permanent differences for which we have not recognized a tax benefit; (b) income in tax jurisdictions with lower statutory tax rates than Canada; and (c) losses in tax jurisdictions with existing valuations allowances.

#### **Year Ended January 1, 2022 Compared to Year Ended January 2, 2021**

##### **Revenue, Net**

Net revenue increased \$119.8 million, or 6.1%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, net revenue increased \$110.5 million, or 5.7%, in 2021 from 2020.

North America net revenue increased \$69.7 million, or 4.7%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, net revenue increased \$84.0 million, or 5.7%, in 2021 from 2020, due primarily to the addition of revenues from the Legacy Primo business and pricing initiatives, partially offset by a decline in water dispenser sales.

Europe net revenue increased \$7.1 million, or 3.0%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, net revenue decreased \$1.0 million or 0.4%, in 2021 from 2020.

Other net revenue increased \$42.5 million, or 19.2%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, net revenue increased \$27.0 million or 12.2%, in 2021 from 2020 due primarily to improved volume.

##### **Gross Profit**

Gross profit increased \$43.5 million, or 3.9%, in 2021 from 2020. Gross profit as a percentage of net revenue was 55.8% in 2021 compared to 57.0% in 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, gross profit increased \$41.8 million, or 3.8% in 2021 from 2020.

North America gross profit increased \$18.1 million, or 2.1%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, gross profit increased \$27.8 million, or 3.3%, in 2021 from 2020, due primarily to the addition of the Legacy Primo business and pricing initiatives, partially offset by increased material costs in our single-use plastic business, ocean freight and tariffs.

Europe gross profit increased \$3.6 million, or 2.2%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, gross profit decreased \$1.6 million, or 1.0%, in 2021 from 2020.

Other gross profit increased \$21.8 million, or 25.3%, in 2021 from 2020. Excluding the impact of foreign exchange and the impact of the 53<sup>rd</sup> week in 2020, gross profit increased \$15.6 million, or 18.1%, in 2021 from 2020, due primarily to improved volume.

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

SG&A expenses increased to \$1,034.3 million in 2021 compared to \$1,006.6 million in 2020. SG&A expenses as a percentage of net revenue was 49.9% in 2021 compared to 51.5% in 2020.

North America SG&A expenses increased to \$720.6 million in 2021 compared to \$712.5 million in 2020, due primarily to the addition of the Legacy Primo business and an increase in delivery expenses, partially offset by cost reduction initiatives executed as a result of the impact of COVID-19.

Europe SG&A expenses increased to \$176.6 million in 2021 compared to \$171.6 million in 2020, due primarily to an increase in delivery expenses and the unfavorable impact of foreign exchange rates, partially offset by cost reduction initiatives executed as a result of the impact of COVID-19.

Other SG&A expenses increased to \$137.1 million in 2021 compared to \$122.5 million in 2020, due primarily to an increase in delivery expenses and the unfavorable impact of foreign exchange rates.

#### Acquisition and Integration Expenses

Acquisition and integration expenses decreased to \$10.8 million in 2021 compared to \$33.7 million in 2020. Acquisition and integration expenses as a percentage of net revenue was 0.5% in 2021 compared to 1.7% in 2020.

North America acquisition and integration expenses decreased to \$5.2 million in 2021 compared to \$9.8 million in 2020, due primarily to lower acquisition and integration costs relating to the Legacy Primo business.

Europe acquisition and integration expenses decreased to \$1.7 million in 2021 compared to \$2.8 million in 2020, due primarily to a reduction in costs associated with tuck-in acquisitions.

Other acquisition and integration expenses decreased to \$3.9 million in 2021 compared to \$21.1 million in 2020, due primarily to lower acquisition and integration costs relating to the Legacy Primo business.

#### Impairment Charges

Impairment charges decreased to nil in 2021 compared to \$115.2 million in 2020. Impairment charges as a percentage of revenue was nil in 2021 compared to 5.9% in 2020.

North America impairment charges decreased to nil in 2021 compared to \$1.2 million in 2020 due primarily to the non-recurrence of impairment charges recorded in the prior year on certain of our Canadian trademarks.

Europe impairment charges decreased to nil in 2021 compared to \$114.0 million in 2020 due primarily to the non-recurrence of impairment charges recorded in the prior year as a result of general deterioration in economic and market conditions in which we operate arising from COVID-19 and revised projections of future operating results.

#### Operating Income (Loss)

Operating income was \$103.0 million in 2021 compared to operating loss of \$52.2 million in 2020.

North America operating income increased to \$146.0 million in 2021 compared to \$130.0 million in 2020, due to the items discussed above.

Europe operating loss was \$10.2 million in 2021 compared to operating loss of \$124.0 million in 2020, due to the items discussed above.

Other operating loss was \$32.8 million in 2021 compared to operating loss of \$58.2 million in 2020, due to the items discussed above.

#### Other Expense, Net

Other expense, net was \$27.9 million in 2021 compared to \$18.7 million in 2020, due primarily to the costs recognized on the redemption of our 2025 Notes compared to our 2024 Notes in the prior year and an increase of net losses on foreign currency transactions, partially offset by income recognized on sale of a business.

#### Income Taxes

Income tax expense was \$9.5 million in 2021 compared to \$4.3 million in 2020. The effective tax rate was 150.8% in 2021 compared to (2.8)% in 2020.

The effective tax rate for 2021 varied from the effective tax rate from 2020 due to increased losses in 2020 driven primarily by the impact of the COVID-19 pandemic for which minimal tax benefit was recognized, including the impairment charges related to goodwill and intangible assets during the second quarter of 2020. The effective tax rate for 2021 differs from the Canadian statutory rate due primarily to: (a) significant permanent differences for which we have not recognized a tax benefit; (b) income in tax jurisdictions with lower statutory tax rates than Canada; and (c) losses in tax jurisdictions with existing valuations allowances.

#### Liquidity and Capital Resources

The following table summarizes our cash flows for 2023, 2022, 2021 and 2020, 2021 as reported in our Consolidated Statements of Cash Flows in the accompanying Consolidated Financial Statements:

		For the Year Ended						
		For the Fiscal Year Ended			For the Fiscal Year Ended			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
Net cash provided by operating activities from continuing operations	Net cash provided by operating activities from continuing operations	\$ 281.6	\$ 258.7	\$ 193.6				

Net cash used in investing activities from continuing operations	Net cash used in investing activities from continuing operations	(181.5)	(240.9)	(566.9)
Net cash used in financing activities from continuing operations	Net cash used in financing activities from continuing operations	(102.8)	(0.8)	(91.0)
<b>Cash flows from discontinued operations:</b>	<b>Cash flows from discontinued operations:</b>			
Net cash used in operating activities from discontinued operations		—	(1.8)	(17.4)
Net cash provided by investing activities from discontinued operations		—	—	388.9
Net cash used in financing activities from discontinued operations		—	—	(0.1)
Net cash provided by operating activities from discontinued operations				
Net cash provided by operating activities from discontinued operations				
Net cash provided by operating activities from discontinued operations				
Net cash provided by (used in) investing activities from discontinued operations				
Net cash provided by (used in) financing activities from discontinued operations				
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(3.1)	(1.9)	2.5
Net (decrease) increase in cash, cash equivalents and restricted cash		(5.8)	13.3	(90.4)

Net increase (decrease) in cash, cash equivalents and restricted cash				
Cash and cash equivalents and restricted cash, beginning of year	Cash and cash equivalents and restricted cash, beginning of year	128.4	115.1	205.5
Cash and cash equivalents and restricted cash, end of year	Cash and cash equivalents and restricted cash, end of year	122.6	128.4	115.1
Cash and cash equivalents and restricted cash of discontinued operations, end of year	Cash and cash equivalents and restricted cash of discontinued operations, end of year	—	—	—
Cash and cash equivalents and restricted cash from continuing operations, end of year	Cash and cash equivalents and restricted cash from continuing operations, end of year	\$ 122.6	\$ 128.4	\$ 115.1
Cash and cash equivalents and restricted cash of continuing operations, end of year				

#### Operating Activities

Cash provided by operating activities from continuing operations was \$281.6 million \$289.2 million in 2023 compared to \$238.3 million in 2022 and \$211.3 million in 2021. The \$50.9 million increase in 2023 compared to \$258.7 million in 2021 and \$193.6 million in 2020. The \$22.9 million increase in 2022 compared to 2021 was due primarily to improved earnings, excluding non-cash charges and income partially offset by and an increase in cash used for provided by working capital relative to the prior year.

The \$65.1 million \$27.0 million increase in 2021 2022 compared to 2020 2021 was due primarily to improved earnings, excluding non-cash charges, partially offset by an increase in cash used for working capital balances relative to the prior year.

#### Investing Activities

Cash used in investing activities from continuing operations was \$181.5 million \$147.3 million in 2023 compared to \$127.1 million in 2022 and \$151.9 million in 2021. The \$20.2 million increase in 2023 compared to \$240.9 million in 2021 and \$566.9 million in 2020. The \$59.4 million decrease in 2022 compared to 2021 was due primarily to the lower receipt of proceeds from the sale of properties and decreased increased cash used for acquisitions, partially offset by an increase a decrease in additions to property, plant and equipment relative to the prior year.

The \$326.0 million \$24.8 million decrease in 2021 2022 compared to 2020 2021 was due primarily to receipt of proceeds from the sale of properties in 2022 and a decrease in cash used to acquire our Legacy Primo business in the prior year for acquisitions, partially offset by an increase in additions to property, plant and equipment relative to the prior year.

#### Financing Activities

Cash used in financing activities from continuing operations was \$102.8 million \$290.4 million in 2023 compared to \$91.4 million in 2022 and \$4.2 million in 2021. The \$199.0 million increase in 2023 compared to \$0.8 million 2022 was due primarily to an increase in 2021 net short-term payments compared to the prior year and \$91.0 million an increase in 2020. dividends paid to common shareholders, partially offset by an increase in issuance of common shares.

The \$102.0 million \$87.2 million increase in 2022 compared to 2021 was due primarily to an increase in net short-term short term payments compared to net short-term borrowings in the prior year, an increase in dividends paid to common shareholders, and a decrease in issuance issuances of common shares, partially offset by cash provided by other financing activities and a decrease in cash used for financing transactions and share repurchases.

The \$90.2 million decrease in 2021 compared to 2020 was due primarily to an increase in net short term borrowings and issuance of common shares partially offset by an increase in common share repurchases relative to the prior year.

### Financial Liquidity

As of December 31, 2022 December 30, 2023, we had \$1,513.6 million \$1,285.0 million of debt and \$122.6 million \$507.9 million of cash and cash equivalents compared to \$1,560.9 million \$1,469.0 million of debt and \$128.4 million \$78.8 million of cash and cash equivalents as of January 1, 2022 December 31, 2022.

The COVID-19 pandemic has continued Our operations expose us to disrupt our business. The extent risks associated with disruptions to global supply chains, labor shortages, inflation and duration of the impact of the COVID-19 pandemic on our business ongoing Russia/Ukraine and financial results will depend on numerous evolving factors that we are not able to accurately predict and that Israel/Hamas wars, all will vary by market. These factors include the duration and scope of the pandemic, including the severity of new variants, future governmental actions, and changes in customer behavior in response to the pandemic, some of which are likely to remain long-term. Moreover, disruptions continue to create challenging conditions for our business, through increased costs, increased employee attrition and vacancies, lower consumer spending, volatility in financial markets or other impacts. While we have taken steps to minimize the impact of these increased costs, global supply chain the effects disruption may deteriorate and inflationary pressures may increase, which could adversely affect our business, financial condition, results of the Russia/Ukraine war, labor shortages, inflation, operations and rising interest rates further exacerbate challenging economic conditions from the pandemic or otherwise. cash flows.

We believe that our level of resources, which includes cash on hand, available borrowings availability under our Revolving Credit Facility and funds provided by our operations, will be adequate to fund cash outflows that have both a short- and long-term component. component, including the long-term obligations described in "Other Liquidity Matters" below. These cash flows will support our growth platform and include our expenses, capital expenditures, anticipated dividend payments, and debt service obligations. The Company regularly assesses its cash requirements and the available resources to fund these needs. Our ability to generate cash to meet our current expenses and debt service obligations will depend on our future performance. If we do not have enough cash to pay our debt service obligations, or if the Revolving Credit Facility or our outstanding notes were to become currently due, either at maturity or as a result of a breach, we may be required to take actions such as amending our Revolving Credit Facility Agreement or the indentures governing our outstanding notes, refinancing all or part of our existing debt, selling assets, incurring additional indebtedness or raising equity. If we need to seek additional financing, there is no assurance that this additional financing will be available on favorable terms or at all.

Our Revolving Credit Facility and debt capital markets transactions are described under "Debt" below.

In 2022, 2023, we declared a dividend of \$0.07 \$0.08 per common share each quarter for an aggregate dividend payment of approximately \$45.7 million \$51.8 million.

We earn substantially all of our consolidated operating income in subsidiaries located outside of Canada. We have not provided for federal, state, and foreign deferred income taxes on the undistributed earnings of our non-Canadian subsidiaries. We expect that these earnings will be permanently reinvested by such subsidiaries except in certain instances where repatriation attributable to current earnings results in minimal or no tax consequences.

We expect our existing cash and cash equivalents, cash flows and the issuance of debt will continue to be sufficient to fund our operating, investing, and financing activities. In addition, we expect our existing cash and cash equivalents and cash flows outside of Canada will continue to be sufficient to fund the operating activities of our subsidiaries.

A future change to our assertion that foreign earnings will be permanently reinvested could result in additional income taxes and/or withholding taxes payable, where applicable. Therefore, a higher effective tax rate could occur during the period of repatriation.

We may, from time to time, depending on market conditions, including without limitation whether our outstanding notes are then trading at a discount to their face amount, repurchase our outstanding notes for cash and/or in exchange for shares of our common shares, warrants, preferred shares, debt, or other consideration, in each case in open market purchases and/or privately negotiated transactions. The amounts involved in any such transactions, individually or in the aggregate, may be material. However, the covenants in our Revolving Credit Facility subject such purchases to certain limitations and conditions.

### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of December 31, 2022 December 30, 2023.

### Other Liquidity Matters

We expect capital spending during the fiscal year ended December 30, 2023 December 28, 2024 to be approximately \$200.0 million \$153.6 million. Capital spending will be monitored and controlled as the year progresses. We expect to use operating cash flows to satisfy capital spending.

The following table shows the schedule of future payments under certain contracts, including debt agreements and guarantees, as of December 31, 2022 December 30, 2023:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	Payments due by period							(in millions of U.S. dollars)	Total	Payments due by period					
		Total	2023	2024	2025	2026	2027	Thereafter			2024	2025	2026	2027	2028	Thereafter
3.875% senior notes due in 2028	3.875% senior notes due in 2028	\$ 479.1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 479.1								

4.375% senior notes due in 2029	4.375% senior notes due in 2029	750.0	—	—	—	—	—	750.0
Revolving Credit Facility 1	Revolving Credit Facility 1	197.0	197.0	—	—	—	—	—
Interest expense 2	Interest expense 2	323.2	63.1	50.1	50.0	49.7	49.7	60.6
Operating lease obligations	Operating lease obligations	275.9	45.4	42.3	36.5	26.1	21.7	103.9
Finance leases 3	Finance leases 3	106.1	20.2	19.0	18.1	14.2	8.0	26.6
Pension obligations	Pension obligations	28.3	8.6	0.6	0.6	0.6	0.4	17.5
Purchase obligations 4	Purchase obligations 4							
Purchase obligations 4	Purchase obligations 4							
Purchase obligations 4	Purchase obligations 4	11.9	11.1	0.7	0.1	—	—	—
Other liabilities	Other liabilities	31.6	24.8	3.6	0.6	2.5	0.1	—
<b>Total 5</b>	<b>Total 5</b>	<b>\$2,203.1</b>	<b>\$370.2</b>	<b>\$116.3</b>	<b>\$105.9</b>	<b>\$93.1</b>	<b>\$79.9</b>	<b>\$1,437.7</b>

- The Revolving Credit Facility is considered a current liability. As of **December 31, 2022** **December 30, 2023**, we had **\$197.0 million** of **there were no** outstanding borrowings under the Revolving Credit Facility.
- Interest expense includes fixed interest on the 2028 Notes, 2029 Notes, the Revolving Credit Facility and other long-term liabilities. Actual amounts will differ from estimates provided.
- Includes estimated interest payments using a **weighted average** **weighted-average** discount rate of **5.1%** **5.5%** as of **December 31, 2022** **December 30, 2023**.
- Purchase obligations consist of commitments for the purchase of inventory, energy transactions, and payments related to professional fees and technology outsourcing agreements. These obligations represent the minimum contractual obligations expected under the normal course of business.
- The contractual obligations table excludes the Company's ASC 740 uncertain tax positions of **\$17.7 million** **\$9.4 million** because the Company cannot make a reliable estimate as to when such amounts will be settled.

#### Debt

Our total debt as of **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022** was as follows:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022			January 1, 2022			(in millions of U.S. dollars)	December 30, 2023			December 31, 2022		
		Unamortized Principal	Debt Costs	Net	Unamortized Principal	Debt Costs	Net		Unamortized Principal	Debt Costs	Net	Unamortized Principal	Debt Costs	Net
3.875% senior notes due in 2028	3.875% senior notes due in 2028	\$ 479.1	\$ 5.6	\$ 473.5	\$ 509.6	\$ 6.9	\$ 502.7							
3.875% senior notes due in 2028	3.875% senior notes due in 2028													
3.875% senior notes due in 2028	3.875% senior notes due in 2028													
4.375% senior notes due in 2029	4.375% senior notes due in 2029	750.0	8.6	741.4	750.0	10.0	740.0							



Revolving Credit Facility	Revolving Credit Facility	197.0	—	197.0	211.0	—	211.0
Short-term borrowings	Short-term borrowings	15.3	—	15.3	11.1	—	11.1

Short-term borrowings

Short-term borrowings

Finance leases	Finance leases	84.0	—	84.0	92.8	—	92.8
----------------	----------------	------	---	------	------	---	------

Other debt financing		2.4	—	2.4	3.3	—	3.3
----------------------	--	-----	---	-----	-----	---	-----

**Total debt**

**Total debt**

<b>Total debt</b>	<b>Total debt</b>	<b>\$1,527.8</b>	<b>\$ 14.2</b>	<b>\$1,513.6</b>	<b>\$1,577.8</b>	<b>\$ 16.9</b>	<b>\$1,560.9</b>
-------------------	-------------------	------------------	----------------	------------------	------------------	----------------	------------------

Less: Short-term borrowings and current debt:

Revolving Credit Facility	Revolving Credit Facility	\$ 197.0	\$ —	\$ 197.0	\$ 211.0	\$ —	\$ 211.0
---------------------------	---------------------------	----------	------	----------	----------	------	----------

Revolving Credit Facility

Revolving Credit Facility

Short-term borrowings	Short-term borrowings	15.3	—	15.3	11.1	—	11.1
-----------------------	-----------------------	------	---	------	------	---	------

Short-term borrowings

Short-term borrowings

Finance leases - current maturities	Finance leases - current maturities	16.8	—	16.8	17.0	—	17.0
-------------------------------------	-------------------------------------	------	---	------	------	---	------

Other debt financing		0.7	—	0.7	0.7	—	0.7
----------------------	--	-----	---	-----	-----	---	-----

**Total current debt**

**Total current debt**

<b>Total current debt</b>	<b>Total current debt</b>	<b>\$ 229.8</b>	<b>\$ —</b>	<b>\$ 229.8</b>	<b>\$ 239.8</b>	<b>\$ —</b>	<b>\$ 239.8</b>
---------------------------	---------------------------	-----------------	-------------	-----------------	-----------------	-------------	-----------------

<b>Total long-term debt</b>	<b>Total long-term debt</b>	<b>\$1,298.0</b>	<b>\$ 14.2</b>	<b>\$1,283.8</b>	<b>\$1,338.0</b>	<b>\$ 16.9</b>	<b>\$1,321.1</b>
-----------------------------	-----------------------------	------------------	----------------	------------------	------------------	----------------	------------------

#### Revolving Credit Facility

The On March 6, 2020, the Company entered into a credit agreement (the "Credit Agreement") among the Credit Agreement on March 6, 2020. Company, as parent borrower, Primo Water Holdings Inc. and certain other subsidiary borrowers, certain other subsidiaries of the Company from time to time designated as subsidiary borrowers, Bank of America, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto.

The Credit Agreement provides the Revolving for a senior secured revolving credit facility in an initial aggregate committed amount of \$350.0 million (the "Revolving Credit Facility, Facility"), which may be increased by incremental credit extensions from time to time in the form of term loans or additional revolving credit commitments. The Revolving Credit Facility has a five year maturity date and includes letter of credit and swing line loan sub facilities.

As of December 31, 2022, our outstanding Initial borrowings under the Revolving Credit Facility were \$197.0 million used to refinance in full and terminate our previously existing asset-based lending credit facility (the "ABL Facility"). Certain letters of credit outstanding under the ABL Facility were rolled over under the Revolving Credit Facility. We incurred approximately \$3.4 million of financing fees in connection with the Revolving Credit Facility. The Revolving Credit Facility was considered to be a modification of the ABL Facility under GAAP. These new financing fees along with \$1.8 million of unamortized deferred costs of the ABL Facility are being amortized using the straight-line method over the duration of the Revolving Credit Facility.

As of December 30, 2023, there were no outstanding borrowings under the Revolving Credit Facility. Outstanding letters of credit totaled \$46.6 million \$66.7 million, resulting in total utilization under the Revolving Credit Facility of \$243.6 million. As a result, our \$66.7 million. Accordingly, unused availability under the Revolving Credit Facility was \$106.4 million as of December 31, 2022. December 30, 2023 amounted to \$283.3 million.

The commitment fee was 0.25% per annum of weighted-average effective interest rate on the unused availability outstanding borrowings under the Revolving Credit Facility.

The weighted average effective interest rate at Facility as of December 30, 2023 and December 31, 2022 on the Revolving Credit Facility outstanding borrowings was —% and 5.9%. The weighted average effective interest rate at January 1, 2022 on the Revolving Credit Facility outstanding borrowings was 2.4%, respectively. The effective interest

rates are based on our aggregate availability.

As of December 31, 2022, borrowings under the Credit Agreement bore interest at a rate per annum equal to either: (a) a eurocurrency rate as determined under the Credit Agreement, plus the applicable margin, or (b) a base rate equal to the highest of (i) Bank of America's prime rate, (ii) 0.5% per annum above the federal funds rate, and (iii) the eurocurrency rate, as determined under the Credit Agreement, for a one month interest period, plus 1.0%, plus the applicable margin. The applicable margin for eurocurrency rate loans ranges from 137.5 to 200 basis points and the applicable margin for base rate loans ranges from 37.5 to 100 basis points, in each case depending on our consolidated total leverage ratio. Unutilized commitments under the Credit Agreement are subject to a commitment fee ranging from 20 to 30 basis points per annum depending on our consolidated total leverage ratio, payable on a quarterly basis.

On January 13, 2023, we entered into the Second LIBOR Transition Amendment to the Credit Agreement, which replaced interest rate calculations based on LIBOR with calculations based on SOFR. A copy As of December 30, 2023, borrowings under the Second Libor Transition Amendment is attached hereto Credit Agreement bore interest at a rate per annum equal to either: (a) a euro currency rate as Exhibit 10.3, determined under the Credit Agreement, plus the applicable margin, or (b) a term SOFR rate, as determined under the Credit Agreement, plus the applicable margin, (c) a base rate equal to the highest of (i) Bank of America's prime rate, (ii) 0.5% per annum above the federal funds rate, and (iii) the term SOFR rate, as determined under the Credit Agreement, for a one month interest period, plus 1.0%, plus the applicable margin, or (d) an alternative currency daily or term rate, as determined under the Credit Agreement, plus the applicable margin. The applicable margin for euro currency, term SOFR, and alternative currency rate loans ranges from 1.375% to 2.000% and the applicable margin for base rate loans ranges from 0.375% to 1.000%, in each case depending on our consolidated total leverage ratio. Unutilized commitments under the Credit Agreement are subject to a commitment fee ranging from 0.20% to 0.30% per annum depending on our consolidated total leverage ratio, payable on a quarterly basis.

#### 4.375% Senior Notes due in 2029

On April 30, 2021, we issued \$750.0 million of 4.375% senior notes due April 30, 2029 ("2029 (the "2029 Notes")") to qualified purchasers in a private placement offering under Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2029 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. The 2029 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the \$350.0 million senior secured revolving credit facility and the €450.0 million of 3.875% senior notes due October 31, 2028. The 2029 Notes will mature on April 30, 2029 and interest is payable semi-annually on April 30th and October 31st of each year commencing on October 31, 2021. The proceeds of the 2029 Notes, along with available cash on hand, were used to redeem in full the \$750.0 million of 5.500% senior notes due April 1, 2025 ("the "2025 Notes"). The redemption of the 2025 Notes included \$20.6 million in premium payments, accrued interest of \$3.6 million, and pay related premiums, fees and expenses, the write-off of \$6.6 million in deferred financing fees.

We incurred approximately \$11.2 million of financing fees for the issuance of the 2029 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2029 Notes.

#### 3.875% Senior Notes due in 2028

On October 22, 2020, we issued €450.0 million (\$479.1 499.4 million at exchange rates in effect on December 31, 2022 December 30, 2023) of 2028 Notes 3.875% senior notes due October 31, 2028 (the "2028 Notes") to qualified purchasers in a private placement offering under Rule 144A under the Securities Act, and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2028 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. The 2028 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the Revolving Credit Facility the 2024 Notes and the 2025 2029 Notes. The 2028 Notes will mature on October 31, 2028 and interest is payable semi-annually on April 30th and October 31st of each year commencing on April 30, 2021.

#### Foreign Exchange Forward Contract

On October 22, 2020 January 2, 2024, we used the €450.0 million proceeds of the 2028 Notes (\$533.5 million at Company entered into foreign exchange rates in effect on October 22, 2020), along forward contracts with borrowings from the Revolving Credit Facility, to redeem in full the 2024 Notes. The redemption of the 2024 Notes included \$14.7 million in premium payments, accrued interest of \$9.0 million, and the write-off of \$5.1 million in deferred financing fees.

#### 5.500% Senior Notes due in 2025

In March 2017, we issued \$750.0 million of our 2025 Notes to qualified purchasers in a private placement offering under Rule 144A under the Securities Act, and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2025 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. (formerly Cott Holdings Inc.), and most of our U.S., Canadian, U.K. and Dutch subsidiaries guarantee the 2025 Notes. The 2025 Notes will mature on April 1, 2025 and interest is payable semi-annually on April 1st and October 1st of each year commencing on October 1, 2017. The proceeds of the 2025 Notes were used to redeem in full \$625.0 million of our 6.750% senior notes due 2020, redeem \$100.0 million aggregate principal notional amount of €450.0 million and a maturity date of October 31, 2025. The Company is utilizing the DSS Notes, and derivative financial instrument to pay related fees and expenses, hedge foreign exchange risk associated with the Company's 2028 Notes.

On April 30, 2021, we used the proceeds of the 2029 Notes, along with available cash on hand, to redeem in full the 2025 Notes. The redemption of the 2025 Notes included \$20.6 million in premium payments, accrued interest of \$3.6 million, and the write-off of \$6.6 million in deferred financing fees.

#### Credit Ratings and Covenant Compliance

##### Credit Ratings

Our objective is to maintain credit ratings that provide us with ready access to global capital and credit markets at favorable interest rates.

As of December 31, 2022 December 30, 2023, the Company's credit ratings were as follows:

	Credit Ratings	
	Moody's Rating	Standard and Poor's Rating
Corporate credit rating	B1	B B+
2028 Notes	B1	B B+
2029 Notes	B1	B B+
Outlook	Stable	Stable Positive

Any downgrade of our credit ratings by either Moody's or **S&P Standard and Poor's** could increase our future borrowing costs or impair our ability to access capital markets on terms commercially acceptable to us or at all.

## Covenant Compliance

### Indentures governing our outstanding notes **Governing Our Outstanding Notes**

Under the indentures governing our outstanding notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all of our assets taken as a whole, (v) enter into transactions with affiliates, and (vi) sell assets. The covenants are substantially similar across the series of notes. As of **December 31, 2022** **December 30, 2023**, we were in compliance with all of the covenants under each series of notes. There have been no amendments to any such covenants of our outstanding notes since the date of their issuance or assumption, as applicable.

### Revolving Credit Facility

Under the Credit Agreement governing the Revolving Credit Facility, we and our restricted subsidiaries are subject to a number of business and financial covenants, including a consolidated secured leverage ratio and an interest coverage ratio. The consolidated secured leverage ratio must not be more than 3.50 to 1.00, with an allowable temporary increase to 4.00 to 1.00 for the quarter in which we consummate a material acquisition with a price not less than \$125.0 million, for three quarters. The interest coverage ratio must not be less than 3.00 to 1.00. We were in compliance with these financial covenants as of **December 31, 2022** **December 30, 2023**.

In addition, the Credit Agreement has certain non-financial covenants, such as covenants regarding indebtedness, investments, and asset dispositions. We were in compliance with all of the applicable covenants as of **December 31, 2022** **December 30, 2023**.

## Issuer Purchases of Equity Securities

### Common Share Repurchase Programs

On **August 9, 2022** **August 9, 2023**, our the Board of Directors approved a share repurchase program for up to **\$100 million** **\$50.0 million** of our outstanding common shares over a 12-month period commencing shares. Upon the closing of the European Divestiture on **August 15, 2022**. For **December 29, 2023**, an incremental **\$25.0 million** share repurchase was authorized, revising the total share repurchase authorization to **\$75.0 million**. During the fiscal year ended **December 31, 2022** **December 30, 2023**, we repurchased **1,753,479** **131,409** common shares for **\$23.8 million** **\$1.9 million** through open market transactions under this repurchase plan. There can be no assurance as to the precise number of common shares, if any, that will be repurchased under the repurchase plan in the future, or the aggregate dollar amount of common shares to be purchased in future periods. We may discontinue purchases at any time, subject to compliance with applicable regulatory requirements.

On **August 9, 2022**, the Board of Directors approved a share repurchase program for up to **\$100.0 million** of our outstanding common shares over a 12-month period that expired on **August 14, 2023**. During the fiscal year ended **December 30, 2023**, we repurchased **1,272,612** common shares for **\$19.0 million** through open market transactions under this repurchase plan. During the fiscal year ended **December 31, 2022**, we repurchased **1,753,479** common shares for **\$23.8 million** through open market transactions under this repurchase plan.

On **May 4, 2021**, our the Board of Directors approved a share repurchase program for up to **\$50.0 million** of our outstanding common shares over a 12-month period which that expired on **May 10, 2022**. We repurchased **2,646,831** common shares for **approximately** **\$43.5 million** through open market transactions under this repurchase plan, all in the fiscal year ended **January 1, 2022**.

On **December 11, 2019**, our Board of Directors approved a share repurchase program for up to **\$50.0 million** of our outstanding common shares over a 12-month period, which expired on **December 15, 2020**. We repurchased **2,316,835** common shares for **\$25.0 million** through open market transactions under this repurchase plan, all in the year ended **January 2, 2021**.

Shares purchased under these repurchase plans were subsequently canceled.

## Tax Withholding

During **2022**, the fiscal years ended **December 30, 2023**, **December 31, 2022**, and **January 1, 2022**, **307,042** shares, **253,968** shares, **(2021 — 263,220; 2020 — 540,182)** and **263,220** shares, respectively, of our previously-issued common shares were withheld from delivery to our employees to satisfy their tax obligations related to share-based awards. Please refer to the table in Part II, Item 5 of this Annual Report on Form 10-K.

## Capital Structure

Since **January 1, 2022** **December 31, 2022**, equity has **decreased** **increased** by **\$37.2 million** **\$158.4 million**. The **decrease** **increase** was due primarily to **net income** of **\$238.1 million**, **share-based compensation costs** of **\$14.9 million**, and the issuance of common shares of **\$6.1 million**, partially offset by common shares repurchased and subsequently canceled of **\$27.7 million** **\$26.0 million**, common share dividend payments of **\$45.7 million** **\$51.8 million**, and other comprehensive loss, net of tax of **\$13.1 million**, partially offset by **net income** of **\$29.6 million**, **share-based compensation costs** of **\$17.2 million**, and the issuance of common shares of **\$2.5 million** **\$22.9 million**.

## Dividend Payments

## Common Share Dividend

Our Board of Directors declared a quarterly dividend of \$0.07 \$0.08 and \$0.06 \$0.07 per common share in each quarter during 2022 2023 and 2021, 2022, respectively, for an aggregate dividend payment of approximately \$45.7 million \$51.8 million and \$39.0 million \$45.7 million, respectively. We intend to pay a regular quarterly dividend on our common shares subject to, among other things, the best interests of our shareowners, our results of operations, cash balances and future cash requirements, financial condition, statutory regulations and covenants set forth in the Revolving Credit facility and indentures governing our outstanding notes as well as other factors that the Board of Directors may deem relevant from time to time.

## Recent Accounting Pronouncements

Refer to Note 1 in the Consolidated Financial Statements for a summary of recently adopted and recently issued accounting standards and their related effects or anticipated effects on our consolidated results of operations and financial condition.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not trade market risk sensitive instruments.

### Currency Exchange Rate Risk

We are exposed to changes in foreign currency exchange rates. Operations outside of the United States are concentrated in Canada and accounted for 26.8% 3.7% and 4.3% of 2022 revenue, Revenue, net for the fiscal years ended December 30, 2023 and 28.0% of 2021 revenue, net, and are concentrated principally in the United Kingdom, Canada, and Europe. December 31, 2022, respectively. We translate the revenues and expenses of our foreign operations using average exchange rates prevailing during the period. The effect of a 10% change in the average foreign currency exchange rates among the U.S. dollar versus the Canadian dollar pound sterling and Euro for the fiscal year ended December 31, 2022, December 30, 2023 would result in changes to our revenue, Revenue, net in 2022 changing by \$59.4 million and our gross Gross profit in 2022 changing by \$32.4 million. of \$6.6 million and \$4.1 million, respectively. This change would not be material to our cash flows and our results of operations.

### Debt Obligations and Interest Rates

We have exposure to interest rate risk from the outstanding principal amounts of our short-term borrowings on our Revolving Credit Facility. Interest rates on our long-term debt are fixed and not subject to interest rate volatility. Our Revolving Credit Facility is vulnerable to fluctuations in euro currency rates, Bank of America's prime rate, and the federal funds rate. Because we had no outstanding borrowings under the Revolving Credit Facility as of December 30, 2023, the weighted-average interest rate of the Revolving Credit Facility was —% and a 100 basis point increase in the current per annum interest rate for our Revolving Credit Facility (excluding the \$66.7 million of outstanding letters of credit) would not result in additional interest expense. Because we had \$197.0 million of Revolving Credit Facility borrowings outstanding as of December 31, 2022, a 100 basis point increase in the current per annum interest rate for our Revolving Credit Facility (excluding the \$46.6 million of outstanding letters of credit) would result in additional interest expense of approximately \$2.0 million. \$2.0 million. The weighted average interest rate of our outstanding Revolving Credit Facility at December 31, 2022 was 5.9%.

We regularly review the structure of our indebtedness and consider changes to the proportion of variable versus fixed rate debt through refinancing, interest rate swaps or other measures in response to the changing economic environment. Historically, we have not used derivative instruments to manage interest rate risk. If we use and fail to manage these derivative instruments successfully, or if we are unable to refinance our indebtedness or otherwise increase our debt capacity in response to changes in the marketplace, the expense associated with debt service could increase. This would negatively affect our financial condition and profitability.

The information below summarizes our market risks associated with debt obligations as of December 31, 2022 December 30, 2023. The table presents principal cash flows and related interest rates by year. Interest rates disclosed represent the actual weighted average rates as of December 31, 2022. December 30, 2023:

Debt Obligations				Debt Obligations			
(in millions of U.S. dollars, except amounts)	(in millions of U.S. dollars, except amounts)	Outstanding debt balance	Weighted average interest rate	(in millions of U.S. dollars, except amounts)	Outstanding Debt Balance	Weighted-Average Interest Rate	
Debt maturing in:	Debt maturing in:						
2023		\$ 229.8	5.6 %				
2024							
2024	2024	16.4	4.9 %	\$14.2	5.5	5.5	%
2025	2025	16.3	5.0 %	2025	14.5	5.5	5.5 %
2026	2026	13.1	5.0 %	2026	12.4	5.5	5.5 %
2027	2027	7.0	5.1 %	2027	4.3	5.5	5.5 %
2028				2028	501.3		3.9 %
Thereafter	Thereafter	1,245.2	4.2 %	Thereafter	750.3	4.4	4.4 %
Total	Total	\$ 1,527.8					

### Commodity Price Risk

The competitive marketplace in which we operate may limit our ability to recover increased costs through higher prices. As a result, we are subject to market risk with respect to commodity price fluctuations principally related to our purchases of resin for PET, HDPE and polycarbonate bottles, ingredients glass for our products bottles and fuel. We manage some of our exposure to this risk through the use of supplier pricing agreements, which enable us to fix the purchase prices for certain commodities, as well as derivative financial instruments, commodities. We estimate that a 10% increase in the market prices of these commodities over the current market prices would cumulatively increase our operating costs during the next 12 months by approximately \$16.4 million \$12.1 million. This change would be material to our cash flows and our results of operations.

#### Inflation and Supply Chain Disruption Risk

We have In 2022, we experienced highly inflationary cost increases in our underlying expenses, including transportation and labor costs. We have also been were impacted by global supply chain disruption, which has increased ocean freight voyage lead times for the shipment of our water dispensers to our branch locations and has increased freight costs.

While transportation and labor costs have for the year ended December 31, 2022 on aggregate increased by \$148.7 million, offset by favorable impact of foreign exchange rates of \$17.2 million, during 2022 compared to 2021, the Company has been was able to mitigate the impacts of inflation and supply chain disruptions. Our mitigation strategies, such as price increases and cost control efforts, have provided us the necessary flexibility to respond to the risks.

While we have taken steps to minimize the impact of these increased costs, global supply chain disruption may deteriorate and inflationary pressures may increase, which could adversely affect our business, financial condition, results of operations and cash flows.

#### Credit Risk

As of December 30, 2023 and December 31, 2022, our cash and cash equivalents were maintained at major financial institutions in the United States, and our current deposits are likely in excess of insured limits. We believe these institutions have sufficient assets and liquidity to conduct their operations in the ordinary course of business with little or no credit risk to us.

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See "Index to Consolidated Financial Statements."

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

#### ITEM 9A. CONTROLS AND PROCEDURES

##### Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022 December 30, 2023 (the "Evaluation"). Based upon the Evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")) are effective.

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

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Management evaluates the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework (2013). Management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 December 30, 2023, and concluded that it was effective as of December 31, 2022 December 30, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2022 December 30, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, who also audited our Consolidated Financial Statements included in this Annual Report on Form 10-K, as stated in their report which appears herein.

##### Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during the fiscal quarter ended December 31, 2022 December 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### ITEM 9B. OTHER INFORMATION

None.

During the fourth quarter of 2023, none of our directors or executive officers (as such term is defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted or terminated any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement (as each term is defined in Item 408 of Regulation S-K).

#### ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item regarding directors is incorporated by reference to, and will be contained in, the "Election of Directors" section of our definitive proxy statement for the 2023 2024 Annual and Special Meeting of Shareowners, which is expected to be filed within 120 days after December 31, 2022 December 30, 2023 (the "2023 "2024 Proxy Statement"). The information required by this item regarding executive officers appears as the Supplemental Item in Part I.

The information required by this item regarding There have been no material changes to the procedures by which shareholders may recommend nominees to our Board of Directors is incorporated by reference to, and will be contained in, the "Procedure for Considering Shareowner Proposals" and "Approval of Amended and Restated By-Laws" sections of our 2023 Proxy Statement. Directors.

The Audit Committee of our Board of Directors is an "audit committee" for the purposes of Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The Audit Committee charter is posted on our website at www.primowatercorp.com. The members of the Audit Committee are Susan E. Cates (Chair), Gregory Monahan Britta Bomhard and Britta Bomhard. Eric Foss. As required by the NYSE rules, the Board of Directors has determined that each member of the Audit Committee is independent and financially literate and that Ms. Cates qualifies as an "audit committee financial expert" within the meaning of the rules of the U.S. Securities and Exchange Commission.

All of our directors, officers and employees must comply with our Code of Business Conduct and Ethics. In addition, our Chief Executive Officer, Chief Financial Officer and principal accounting officer and certain other employees have a further obligation to comply with our Code of Ethics for Senior Officers. Our Code of Business Conduct and Ethics and our Code of Ethics for Senior Officers are posted on our website, www.primowatercorp.com, and we intend to comply with obligations to disclose any amendment to, or waiver of, provisions of these codes by posting such information on our website.

### ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to, and will be contained in, the "Compensation of Executive Officers," "The Human Resources and Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" sections of our 2023 2024 Proxy Statement.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREOWNER MATTERS

The information required by this item is incorporated by reference to, and will be contained in, the "Principal Shareowners," "Security Ownership of Directors and Management" and "Equity Compensation Plan Information" sections of our 2023 2024 Proxy Statement.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference to, and will be contained in, the "Certain Relationships and Related Transactions" section of our 2023 2024 Proxy Statement.

### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference to, and will be contained in, the "Independent Registered Certified Public Accounting Firm" section of our 2023 2024 Proxy Statement.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The documents filed as part of this report are as follows:

#### 1. Financial Statements

The consolidated financial statements and accompanying report of a registered independent public accounting firm are listed in the [Index to Consolidated Financial Statements](#) and are filed as part of this report.

#### 2. Financial Statement Schedule

[Schedule II—Valuation and Qualifying Accounts](#) for the Fiscal Years Ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022, and January 2, 2021 January 1, 2022, page F-56 45 of this Annual Report on Form 10-K.

#### 3. Exhibits

Exhibit No.	Exhibit No.	Description of Exhibit	Incorporated by Reference			Filed Herewith	Exhibit No.	Description of Exhibit	Incorporated by Reference			Filed Herewith
			Form	Exhibit	Filing Date				Form	Exhibit	Filing Date	
2.1	(1)											
2.2	(1)											



2.2 (1)  
2.2 (1)  
3.1  
3.1

3.1	3.1	<a href="#">Articles of Continuance of Primo Water Corporation</a>	10-Q	3.1	8/6/2021	011-31410
3.2	3.2	<a href="#">Amended and Restated By-laws of Primo Water Corporation, as amended</a>	10-Q	3.1	11/10/2022	001-31410

3.2  
3.2  
4.1  
4.1

4.1	4.1	<a href="#">Amended and Restated Shareholder Rights Plan Agreement, dated as of May 4, 2021, between Primo Water Corporation and Computershare Investor Services Inc., as Rights Agent</a>	10-Q	4.1	8/6/2021	001-31410
-----	-----	--	------	-----	----------	-----------

4.2	4.2	<a href="#">Indenture, dated as of October 22, 2020, by and among Primo Water Holdings Inc., the guarantors party thereto, BNY Trust Company of Canada, as Canadian Trustee, The Bank of New York Mellon, as U.S. Trustee, Paying Agent, Registrar, Transfer Agent and Authenticating Agent, and The Bank of New York Mellon, London Branch, as London Paying Agent, governing the 3.875% Senior Notes due 2028</a>	8-K	4.1	10/22/2020	001-31410
4.2						
4.2						
4.3						
4.3						
4.3	4.3	<a href="#">Form of 3.875% Senior Note due 2028 (included as Exhibit A to Exhibit 4.2)</a>	8-K	4.1	10/22/2020	001-31410

4.4	4.4	<a href="#">Indenture, dated as of April 30, 2021, by and among Primo Water Holdings Inc., the guarantors party thereto, BNY Trust Company of Canada, as Canadian Trustee and the Bank of New York Mellon, as U.S. Trustee, Paying Agent, Registrar, Transfer Agent and Authenticating Agent, governing the 4.375% Senior Notes due 2029</a>	8-K	4.1	4/30/2021	001-31410
-----	-----	--	-----	-----	-----------	-----------

4.4						
4.4						

4.5	4.5	<a href="#">Form of 4.375% Senior Notes due 2029 (included as Exhibit A to Exhibit 4.4)</a>	8-K	4.1	4/30/2021	001-31410
-----	-----	---	-----	-----	-----------	-----------

	4.6	<a href="#">Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934</a>	10-K	4.18	3/3/2021	001-31410
--	-----	---	------	------	----------	-----------

4.5						
4.5		<a href="#">Supplemental Indenture, dated as of October 24, 2023, by and among Primo Water Financing One LLC, as a Guarantor, Primo Water Holdings Inc., as Issuer, BNY Trust Company of Canada, as co-trustee and The Bank of New York Mellon, as co-trustee, governing the Indenture dated as of October 22, 2020</a>				*

4.6						
	4.6	<a href="#">Supplemental Indenture, dated as of October 24, 2023, by and among Primo Water Financing One LLC, as a Guarantor, Primo Water Holdings Inc., as Issuer, BNY Trust Company of Canada, as co-trustee and The Bank of New York Mellon, as co-trustee, governing the Indenture dated as of April 30, 2021</a>				*

4.7						
4.8						
4.8						
4.8						

10.1	(1)					
10.1	(1)					
10.1	(1)	10.1	Credit	8-K	10.1	3/10/2020 001-31410
			(1) <a href="#">Agreement, dated as of March 6, 2020, by and among Primo Water Corporation, as parent borrower, Cott Holdings Inc. and Eden Springs Nederland B.V., as subsidiary borrowers, certain other subsidiaries of the Company, designated as subsidiary borrowers from time to time, Bank of America, N.A., as administrative agent, collateral agent, lead arranger and bookrunner, and the lenders party thereto</a>			
10.2		10.2	LIBOR Transition Amendment to Credit Agreement, dated September 23, 2021, by and among Primo Water Corporation, as parent borrower, and Bank of America, N.A., as administrative agent	10-Q	10.1	11/5/2021 001-31410
10.2						
10.2						
10.3						
10.3						

10.3	10.3	<a href="#">Second LIBOR Transition Amendment to Credit Agreement, dated January 13, 2023, by and among Primo Water Corporation, as parent borrower, Bank of America, N.A., as administrative agent, and the lenders thereto</a>				*
10.4	10.4	8-K	10.2	8/3/2018	001-31410	<a href="#">Offer Letter Agreement with Thomas Harrington dated August 1, 2018</a>
(2)	(2)					
10.4	(2)					
10.4	(2)					
10.5	(2)					
10.5	(2)					
10.5	10.5	10-K	10.10	3/3/2021	001-31410	<a href="#">Employment Offer Letter to Jay Wells dated December 22, 2020</a>
(2)	(2)					
10.6	10.6	10-K	10.11	3/3/2021	001-31410	<a href="#">Employment Offer Letter to Marni Morgan Poe dated December 22, 2020</a>
(2)	(2)					
10.6	(2)					
10.6	(2)					
10.7	(2)					
10.7	(2)					
10.7	10.7	<a href="#">Employment Offer Letter to Jason Ausher dated May 6, 2015, as amended on December 22, 2020</a>				*
(2)	(2)					

10.8	10.8	<a href="#">Employment</a>	10-	10.1	5/9/2019	001-	
(2)	(2)	<a href="#">Offer Letter to William Jamieson dated January 15, 2019</a>	Q			31410	
10.8	(2)						
10.8	(2)						
10.9	10.9	<a href="#">Employment</a>	10-	10.3	5/7/2021	001-	
(2)	(2)	<a href="#">Offer Letter to Mercedes Romero dated July 27, 2020, as amended on December 22, 2020</a>	Q			31410	
10.9	(2)						
10.9	(2)						
10.10	(2)						
10.10	(2)						
10.10	10.10	<a href="#">Employment</a>	10-	10.1	8/6/2021	001-	<a href="#">Employment Offer Letter to Anne Melaragni, as amended through November 6, 2023</a>
(2)	(2)	<a href="#">Offer Letter to Anne Melaragni dated May 4, 2021</a>	Q			31410	*
10.11	10.11	<a href="#">Employment</a>	8-K	10.1	9/30/2021	001-	
(2)	(2)	<a href="#">Offer Letter to Cate Gutowski, dated September 16, 2021</a>				31410	
10.12	10.12	<a href="#">Separation</a>					*
(2)	(2)	<a href="#">Agreement with Cate Gutowski, dated January 20, 2023</a>					
10.12	(2)						
10.12	(2)						
10.13	10.13	<a href="#">Employment</a>	8-K	10.1	1/24/2023	001-	
(2)	(2)	<a href="#">Offer Letter to David Hass dated January 23, 2023</a>				31410	
10.14	(2)	<a href="#">Primo Water Corporation Non-Employee Director Compensation Policy</a>	10-Q	10.1	8/11/2022	001-	
10.13	(2)						
10.13	(2)						
10.14	(1)(2)						
10.14	(1)(2)						



10.14	(1)(2)					
10.15	(2)					
10.15	(2)					
10.15	(2)	10.15	<a href="#">Amended and Restated Primo Water Corporation Severance and Non-Competition Plan, dated as of December 9, 2020</a>	10-K	3/3/2021	001-31410
10.16	(2)	10.16	<a href="#">Amended and Restated Primo Water Corporation Equity Incentive Plan</a>	DEF 14A	Appendix B	3/28/2013 001-31410
10.16	(2)					
10.16	(2)					
10.17	(2)					
10.17	(2)					
10.17	(2)					

10.18	(2)	<a href="#">Amendment No. 1 to the Amended and Restated Primo Water Corporation Equity Incentive Plan</a>	DEF 14A	Appendix B	3/26/2015	001-31410	
10.19	(2)	<a href="#">Amendment No. 2 to the Amended and Restated Primo Water Corporation Equity Incentive Plan</a>	10-Q	10.3	8/9/2016	001-31410	
10.20	(2)	<a href="#">Amendment No. 3 to the Amended and Restated Primo Water Corporation Equity Incentive Plan, dated March 13, 2020</a>	10-Q	10.6	5/7/2020	001-31410	
10.21	(2)	<a href="#">Amendment No. 4 to the Amended and Restated Primo Water Corporation Equity Incentive Plan, dated August 4, 2020</a>	10-K	10.20	3/1/2023	001-31410	
10.22	(2)	<a href="#">Primo Water Corporation 2018 Equity Incentive Plan</a>	DEF 14A	Appendix B	3/21/2018	001-31410	
10.23	(2)	<a href="#">Amendment No. 1 to the Primo Water Corporation 2018 Equity Incentive Plan, dated March 13, 2020</a>	10-Q	10.7	5/7/2020	001-31410	
10.24	(2)	<a href="#">Amendment No. 2 to the Primo Water Corporation 2018 Equity Incentive Plan, dated August 4, 2020</a>	10-Q	10.3	11/5/2020	001-31410	
10.25	(2)	<a href="#">Amendment No. 3 to the Primo Water Corporation 2018 Equity Incentive Plan, dated October 31, 2023</a>					*
10.26	(2)	<a href="#">Form of Restricted Share Unit Award Agreement with Time-Based Vesting under the Primo Water Corporation Equity Incentive Plans</a>	10-Q	10.2	8/11/2022	001-31410	
10.27	(2)	<a href="#">Form of Restricted Share Unit Award Agreement with Performance-Based Vesting under the Primo Water Corporation Equity Incentive Plans</a>	8-K	10.1	12/11/2023	001-31410	
10.28	(2)	<a href="#">Form of Nonqualified Stock Option Agreement under the Primo Water Corporation Equity Incentive Plans</a>	10-Q	10.3	11/5/2021	001-31410	
10.29		<a href="#">Cooperation Agreement, dated May 3, 2023, by and among Primo Water Corporation, Legion Partners Holdings, LLC, Legion Partners, L.P. I, Legion Partners, L.P. II, Legion Partners, LLC, Legion Partners Asset Management, LLC, Christopher S. Kiper and Raymond T. White</a>	8-K	10.1	5/3/2023	001-31410	
21.1		<a href="#">List of Subsidiaries of Primo Water Corporation</a>					*
23.1		<a href="#">Consent of Independent Registered Public Accounting Firm</a>					*
31.1		<a href="#">Certification of the Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the year ended December 30, 2023.</a>					*

31.2	<a href="#">Certification of the Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the year ended December 30, 2023.</a>	*
32.1	<a href="#">Certification of the Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the year ended December 30, 2023.</a>	*
32.2	<a href="#">Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the year ended December 30, 2023.</a>	*
97	<a href="#">Primo Water Corporation Amended and Restated Executive Incentive Compensation Recoupment Policy</a>	*

10.17	(a) <a href="#">Amendment No. 1 to the Amended and Restated Primo Water Corporation Equity Incentive Plan</a>	DEF 14A	Appendix B	3/26/2015	001-31410	
10.18	(a) <a href="#">Amendment No. 2 to the Amended and Restated Primo Water Corporation Equity Incentive Plan</a>	10-Q	10.3	8/9/2016	001-31410	
10.19	(a) <a href="#">Amendment No. 3 to the Amended and Restated Primo Water Corporation Equity Incentive Plan, dated March 13, 2020</a>	10-Q	10.6	5/7/2020	001-31410	
10.20	(a) <a href="#">Amendment No. 4 to the Amended and Restated Primo Water Corporation Equity Incentive Plan, dated August 4, 2020</a>					*
10.21	(a) <a href="#">Primo Water Corporation 2018 Equity Incentive Plan</a>	DEF 14A	Appendix B	3/21/2018	001-31410	
10.22	(a) <a href="#">Amendment No. 1 to the Primo Water Corporation 2018 Equity Incentive Plan, dated March 13, 2020</a>	10-Q	10.7	5/7/2020	001-31410	
10.23	(a) <a href="#">Amendment No. 2 to the Primo Water Corporation 2018 Equity Incentive Plan, dated August 4, 2020</a>	10-Q	10.3	11/5/2020	001-31410	
10.24	(a) <a href="#">Form of Restricted Share Unit Award Agreement with Time-Based Vesting under the Primo Water Corporation Equity Incentive Plans</a>	10-Q	10.2	8/11/2022	001-31410	
10.25	(a) <a href="#">Form of Restricted Share Unit Award Agreement with Performance-Based Vesting under the Primo Water Corporation Equity Incentive Plans</a>	10-Q	10.3	8/11/2022	001-31410	
10.26	(a) <a href="#">Form of Nonqualified Stock Option Agreement under the Primo Water Corporation Equity Incentive Plans</a>	10-Q	10.3	11/5/2021	001-31410	
21.1	<a href="#">List of Subsidiaries of Primo Water Corporation</a>					*
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm</a>					*
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the year ended December 31, 2022.</a>					*
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002 for the year ended December 31, 2022.</a>					*
32.1	<a href="#">Certification of the Chief Executive Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the year ended December 31, 2022.</a>					*
32.2	<a href="#">Certification of the Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002 for the year ended December 31, 2022.</a>					*
101	The following financial statements from Primo Water Corporation's Annual Report on Form 10-K for the fiscal year ended <b>December 31, 2022</b> <b>December 30, 2023</b> , formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income, <b>(Loss)</b> , (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, and (vi) Notes to the Consolidated Financial Statements.					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.)					*

- Schedules and exhibits **or other portions of this exhibit** have been omitted pursuant to Item 601(a)(5) **or 601(b)** of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.
- Indicates a management contract or compensatory plan.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Primo Water Corporation

/s/ THOMAS J. HARRINGTON ROBBERT RIETBROEK

Thomas J. Harrington Robbert Rietbroek

Chief Executive Officer

Date: March 1, 2023 February 28, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

/s/ THOMAS J. HARRINGTON ROBBERT RIETBROEK

Thomas J. Harrington

Robbert Rietbroek

Chief Executive Officer, Director  
(Principal Executive Officer)

Date: March 1, 2023 February 28, 2024

/s/ DAVID HASS

David Hass

Chief Financial Officer  
(Principal Financial Officer)

Date: March 1, 2023 February 28, 2024

/s/ JASON AUSHER

Jason Ausher

Chief Accounting Officer  
(Principal Accounting Officer)

Date: March 1, 2023 February 28, 2024

/s/ JERRY FOWDEN

Jerry Fowden

Executive

Chairman, Director

Date: March 1, 2023 February 28, 2024

/s/ STEVEN P. STANBROOK

Steven P. Stanbrook  
Director

Date: March 1, 2023 February 28, 2024

/s/ STEPHEN H. HALPERIN DEREK R. LEWIS

Stephen H. Halperin

Derek R. Lewis

Director

Date: March 1, 2023 February 28, 2024

/s/ ARCHANA SINGH

Archana Singh  
Director

Date: March 1, 2023 February 28, 2024

/s/ GREGORY MONAHAN SUSAN E. CATES

Gregory Monahan

Susan E. Cates  
Director

Date: March 1, 2023  
February 28, 2024

/s/ BRITTA BOMHARD

Britta Bomhard  
Director

Date: March 1, 2023 February 28, 2024

/s/ ERIC ROSENFELD J. FOSS

Eric Rosenfeld  
J. Foss

Director

Date: March 1, 2023 February 28, 2024

/s/ BILLY D. PRIM

Billy D. Prim  
Director

Date: March 1, 2023 February 28, 2024

/s/ SUSAN E. CATES LORI T. MARCUS

Susan E. Cates

Lori T. Marcus

Director

Date: March 1, 2023 February 28, 2024

PRIMO WATER CORPORATION

## INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page(s)
<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 238)</a>	<a href="#">E-2</a>
<a href="#">Consolidated Statements of Operations</a>	<a href="#">E-54</a>
<a href="#">Consolidated Statements of Comprehensive Income (Loss)</a>	<a href="#">E-65</a>
<a href="#">Consolidated Balance Sheets</a>	<a href="#">E-76</a>
<a href="#">Consolidated Statements of Cash Flows</a>	<a href="#">E-87</a>
<a href="#">Consolidated Statements of Equity</a>	<a href="#">E-109</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">E-1210</a>

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Primo Water Corporation

#### **Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated balance sheets of Primo Water Corporation and its subsidiaries (the "Company") as of **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022**, and the related consolidated statements of operations, of comprehensive income, **(loss)**, of equity and of cash flows for each of the three years in the period ended **December 31, 2022** **December 30, 2023**, including the related notes and financial statement schedule listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2022** **December 30, 2023**, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022**, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2022** **December 30, 2023** in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2022** **December 30, 2023**, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

#### **Basis for Opinions**

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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

#### **Definition and Limitations of Internal Control over Financial Reporting**

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

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

#### **Critical Audit Matters**

The critical audit **matters** **matter** communicated below **are matters** **is a matter** arising from the current period audit of the consolidated financial statements that **were was** communicated or required to be communicated to the audit committee and that (i) **relate relates** to accounts or disclosures that are material to the consolidated financial statements

and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

#### *Interim Goodwill Quantitative Impairment Assessments – Combined Eden, Eden Europe and Eden Israel Reporting Units*

As described in Note 1 to the consolidated financial statements, the Company's consolidated goodwill balance was \$1,293.0 million as of December 31, 2022. Management tests goodwill for impairment at least annually on the first day of the fourth quarter, based on reporting unit carrying values, or more frequently if a triggering event has occurred during the year. During the second quarter of 2022, the Board of Directors approved the exit of the Company's business in Russia and the Company's reporting segments were realigned. Due to the triggering event arising from the exit of the Russia business and the triggering event arising as a result of the realignment of segments, management performed interim quantitative impairment tests as of May 10, 2022 (i) on a pre-alignment basis on the combined Eden reporting unit (which included the Eden Europe and Eden Israel businesses) and (ii) on a post-realignment basis, on the Eden Europe and Eden Israel reporting units separately. As a result, management determined that (i) on a pre-alignment basis, goodwill was impaired and recognized an impairment charge of \$11.2 million for the combined Eden reporting unit and (ii) on a post-realignment basis, the estimated fair value of the Eden Europe and Eden Israel reporting units equaled their respective carrying values. The fair value of the reporting units were evaluated using a mix of the income approach (which is based on the discounted cash flows of the reporting unit) and the guideline public company approach. Critical assumptions used in management's valuation of the reporting units included the projected revenue growth rates, selling, general and administrative (SG&A) expenses, capital expenditures, weighted-average terminal growth rate, discount rate, and the comparable company multiples.

The principal considerations for our determination that performing procedures relating to the interim goodwill quantitative impairment assessments of the combined Eden, Eden Europe and Eden Israel reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to projected revenue growth rates, SG&A expenses, capital expenditures, weighted-average terminal growth rates, discount rates, and the comparable company multiples used when developing the fair value estimates of the reporting units; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the combined Eden, Eden Europe and Eden Israel reporting units. These procedures also included, among others, testing management's process for developing the fair value estimates of the reporting units. Testing management's process involved (i) evaluating the appropriateness of the income and guideline public company approaches; (ii) testing the completeness and accuracy of underlying data used in the income and guideline public company approaches; and (iii) evaluating the reasonableness of the significant assumptions used by management related to the projected revenue growth rates, SG&A expenses, capital expenditures, weighted-average terminal growth rates, discount rates, and the comparable company multiples when developing the fair value estimates of the reporting units. Evaluating management's significant assumptions related to the projected revenue growth rates, SG&A expenses, capital expenditures, and weighted-average terminal growth rates involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the combined Eden, Eden Europe and Eden Israel reporting units; (ii) the consistency with external market and industry data; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's income and guideline public company approaches and (ii) the reasonableness of the weighted-average terminal growth rate, discount rate, and comparable company multiple significant assumptions.

it relates.

#### *Insurance Reserves*

As described in Note 1 to the consolidated financial statements, the Company's consolidated insurance reserves balance was \$58.7 million \$67.0 million as of December 31, 2022 December 30, 2023. The Company maintains insurance retention programs under its general liability, auto liability and workers' compensation insurance programs. Management accrues for insurance reserves on an undiscounted basis based on known claims and estimated incurred but not reported claims not otherwise covered by insurance. The estimates are developed utilizing standard actuarial methods and are based on historical claims experience and actuarial assumptions, including loss development factors and expected ultimate loss selections.

The principal considerations for our determination that performing procedures relating to insurance reserves is a critical audit matter are (i) the significant judgment by management when developing the estimated insurance reserves; (ii) a high degree of auditor judgment and effort in performing procedures and evaluating audit evidence related to the standard actuarial methods and management's significant assumptions related to the loss development factors and expected ultimate loss selections; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of insurance reserves, including controls over the standard actuarial methods and significant assumptions related to the loss development factors and expected ultimate loss selections and the completeness and accuracy of data related to historical claims experience. These procedures also included, among others, testing management's process for developing the estimated insurance reserves. Testing management's process involved (i) evaluating the appropriateness of the standard actuarial methods; (ii) testing the completeness and accuracy of data related to historical claims experience; and (iii) evaluating the reasonableness of the significant assumptions used by management related to the loss development factors and expected ultimate loss selections. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's standard actuarial methods and (ii) the reasonableness of the loss development factor and expected ultimate loss selection significant assumptions.

/s/PricewaterhouseCoopers LLP  
Tampa, Florida

March 1, 2023 February 28, 2024

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

#### **PRIMO WATER CORPORATION**

#### **CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions of U.S. dollars, except share and per share amounts)

		For the Year Ended		
		December 31, 2022	January 1, 2022	January 2, 2021
For the Fiscal Year Ended		For the Fiscal Year Ended		
December 30, 2023		December 30, 2023		
December 31, 2022		December 31, 2022		
January 1, 2022		January 1, 2022		
Revenue, net	Revenue, net	\$ 2,215.1	\$2,073.3	\$1,953.5
Cost of sales	Cost of sales	921.7	915.9	839.6
Gross profit	Gross profit	1,293.4	1,157.4	1,113.9
Selling, general and administrative expenses				
Selling, general and administrative expenses				
Selling, general and administrative expenses	Selling, general and administrative expenses	1,151.4	1,034.3	1,006.6
Loss on disposal of property, plant and equipment, net	Loss on disposal of property, plant and equipment, net	8.5	9.3	10.6
Acquisition and integration expenses	Acquisition and integration expenses	15.3	10.8	33.7
Impairment charges	Impairment charges	29.1	—	115.2
Gain on sale of property	Gain on sale of property	(38.8)	—	—
Operating income (loss)		127.9	103.0	(52.2)
Other expense, net		8.8	27.9	18.7
Operating income				
Other expense (income), net				
Interest expense, net	Interest expense, net	69.8	68.8	81.6
Income (loss) from continuing operations before income taxes		49.3	6.3	(152.5)
Interest expense, net				
Interest expense, net				
Income from continuing operations before income taxes				
Income tax expense	Income tax expense	19.7	9.5	4.3
Net income (loss) from continuing operations		\$ 29.6	\$ (3.2)	\$ (156.8)
Net income from discontinued operations, net of income taxes (Note 2)				
		—	—	25.1



Net income from continuing operations				
Net income (loss) from discontinued operations, net of income taxes (Note 2)				
Net income (loss)	Net income (loss)	\$	29.6	\$ (3.2) \$ (131.7)
Net income (loss) per common share				
Net income (loss) per common share				
Net income (loss) per common share	Net income (loss) per common share			
Basic:	Basic:			
Basic:				
Continuing operations				
Continuing operations				
Continuing operations	Continuing operations	\$	0.18	\$ (0.02) \$ (1.01)
Discontinued operations	Discontinued operations	\$	—	\$ — \$ 0.16
Net income (loss)	Net income (loss)	\$	0.18	\$ (0.02) \$ (0.85)
Diluted:	Diluted:			
Continuing operations	Continuing operations	\$	0.18	\$ (0.02) \$ (1.01)
Continuing operations				
Continuing operations				
Discontinued operations	Discontinued operations	\$	—	\$ — \$ 0.16
Net income (loss)	Net income (loss)	\$	0.18	\$ (0.02) \$ (0.85)
Weighted average common shares outstanding (in thousands)				
Weighted-average common shares outstanding (in thousands)				
Weighted-average common shares outstanding (in thousands)				
Weighted-average common shares outstanding (in thousands)				
Basic				
Basic				
Basic	Basic	160,763	160,778	155,446
Diluted	Diluted	161,885	160,778	155,446

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

PRIMO WATER CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of U.S. dollars)

		For the Year Ended			For the Fiscal Year Ended		
		December 31, 2022	January 1, 2022	January 2, 2021			
		December 30, 2023			December 30, 2023	December 31, 2022	January 1, 2022
Net income (loss)	Net income (loss)	\$ 29.6	\$ (3.2)	\$(131.7)			
Other comprehensive (loss) income:	Other comprehensive (loss) income:						
Currency translation adjustment	Currency translation adjustment	(16.0)	18.2	(6.9)			
Currency translation adjustment	Currency translation adjustment						
Pension benefit plan, net of tax <sup>1</sup>	Pension benefit plan, net of tax <sup>1</sup>	2.9	(0.6)	(0.1)			
Loss on derivative instruments, net of tax <sup>2,3</sup>	Loss on derivative instruments, net of tax <sup>2,3</sup>	—	—	(11.2)			
Total other comprehensive (loss) income	Total other comprehensive (loss) income	(13.1)	17.6	(18.2)			
Comprehensive income (loss)	Comprehensive income (loss)	\$ 16.5	\$ 14.4	\$(149.9)			
Total other comprehensive (loss) income	Total other comprehensive (loss) income						
Total other comprehensive (loss) income	Total other comprehensive (loss) income						
Comprehensive income	Comprehensive income						

<sup>1</sup> Net of the effect tax impact of \$0.3 million tax expense \$0.2 million, \$0.3 million, and nil for the year fiscal years ended December 30, 2023, December 31, 2022,

<sup>2</sup> Net of \$1.3 million of associated tax impact that resulted in a decrease to the gain on sale of discontinued operations for the year ended January 2, 2021.

<sup>3</sup> Net of the effect of \$3.0 million tax benefit for the year ended January 2, 2021, and January 1, 2022, respectively.

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

PRIMO WATER CORPORATION

CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars, except share amounts)

		December 31, 2022	January 1, 2022		
		December 30, 2023			December 31, 2022

ASSETS	ASSETS		
Current assets	Current assets		
Current assets			
Current assets			
Cash and cash equivalents	Cash and cash equivalents	\$ 122.6	\$ 128.4
Accounts receivable, net of allowance of \$20.6 (\$20.8 as of January 1, 2022)		258.6	261.6
Cash and cash equivalents			
Cash and cash equivalents			
Accounts receivable, net of allowance of \$12.7 (\$12.1 as of December 31, 2022)			
Inventories	Inventories	112.1	94.6
Prepaid expenses and other current assets	Prepaid expenses and other current assets	44.7	25.2
Current assets of discontinued operations			
Total current assets	Total current assets	538.0	509.8
Property, plant and equipment, net	Property, plant and equipment, net	714.4	718.1
Operating lease right-of-use-assets	Operating lease right-of-use-assets	198.6	177.4
Goodwill	Goodwill	1,293.0	1,321.4
Intangible assets, net	Intangible assets, net	894.7	969.8
Other long-term assets, net	Other long-term assets, net	28.3	26.9
Other long-term assets, net			
Other long-term assets, net			
Long-term assets of discontinued operations			
Total assets			
Total assets		\$ 3,667.0	\$3,723.4
LIABILITIES AND EQUITY			
LIABILITIES AND EQUITY			
LIABILITIES AND EQUITY	LIABILITIES AND EQUITY		
Current liabilities	Current liabilities		
Current liabilities			
Current liabilities			

Short-term borrowings			
Short-term borrowings			
Short-term borrowings	Short-term borrowings	\$ 212.3	\$ 222.1
Current maturities of long-term debt	Current maturities of long-term debt	17.5	17.7
Accounts payable and accrued liabilities	Accounts payable and accrued liabilities	425.1	437.7
Current operating lease obligations	Current operating lease obligations	35.7	32.3
Current liabilities of discontinued operations			
<b>Total current liabilities</b>	<b>Total current liabilities</b>	<b>690.6</b>	<b>709.8</b>
Long-term debt	Long-term debt	1,283.8	1,321.1
Operating lease obligations	Operating lease obligations	174.5	148.7
Deferred tax liabilities	Deferred tax liabilities	170.0	158.8
Other long-term liabilities	Other long-term liabilities	65.2	64.9
Long-term liabilities of discontinued operations			
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>2,384.1</b>	<b>2,403.3</b>
Commitments and contingencies - Note 20			
Commitments and contingencies (Note 19)			
Commitments and contingencies (Note 19)			
<b>Equity</b>	<b>Equity</b>		
Common shares, no par value			
- 159,752,299 (January 1, 2022 - 160,732,552) shares issued			
		1,283.2	1,286.9
Common shares, no par value			
- 159,480,638 (December 31, 2022 - 159,752,299) shares issued			
Common shares, no par value			
- 159,480,638 (December 31, 2022 - 159,752,299) shares issued			
Common shares, no par value			
- 159,480,638 (December 31, 2022 - 159,752,299) shares issued			
Additional paid-in-capital	Additional paid-in-capital	91.3	85.9

(Accumulated deficit) retained earnings		(9.4)	16.4
Retained earnings (accumulated deficit)			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(82.2)	(69.1)
<b>Total Primo Water Corporation equity</b>	<b>Total Primo Water Corporation equity</b>	<b>1,282.9</b>	<b>1,320.1</b>
<b>Total liabilities and equity</b>	<b>Total liabilities and equity</b>	<b>\$ 3,667.0</b>	<b>\$3,723.4</b>

Approved by the Board of Directors:

/s/ Susan E. Cates

Director

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

# PRIMO WATER CORPORATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars)

		For the Year Ended		
		December 31, 2022	January 1, 2022	January 2, 2021
		For the Fiscal Year Ended		
		December 30, 2023	December 31, 2022	January 1, 2022
<b>Cash flows from operating activities of continuing operations:</b>	<b>Cash flows from operating activities of continuing operations:</b>			
Net income (loss)	Net income (loss)	\$ 29.6	\$ (3.2)	\$(131.7)
Net income from discontinued operations, net of income taxes		—	—	25.1
Net income (loss) from continuing operations		29.6	(3.2)	(156.8)
<b>Adjustments to reconcile net income (loss) from continuing operations to cash flows from operating activities:</b>				
Net income (loss)				
Net income (loss)				
Net income (loss) from discontinued operations, net of income taxes				

Net income from continuing operations				
Adjustments to reconcile net income from continuing operations to cash flows from operating activities:				
Depreciation and amortization				
Depreciation and amortization	Depreciation and amortization	242.8	219.1	202.1
Amortization of financing fees	Amortization of financing fees	3.3	3.4	3.5
Share-based compensation expense	Share-based compensation expense	17.2	17.5	22.1
Provision for deferred income taxes	Provision for deferred income taxes	14.1	4.0	0.2
Loss on extinguishment of long-term debt	Loss on extinguishment of long-term debt	—	27.2	19.7
Gain on sale of business		(0.8)	(3.8)	(0.6)
Impairment charges				
Impairment charges	Impairment charges	29.1	—	115.2
Loss on disposal of property, plant and equipment, net	Loss on disposal of property, plant and equipment, net	8.5	9.3	10.6
Gain on sale of property	Gain on sale of property	(38.8)	—	—
Other non-cash items	Other non-cash items	18.2	6.8	(1.2)
Change in operating assets and liabilities, net of acquisitions:	Change in operating assets and liabilities, net of acquisitions:			
Accounts receivable				
Accounts receivable	Accounts receivable	(10.4)	(32.6)	14.2
Inventories	Inventories	(22.2)	(10.9)	1.0
Prepaid expenses and other current assets	Prepaid expenses and other current assets	(6.4)	(4.5)	2.4



Other assets	Other assets	(3.2)	0.2	(3.6)
Accounts payable and accrued liabilities and other liabilities	Accounts payable and accrued liabilities and other liabilities	0.6	26.2	(35.2)
Net cash provided by operating activities from continuing operations	Net cash provided by operating activities from continuing operations	281.6	258.7	193.6
<b>Cash flows from investing activities of continuing operations:</b>	<b>Cash flows from investing activities of continuing operations:</b>			
Acquisitions, net of cash received	Acquisitions, net of cash received	(20.3)	(90.5)	(446.1)
Acquisitions, net of cash received	Acquisitions, net of cash received			
Acquisitions, net of cash received	Acquisitions, net of cash received			
Additions to property, plant and equipment	Additions to property, plant and equipment	(207.7)	(152.0)	(114.0)
Additions to intangible assets	Additions to intangible assets	(8.9)	(9.7)	(9.3)
Proceeds from sale of property, plant and equipment	Proceeds from sale of property, plant and equipment	3.9	1.9	1.8
Proceeds from sale of business, net of cash sold	Proceeds from sale of business, net of cash sold	—	7.1	—
Proceeds from sale of property	Proceeds from sale of property			
Proceeds from sale of property	Proceeds from sale of property			
Proceeds from sale of property	Proceeds from sale of property	50.3	—	—
Other investing activities	Other investing activities	1.2	2.3	0.7
Net cash used in investing activities from continuing operations	Net cash used in investing activities from continuing operations	(181.5)	(240.9)	(566.9)

**Cash flows from financing activities of continuing operations:**

Payments of long-term debt

Payments of long-term debt				
Payments of long-term debt	Payments of long-term debt	(20.0)	(763.9)	(545.6)
Issuance of long-term debt	Issuance of long-term debt	—	750.0	533.5
Payments on short-term borrowings	Payments on short-term borrowings	(51.0)	(28.0)	(334.7)
Proceeds from short-term borrowings	Proceeds from short-term borrowings	37.0	134.2	347.5
Premiums and costs paid upon extinguishment of long-term debt	Premiums and costs paid upon extinguishment of long-term debt	—	(20.6)	(14.7)
Issuance of common shares	Issuance of common shares	2.5	25.5	3.4
Common shares repurchased and canceled	Common shares repurchased and canceled	(27.7)	(48.1)	(33.2)
Financing fees	Financing fees	—	(11.6)	(11.2)
Equity issuance fees		—	—	(1.1)
Dividends paid to common and preferred shareholders				
Dividends paid to common and preferred shareholders				
Dividends paid to common and preferred shareholders	Dividends paid to common and preferred shareholders	(45.4)	(38.9)	(39.6)
Payment of contingent consideration for acquisitions	Payment of contingent consideration for acquisitions	(3.5)	(2.9)	(1.2)
Other financing activities	Other financing activities	5.3	3.5	5.9
Net cash used in financing activities from continuing operations	Net cash used in financing activities from continuing operations	(102.8)	(0.8)	(91.0)
Cash flows from discontinued operations:	Cash flows from discontinued operations:			
Operating activities of discontinued operations	Operating activities of discontinued operations	—	(1.8)	(17.4)
Operating activities of discontinued operations				
Investing activities of discontinued operations	Investing activities of discontinued operations	—	—	388.9
Financing activities of discontinued operations	Financing activities of discontinued operations	—	—	(0.1)
Net cash (used in) provided by discontinued operations		—	(1.8)	371.4
Net cash provided by (used in) discontinued operations				
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(3.1)	(1.9)	2.5
Net (decrease) increase in cash, cash equivalents and restricted cash		(5.8)	13.3	(90.4)

<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>				
Cash and cash equivalents and restricted cash, beginning of year	Cash and cash equivalents and restricted cash, beginning of year	128.4	115.1	205.5
Cash and cash equivalents and restricted cash, end of year	Cash and cash equivalents and restricted cash, end of year	\$ 122.6	\$ 128.4	\$ 115.1
Cash and cash equivalents and restricted cash of discontinued operations, end of year				
Cash and cash equivalents and restricted cash of continuing operations, end of year				
<b>Supplemental Non-cash Investing and Financing Activities:</b>				
Additions to property, plant and equipment through accounts payable and accrued liabilities and other liabilities				
<b>Supplemental Non-cash Investing and Financing Activities:</b>				
Shares issued in connection with business combination		\$ —	\$ —	\$ 377.6
Additions to property, plant and equipment through accounts payable and accrued liabilities and other liabilities	Additions to property, plant and equipment through accounts payable and accrued liabilities and other liabilities	\$ 23.0	\$ 21.5	\$ 12.5
Accrued deferred financing fees		\$ —	\$ —	\$ 0.7
Additions to property, plant and equipment through accounts payable and accrued liabilities and other liabilities				
Dividends payable issued through accounts payable and other accrued liabilities	Dividends payable issued through accounts payable and other accrued liabilities	\$ 0.6	\$ 0.4	\$ 0.3
Dividends payable issued through accounts payable and other accrued liabilities				
Dividends payable issued through accounts payable and other accrued liabilities				
Inventory transfers to property, plant and equipment				
<b>Supplemental Disclosures of Cash Flow Information:</b>	<b>Supplemental Disclosures of Cash Flow Information:</b>			
Cash paid for interest	Cash paid for interest	\$ 66.9	\$ 70.7	\$ 87.2
Cash paid for interest				
Cash paid for interest				
Cash paid for income taxes, net	Cash paid for income taxes, net	\$ 5.1	\$ 8.3	\$ 8.1

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

**PRIMO WATER CORPORATION**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(in millions of U.S. dollars, except share amounts)

	Primo Water Corporation Equity					
	Number of Common Shares (In thousands)	Common Shares	Additional Paid-in- Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
<b>Balance at December 28, 2019</b>	<b>134,803</b>	<b>\$ 892.3</b>	<b>\$ 77.4</b>	<b>\$ 265.0</b>	<b>\$ (68.5)</b>	<b>\$ 1,166.2</b>
Cumulative effect of changes in accounting principle, net of taxes	—	—	—	(3.6)	—	(3.6)
Net loss	—	—	—	(131.7)	—	(131.7)
Other comprehensive loss, net of tax	—	—	—	—	(18.2)	(18.2)
Common shares dividends (\$0.24 per common share)	—	—	—	(38.9)	—	(38.9)
Share-based compensation	—	—	19.8	—	—	19.8
Common shares issued in connection with business combination and assumed vested awards, net of equity issuance costs of \$1.1 million	26,497	376.5	2.9	—	—	379.4
Common shares repurchased and canceled	(2,857)	(23.5)	—	(9.7)	—	(33.2)
Common shares issued - Equity Incentive Plan	1,833	21.2	(15.3)	—	—	5.9
Common shares issued - Dividend Reinvestment Plan	1	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	129	1.5	(0.3)	—	—	1.2
<b>Balance at January 2, 2021</b>	<b>160,406</b>	<b>\$ 1,268.0</b>	<b>\$ 84.5</b>	<b>\$ 81.1</b>	<b>\$ (86.7)</b>	<b>\$ 1,346.9</b>
Net loss	—	—	—	(3.2)	—	(3.2)
Other comprehensive income, net of tax	—	—	—	—	17.6	17.6
Common shares dividends (\$0.24 per common share)	—	—	—	(39.0)	—	(39.0)
Share-based compensation	—	—	17.5	—	—	17.5
Common shares repurchased and canceled	(2,910)	(25.6)	—	(22.5)	—	(48.1)
Common shares issued - Equity Incentive Plan	3,124	42.6	(15.8)	—	—	26.8
Common shares issued - Dividend Reinvestment Plan	1	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	111	1.9	(0.3)	—	—	1.6
<b>Balance at January 1, 2022</b>	<b>160,732</b>	<b>\$ 1,286.9</b>	<b>\$ 85.9</b>	<b>\$ 16.4</b>	<b>\$ (69.1)</b>	<b>\$ 1,320.1</b>
Net income	—	—	—	29.6	—	29.6
Other comprehensive loss, net of tax	—	—	—	—	(13.1)	(13.1)
Common shares dividends (\$0.28 per common share)	—	—	—	(45.7)	—	(45.7)
Share-based compensation	—	—	17.2	—	—	17.2
Common shares repurchased and canceled	(2,013)	(18.0)	—	(9.7)	—	(27.7)
Common shares issued - Equity Incentive Plan	906	12.4	(11.5)	—	—	0.9
Common shares issued - Dividend Reinvestment Plan	1	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	126	1.9	(0.3)	—	—	1.6
<b>Balance at December 31, 2022</b>	<b>159,752</b>	<b>\$ 1,283.2</b>	<b>\$ 91.3</b>	<b>\$ (9.4)</b>	<b>\$ (82.2)</b>	<b>\$ 1,282.9</b>

	Number of Common Shares (In thousands)	Common Shares	Additional Paid- in-Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
<b>Balance as of January 2, 2021</b>	<b>160,406</b>	<b>\$ 1,268.0</b>	<b>\$ 84.5</b>	<b>\$ 81.1</b>	<b>\$ (86.7)</b>	<b>\$ 1,346.9</b>
Net loss	—	—	—	(3.2)	—	(3.2)
Other comprehensive income, net of tax	—	—	—	—	17.6	17.6
Common shares dividends (\$0.24 per common share)	—	—	—	(39.0)	—	(39.0)
Share-based compensation	—	—	17.5	—	—	17.5
Common shares repurchased and canceled	(2,910)	(25.6)	—	(22.5)	—	(48.1)
Common shares issued - Equity Incentive Plan	3,124	42.6	(15.8)	—	—	26.8
Common shares issued - Dividend Reinvestment Plan	1	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	111	1.9	(0.3)	—	—	1.6
<b>Balance as of January 1, 2022</b>	<b>160,732</b>	<b>\$ 1,286.9</b>	<b>\$ 85.9</b>	<b>\$ 16.4</b>	<b>\$ (69.1)</b>	<b>\$ 1,320.1</b>
Net income	—	—	—	29.6	—	29.6
Other comprehensive loss, net of tax	—	—	—	—	(13.1)	(13.1)
Common shares dividends (\$0.28 per common share)	—	—	—	(45.7)	—	(45.7)
Share-based compensation	—	—	17.2	—	—	17.2
Common shares repurchased and canceled	(2,013)	(18.0)	—	(9.7)	—	(27.7)
Common shares issued - Equity Incentive Plan	906	12.4	(11.5)	—	—	0.9
Common shares issued - Dividend Reinvestment Plan	1	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	126	1.9	(0.3)	—	—	1.6
<b>Balance as of December 31, 2022</b>	<b>159,752</b>	<b>\$ 1,283.2</b>	<b>\$ 91.3</b>	<b>\$ (9.4)</b>	<b>\$ (82.2)</b>	<b>\$ 1,282.9</b>
Net income	—	—	—	238.1	—	238.1
Other comprehensive loss, net of tax	—	—	—	—	(22.9)	(22.9)
Common shares dividends (\$0.32 per common share)	—	—	—	(51.8)	—	(51.8)
Share-based compensation	—	—	14.9	—	—	14.9
Common shares repurchased and canceled	(1,711)	(16.3)	—	(9.7)	—	(26.0)
Common shares issued - Equity Incentive Plan	1,314	20.0	(15.4)	—	—	4.6
Common shares issued - Dividend Reinvestment Plan	2	—	—	—	—	—
Common shares issued - Employee Stock Purchase Plan	124	1.7	(0.2)	—	—	1.5
<b>Balance as of December 30, 2023</b>	<b>159,481</b>	<b>\$ 1,288.6</b>	<b>\$ 90.6</b>	<b>\$ 167.2</b>	<b>\$ (105.1)</b>	<b>\$ 1,441.3</b>

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

## Notes to Consolidated Financial Statements

### Description of Business

On March 2, 2020, Cott Corporation completed the acquisition of Primo Water Corporation ("Legacy Primo" and such transaction, the "Legacy Primo Acquisition"). In connection with the closing of the Legacy Primo Acquisition, Cott Corporation changed its corporate name to Primo Water Corporation ("Primo") and its ticker symbol on the New York Stock Exchange and Toronto Stock Exchange to "PRMW". The Legacy Primo Acquisition is consistent with our strategy of transitioning to a pure-play water solutions provider.

As used herein, "Primo," "the Company," "our Company," "Primo Water Corporation," "we," "us," or "our" refers to Primo Water Corporation, together with its consolidated subsidiaries.

Primo is a leading North America-focused pure-play water solutions provider in North America and Europe and generates approximately \$2.2 billion in annual revenue. Primo that operates largely under a recurring revenue model in the large format water category (defined as 3 gallons or greater). This business strategy is commonly referred to as "razor-razorblade" because the initial sale of a product creates a base of users who frequently purchase complementary consumable products. The razor in Primo's revenue model is its industry leading line-up of innovative water dispensers, which are sold through approximately 10,000 10,900 retail locations and online at various price points. The dispensers help increase household and business penetration which drives recurring purchases of Primo's razorblade offering or water solutions. Primo's razorblade offering is comprised of Water Direct, Water Exchange, and Water Refill. Through its Water Direct business, Primo delivers sustainable hydration solutions across its 21-country footprint direct to the customers, whether at home or to businesses. Through its Water Exchange business, customers visit retail locations and purchase a pre-filled bottle of water. Once consumed, empty bottles are exchanged at our recycling center displays, which provide a ticket that offers a discount toward the purchase of a new bottle. Water Exchange is available in approximately 17,500 retail locations. Through its Water Refill business, customers refill empty bottles at approximately 23,500 self-service refill drinking water machines. stations. Primo also offers water filtration units across its 21-country footprint. North America.

Primo's Primo's water solutions expand consumer access to purified, spring and mineral water to promote a healthier, more sustainable lifestyle while simultaneously reducing plastic waste and pollution. Primo is committed to its water stewardship standards and is proud to partner with the International Bottled Water Association in North America as well as with Watercoolers Europe, which ensure ensures strict adherence to safety, quality, sanitation and regulatory standards for the benefit of consumer protection. Environmental stewardship is a part of who we are, and we have worked to progressively achieve carbon neutrality throughout our organization. Our European operations have maintained carbon neutrality for more than eleven years, and our U.S. operations achieved carbon neutral certification in 2020 under the CarbonNeutral Carbon Neutral Protocol, an international standard administered by Climate Impact Partners. In 2021, the Company achieved carbon neutrality on a global basis. In late 2021, Primo announced its planned exit from the North American small-format retail water business. This business was relatively small and used predominantly single-use plastic bottles. The exit from this category is estimated to reduce reduced single-use retail water bottles from our production environment by more than 400 million, annually, while also improving overall margins. The exit was completed during the second quarter of 2022.

During the second quarter of 2022, our Board of Directors approved the exit from our business in Russia. Accordingly, we recorded an impairment charge of \$11.2 million during the second quarter to reduce the carrying value of the assets to the estimated fair value less costs to sell. Separately, we reviewed and realigned our reporting segments, as further described in "Our Operations" below. The decision to exit our business in Russia and the realignment of segments resulted in a triggering event for goodwill and intangible assets with indefinite lives requiring quantitative assessments for the combined Eden business (which, prior to realignment, included the Eden Europe and Eden Israel businesses) immediately before the realignment of segments and for the Eden Europe and Israel businesses upon realignment of segments. These assessments resulted in recording a goodwill impairment charge of \$11.2 million due to a decrease in cash flows associated with the exit from our business in Russia and recording a trademark impairment charge of \$6.7 million due primarily to a decrease in the royalty rate used in the quantitative analysis. These impairment charges, along with the impairment charge of \$11.2 million to reduce the carrying value of the Russia business to its estimated fair value less costs to sell, resulted in total impairment charges of \$29.1 million which are included within impairment charges on the Consolidated Statements of Operations for the twelve months ended December 31, 2022. All impairment charges are included in the Europe reporting segment. The exit of our business in Russia was completed on July 19, 2022 and there was no material change to the charges recorded during the second quarter upon sale.

## Note 1—Summary of Significant Accounting Policies

### Basis of Presentation

These Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") using the U.S. dollar as the reporting currency, as the majority of our business and the majority of our shareowners shareholders are in the United States.

Our fiscal year is based on either a 52- or 53-week 53-week period ending on the Saturday closest to December 31. For the fiscal years ended December 30, 2023, December 31, 2022 and January 1, 2022, we had 52- 52 weeks of activity, compared to 53- weeks of activity for the fiscal year ended January 2, 2021. We estimate the additional week contributed \$19.4 million of additional revenue and \$3.9 million of additional operating income for the fiscal year ended January 2, 2021.

One of our subsidiaries uses a calendar year-end which differs from the Company's 52- or 53- week fiscal year end. Differences arising from the use of the different fiscal year ends were not deemed material for the fiscal years ended December 31, 2022, January 1, 2022 or January 2, 2021, activity.

### Basis of Consolidation

The Consolidated Financial Statements include our accounts, our wholly-owned and majority-owned subsidiaries that we control. All intercompany transactions and accounts have been eliminated in consolidation.

### Discontinued Operations

On February 28, 2020 November 2, 2023, we Primo and Osmosis Buyer Limited, a company incorporated in England and a subsidiary of the Culligan Group ("Purchaser"), entered into a Share Purchase Agreement (the "Purchase Agreement") providing for the sale of Carbon Luxembourg S.à.r.l. and certain of its subsidiaries (the "European Business"). On December 29, 2023, Primo completed the sale of our coffee, tea and extract solutions business, S. & D. Coffee, Inc. ("S&D") the European Business for aggregate deal consideration of \$405.0 million paid at closing \$575.0 million, adjusted for customary purchase price adjustments resulting in total cash with customary post-closing working capital adjustments, which were resolved consideration of \$565.9 million (the "European Divestiture"). The European Divestiture did not include Primo's interests in June 2020 by payment Aimia Foods Limited ("Aimia"), Decantae Mineral Water Limited ("Decantae"), Fonthill Waters Ltd ("Fonthill"), John Farrer & Company Limited ("Farrers"), the portions of \$1.5 million from the Company Eden Springs Netherlands B.V. business located in the United Kingdom, Israel, and Portugal (collectively the "Remaining International Businesses"). The European Business and the Remaining International Businesses are collectively the "International Businesses." This deal is the first of several transactions that will occur in 2024 as part of a Board-approved plan to the purchasers sell all of S&D. As a result of this transaction our international businesses representing a strategic shift in our operations, S&D is operations. Accordingly, the International Businesses are presented herein as discontinued operations.

For all periods presented, the operating results associated with the International Businesses have been reclassified into net income (loss) from discontinued operations, net of income taxes in the Consolidated Statements of Operations and the assets and liabilities associated with this business have been reflected as current and long-term assets and liabilities of discontinued operations in the Consolidated Balance Sheets. Cash flows from the Company's discontinued operations are presented in the Consolidated Statements of Cash Flows for all periods presented. The Notes to the Consolidated Financial Statements are presented on a continuing operations basis unless otherwise noted.

In July 2017, we entered into a Share Purchase Agreement with Refresco Group B.V., a Dutch company ("Refresco"), pursuant to which we sold to Refresco, on January 30, 2018, our carbonated soft drinks and juice businesses and our Royal Crown International finished goods export business (collectively, the "Traditional Business" and such transaction, the "Traditional Business Divestiture"). The sale of the Traditional Business represented a strategic shift and had a major effect on our operations and, therefore, the Traditional Business is presented herein as discontinued operations.

See Note 2 to the Consolidated Financial Statements for additional information on discontinued operations.

### Changes in Presentation

At the beginning of 2023, our business operated through two reporting segments: (i) North America, which included our DS Services of America, Inc. ("DSS"), Aquaterra Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and the businesses associated with the acquisition of Primo Water Corporation ("Legacy Primo"), and (ii) Europe, which included the European business of Eden Springs Netherlands B.V. ("Eden Europe"), and our Decantae and Fonthill businesses. The Other category included the Israel business of Eden ("Eden Israel"), and our Aimia and Farrers businesses, as well as our corporate oversight function and other miscellaneous expenses.

During the second fourth quarter of 2022, 2023, we reviewed and realigned our reporting segments to reflect exclude the businesses within discontinued operations which reflects how the business will be managed and results will be evaluated by the Chief Executive Officer, who is the Company's chief operating decision maker. Following that such review, certain of our businesses previously included in the Rest of World segment (now renamed "Europe") were realigned between the Europe one reporting segment and the Other category. Our two reporting segments are as follows: is North America, (which which includes our DS Services of America, Inc. ("DSS"), DSS, Aquaterra, Corporation ("Aquaterra"), Mountain Valley Spring Company ("Mountain Valley") and Legacy Primo businesses) and Europe (which includes the European business of Eden Springs Netherlands B.V. ("Eden Europe"), Decantae Mineral Water Limited ("Decantae") and Fonthill Waters Ltd ("Fonthill") businesses). businesses. The Other category includes the Israel business of Eden ("Eden Israel"), Aimia Foods Limited ("Aimia") and John Farrer & Company Limited ("Farrers") businesses, as well as our corporate oversight function and other miscellaneous expenses. expenses and the results of our business in Russia prior to the exit of the business during the third quarter of 2022. Segment reporting results have been recast to reflect these changes for all periods presented.

### Impact of the COVID-19 Pandemic



Our global operations expose us to risks associated with the coronavirus ("COVID-19") pandemic, which has resulted in challenging operating environments. COVID-19 has spread across the globe to all of the countries in which we operate. While we have operated in the COVID-19 environment for more than two years and many of the pandemic's impacts are becoming the "new normal", the situation continues to evolve. Depending on its trajectory, pandemic may contribute to further economic uncertainty, recession or slowdown in growth, or result in further changes in demand for our services and products, further increases in operating costs (whether as a result of changes to our supply chain, increases in employee costs, general economy-wide inflation or otherwise), and further impacts on our supply chain, each or all of which can impact our ability to make, manufacture, distribute and sell our products. Moreover, disruptions to global supply chains, labor shortages, inflation and the ongoing Russia/Ukraine war are likely to continue to create challenging economic conditions for our business, including through increased costs, increased employee attrition and vacancies, lower consumer spending or other impacts.

In response to COVID-19, certain government authorities have enacted programs that provide various economic stimulus measures, including several tax provisions. Among the business tax provisions is the deferral of certain payroll and other tax remittances to future years and wage subsidies as reimbursement for a portion of certain furloughed employees' salaries. During the years ended December 31, 2022, January 1, 2022, and January 2, 2021, we received wage subsidies under these programs totaling \$0.4 million and \$3.7 million and \$7.4 million, respectively. We review our eligibility for these programs for each qualifying period and account for such wage subsidies on an accrual basis when the conditions for eligibility are met. The Company has adopted an accounting policy to present wage subsidies as a reduction of selling, general and administrative ("SG&A") expenses. In addition, deferred payroll and other taxes totaling nil and \$7.5 million were included in accounts payable and accrued liabilities on our Consolidated Balance Sheets as of December 31, 2022 and January 1, 2022, respectively.

During the year ended January 2, 2021, we recorded a total of \$115.2 million of non-cash impairment charges related to goodwill and intangible assets. See goodwill and intangible asset impairment information below. The impairment charges were driven primarily by the impact of the COVID-19 pandemic and revised projections of future operating results.

In addition, on June 11, 2020, we announced that our Board of Directors approved a plan intended to optimize synergies from the Company's transition to a pure-play water company following the Legacy Primo Acquisition and to mitigate the negative financial and operational impacts of the COVID-19 pandemic, including implementing headcount reductions and furloughs in our North America and Europe reporting segments ("2020 Restructuring Plan"). When we implement these programs, we incurred various charges, including severance, asset impairments, and other employment related costs. In connection with the 2020 Restructuring Plan, we incurred \$10.5 million in severance costs and all costs related to the 2020 Restructuring Plan were recorded as of January 2, 2021. All severance costs incurred by the 2020 Restructuring Plan during the year ended January 2, 2021 were included in SG&A expenses on the Consolidated Statement of Operations.

The following table summarizes restructuring charges for the year ended January 2, 2021:

(in millions of U.S. dollars)	For the Year Ended	
	January 2, 2021	
North America	\$	2.7
Europe		7.8
Total	\$	10.5

During the year ended January 2, 2021, cash payments for our North America and Europe segments were \$2.7 million and \$7.5 million, respectively. The remaining liabilities were paid during 2021.

### Estimates

The preparation of these Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Consolidated Financial Statements include estimates and assumptions that, in the opinion of management, were significant to the underlying amounts representing the future valuation of intangible assets, long-lived assets and goodwill, insurance reserves, realization of deferred income tax assets, and the resolution of tax contingencies and projected benefit plan obligations.

### Revenue Recognition

We recognize revenue, net of sales returns, when ownership passes to customers for products manufactured in our own plants and/or by third-parties on our behalf, and when prices to our customers are fixed or determinable and collection is reasonably assured. This may be upon shipment of goods or upon delivery to the customer, depending on contractual terms. Shipping and handling costs paid by the customer to us are included in revenue. Although we occasionally accept returns of products from our customers, historically returns have not been material.

We also recognize rental income on filtration, brewers and dispensing equipment at customer locations based on the terms of the related rental agreements, which are generally measured based on 28-day periods. Amounts billed to customers for rental in future periods are deferred and included in accounts payable and accrued liabilities on the Consolidated Balance Sheets.

### Sales Incentives

We participate in various incentive programs with our customers, including volume-based incentives, contractual rebates and promotional allowances. Volume incentives are based on our customers achieving volume targets for a period of time. Volume incentives and contractual rebates are deducted from revenue and accrued as the incentives are earned and are based on management's estimate of the total the customer is expected to earn and claim. Promotional allowances are accrued at the time of revenue recognition and are deducted from revenue based on either the volume shipped or the volume sold at the retailer location, depending on the terms of the allowance. We regularly review customer sales forecasts to ensure volume targets will be met and adjust incentive accruals and revenues accordingly.

### Cost of Sales

We record costs associated with the manufacturing of our products in Cost of sales in the Consolidated Statements of Operations. Finished goods inventory costs include the cost of sales, direct labor and materials and the applicable share of overhead expense chargeable to production.

Shipping and handling costs incurred to store, prepare and move products between production facilities or from production facilities to branch locations or storage facilities are recorded in cost of sales. Shipping and handling costs incurred to deliver products from our North America and Europe reporting segments segment branch locations to the end-user consumer of those products are recorded in selling, Selling, general and administrative ("SG&A") expenses. expenses in the Consolidated Statements of Operations. Shipping and handling costs included in SG&A were \$456.5 million, \$426.1 million, and \$366.3 million for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022, respectively.

Other costs incurred in shipment of products from our production facilities to customer locations are reflected in cost Cost of sales. Shipping and handling costs included sales in SG&A were \$536.7 million, \$477.2 million, and \$441.4 million for the years ended December 31, 2022, January 1, 2022, and January 2, 2021, respectively. Finished goods inventory costs include the cost Consolidated Statements of direct labor and materials and the applicable share of overhead expense chargeable to production. Operations.

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

We record all other expenses not charged to production as SG&A expenses.

Advertising costs are expensed at the commencement of an advertising campaign and are recognized as a component of SG&A expenses. expenses in the Consolidated Statements of Operations. Advertising costs expensed were approximately \$23.9 million, \$21.7 million \$15.8 million, \$15.6 million, and \$21.2 million \$14.1 million for the fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022, and January 2, 2021 January 1, 2022, respectively.

#### **Share-Based Compensation**

We have in effect equity incentive plans under which Time-based RSUs, Performance-based RSUs, non-qualified stock options and director share awards have been granted (as such terms are defined in Note 9 8 of the Consolidated Financial Statements). Share-based compensation expense for all share-based compensation awards is based on the grant-date fair value. We recognized recognize these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the vesting term of two to three years, and account for forfeitures when they occur.

The fair value of the Company's Time-based RSUs, certain Performance-based RSUs and director share awards are based on the closing market price of its common shares on the date of grant as stated on the NYSE. We estimate the fair value of non-qualified options as of the date of grant using the Black-Scholes option pricing model. This model considers, among other factors, the expected life of the award, the expected volatility of the Company's share price, and expected dividends. We estimate the fair value of certain Performance-based RSUs that vest, in part, based on the achievement of our total shareholder return ("TSR") relative to the TSR attained by companies within our defined peer group ("Relative TSR") as of grant using the Monte Carlo Simulation model. This model considers, among other factors, the expected life of the award, the expected volatility of the Company's share price, a risk-free interest rate and expected dividends.

The Company records share-based compensation expense in SG&A expenses. expenses in the Consolidated Statements of Operations.

All excess tax benefits and tax deficiencies related to share-based compensation are recognized in results of operations at settlement or expiration of the award. The excess tax benefit or deficiency is calculated as the difference between the grant date price and the price of our common shares on the vesting or exercise date.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with original maturities not exceeding three months at the time of purchase. The fair values of our cash and cash equivalents approximate the amounts shown on our Consolidated Balance Sheets due to their short-term nature.

#### **Accounts Receivable, Net of Allowance for Credit Losses**

All trade accounts receivable are uncollected amounts owed to us from transactions with our customers. Trade accounts receivable represent amounts billed to customers and not yet collected, and are presented net of allowance for credit losses. We estimate an allowance for credit losses based on historical loss experience, adverse situations that may affect a customer's ability to pay, current conditions, reasonable and supportable forecasts and current economic outlook. Customer demographic, such as large commercial customers as compared to small businesses or individual customers, and the customer's geographic market are also considered when estimating credit losses. Historical loss experience was based on actual loss rates over a one year period. Additionally, we evaluate current conditions and review third-party economic forecasts on a quarterly basis to determine the impact on the allowance for credit losses. The assumptions used in determining an estimate of credit losses are inherently subjective and actual results may differ significantly from estimated reserves.

#### **Inventories**

Inventories are stated at the lower of cost, determined on the first-in, first-out method, or net realizable value. Finished goods and work-in-process include the inventory costs of raw materials, direct labor and manufacturing overhead costs. As a result, we use an inventory reserve to adjust our inventory costs down to a net realizable value and to reserve for estimated obsolescence of both raw materials and finished goods.

#### **Customer Deposits**

The Company generally collects deposits on multi-gallon bottles used by our water delivery customers. Such deposits are refunded only after customers return such bottles in satisfactory condition. The associated bottle deposit liability is estimated based on the number of water customers, average consumption and return rates and bottle deposit market rates. The Company analyzes these assumptions quarterly and adjusts the bottle deposit liability as necessary.

#### **Property, Plant and Equipment, Net**

Property, plant and equipment, net are stated at cost less accumulated depreciation. Depreciation is allocated between cost Cost of sales and SG&A expenses in the Consolidated Statement of Operations and is determined using the straight-line method over the estimated useful lives of the assets.

Leasehold improvements are amortized using the straight-line method over the remaining life of the lease or useful life of the asset, whichever is shorter. Maintenance and repairs are charged to operating expense when incurred.

#### **Leases**

We have operating and finance leases for manufacturing and production facilities, branch distribution and warehouse facilities, vehicles and machinery and equipment. At inception, we determine whether an agreement represents a lease and, at commencement, we evaluate each lease agreement to determine whether the lease constitutes an

operating or financing lease. Some of our lease agreements have renewal options, tenant improvement allowances, rent holidays and rent escalation clauses.

Right-of-use lease assets represent our right to use the underlying asset for the lease term, and the operating lease obligation represents our commitment to make the lease payments arising from the lease. We have elected not to recognize on the balance sheet leases with terms of one-year or less. We have also elected not to separate lease components from non-lease components for all fixed payments. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, we utilize the appropriate incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. Certain adjustments to the right-of-use asset may be required for items such as initial direct costs paid or incentives received. The lease term may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms.

#### Goodwill

Goodwill represents the excess purchase price of acquired businesses over the fair value of the net assets acquired. Goodwill is not amortized, but instead is tested for impairment at least annually.

Prior period amounts have been recast to reflect the changes disclosed in the "Changes in Presentation" section.

#### Section of Note 1 to the Consolidated Financial Statements above.

The following table summarizes our goodwill on a reporting segment basis as of December 31, 2022, December 30, 2023 and January 1, 2022, December 31, 2022:

(in millions of U.S. dollars)	Reporting Segment			Total
	North America	Europe	Other	
Goodwill as of January 2, 2021:	\$ 982.1	\$ 180.5	\$ 121.7	\$ 1,284.3
Goodwill acquired during the year	10.3	48.7	—	59.0
Measurement period adjustments	1.8	0.5	—	2.3
Divestitures	—	(4.2)	—	(4.2)
Foreign exchange	(0.1)	(21.5)	1.6	(20.0)
Goodwill as of January 1, 2021:	\$ 994.1	\$ 204.0	\$ 123.3	\$ 1,321.4
Goodwill acquired during the year	4.4	1.3	—	5.7
Measurement period adjustments	1.1	5.5	—	6.6
Impairment losses	—	(11.2)	—	(11.2)
Foreign exchange	(2.4)	(12.8)	(14.3)	(29.5)
Goodwill as of December 31, 2021:	\$ 997.2	\$ 186.8	\$ 109.0	\$ 1,293.0

1 Goodwill as of December 31, 2022 includes \$109.8 million of accumulated impairment losses related to our Europe segment and \$0.5 million of accumulated impairment losses related to our Other category. Goodwill as of January 2, 2021 and January 1, 2022 includes \$103.6 million of accumulated impairment losses related to our Europe segment and \$0.5 million of accumulated impairment losses related to our Other category.

(in millions of U.S. dollars)	North America	Other	Total
Goodwill as of January 1, 2022	\$ 994.1	\$ —	\$ 994.1
Goodwill acquired during the year	4.4	—	4.4
Measurement period adjustments	1.1	—	1.1
Foreign exchange	(2.4)	—	(2.4)
Goodwill as of December 31, 2022	\$ 997.2	\$ —	\$ 997.2
Goodwill acquired during the year	4.3	2.1	6.4
Measurement period adjustments	(0.1)	—	(0.1)
Foreign exchange	1.0	0.1	1.1
Goodwill as of December 30, 2023	\$ 1,002.4	\$ 2.2	\$ 1,004.6

The Company operates through four operating segments: its North America, Europe, Eden Israel, and Aimia. The North America and Europe operating segments are segment, which is also its sole reportable operating segments, and Eden Israel and Aimia are nonreportable operating segments within our Other category segment.

We test goodwill for impairment at least annually on the first day of the fourth quarter, based on our reporting unit carrying values, calculated as total assets less non-interest bearing liabilities, as of the end of the third quarter, or more frequently if we determine a triggering event has occurred during the year. During the second quarter of 2022, our Board of Directors approved the exit of our business in Russia and our reporting segments were realigned. In connection therewith, we identified a triggering event indicating possible impairment of goodwill and intangible assets, as further described below. We did not identify impairment of our property, plant and equipment, lease-related right-of-use assets, or long-lived assets except as noted above related to the Russia assets.

We evaluate goodwill for impairment on a reporting unit basis, which is an operating segment or a level below an operating segment, referred to as a component. A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and management regularly

reviews the operating results of that component. However, two or more components of an operating segment can be aggregated and deemed a single reporting unit if the components have similar economic characteristics. Our North America operating segment was determined to have three components: DSS, Aquaterra, and Mountain Valley. We have determined that DSS and Aquaterra have similar economic characteristics and have aggregated them as a single reporting unit for the purpose of testing goodwill for impairment ("DSSAqua"). Our Europe operating segment was determined to have three components: Eden Europe, Decantae, and Fonhill, none of which have similar economic characteristics. Our Aimia operating segment was determined to have two components: Aimia and Farrers, neither of which have similar economic characteristics. Our Eden Israel operating segment was determined to be a single component. We have thus determined our reporting units are DSSAqua and Mountain Valley, Eden Europe, Eden Israel, Aimia, Decantae, Farrers and Fonhill.

Due to the triggering events identified above arising from the exit of the Russia business and the triggering event arising as a result of the realignment of segments, we were required to perform an impairment test. We elected to bypass the qualitative assessment and performed an interim quantitative impairment test as of May 10, 2022. The interim quantitative impairment test was performed both (1) on a pre-realignment basis on the combined Eden reporting unit (which, prior to realignment, included the Eden Europe and Eden Israel businesses), and (2) on a post-realignment basis, on the Eden Europe and Eden Israel reporting units separately.

We determined the fair value of the reporting units being evaluated using a mix of the income approach (which is based on the discounted cash flows of the reporting unit) and the guideline public company approach. We weighted the income approach and the guideline public company approach at 50.0% each to determine the fair value of the reporting unit. We believe using a combination of these approaches provides a more accurate valuation because it incorporates the expected cash generation of the Company in addition to how a third-party market participant would value the reporting unit. As the business is assumed to continue in perpetuity, the discounted future cash flows include a terminal value. Critical assumptions used in our valuation of reporting units included the anticipated future cash flows, a weighted-average terminal growth rate of 1.5%, a discount rate of 9.0%, and the comparable company multiples. The anticipated future cash flows assumption reflects projected revenue growth rates, SG&A expenses and capital expenditures. The terminal growth rate assumption incorporated into the discounted cash flow calculation reflects our long-term view of the market and industry, projected changes in the sale of our products, pricing of such products and operating profit margins. The discount rate was determined using various factors and sensitive assumptions, including bond yields, size premiums and tax rates. This rate was based on the weighted average cost of capital a market participant would use if evaluating the reporting unit as an investment. The comparable company multiples were based on operating data from guideline publicly traded companies and provide an indication of how much a knowledgeable investor in the marketplace would be willing to pay for a company. These multiples were evaluated and adjusted based on specific characteristics of the reporting units relative to the selected guideline companies and applied to the reporting units' operating data to arrive at an indication of value. These assumptions are considered significant unobservable inputs and represent our best estimate of assumptions that market participants would use to determine the fair value of the respective reporting units. The key inputs into the discounted cash flow analysis were consistent with market data, where available, indicating that the assumptions used were in a reasonable range of observable market data.

Based on the quantitative assessment including consideration of the sensitivity of the assumptions made and methods used to determine fair value, industry trends and other relevant factors, we determined that, (1) on a pre-realignment basis, goodwill was impaired for the combined Eden reporting unit and, as a result, we recognized an impairment charge of \$11.2 million (which is included in impairment charges in the Consolidated Statement of Operations for the year ended December 31, 2022), and (2) on a post-realignment basis, the estimated fair value of each of the Eden Europe and Eden Israel reporting units equaled their respective carrying values (therefore, no goodwill impairment charges were recorded for these two reporting units). During the three months ended December 31, 2022, we did not identify any triggering events, and thus, there were no impairment charges recorded during the fourth quarter of 2022. Valley.

We had goodwill of \$1,293.0 million \$1,004.6 million on our Consolidated Balance Sheet at December 31, 2022 as of December 30, 2023, which represents amounts for the DSSAqua and Mountain Valley Eden Europe, Eden Israel, Aimia, Decantae, and Fonhill reporting units, as well as goodwill within our Other category.

For purposes of the 2022 annual test for the fiscal year ended December 30, 2023, we elected to perform a qualitative assessment for all reporting units to assess whether it was more likely than not that the fair value of these reporting units exceeded their respective carrying values. In performing these assessments, management relied on a number of factors including, but not limited to, macroeconomic conditions, industry and market considerations, cost factors that would have a negative effect on earnings and cash flows, overall financial performance compared with forecasted projections in prior periods, and other relevant reporting unit events, the impact of which are all significant judgments and estimates. Based on these factors, management concluded that it was more likely than not that the fair values of our reporting units were greater than their respective carrying amounts, including goodwill, indicating no impairment. Goodwill impairment during the fiscal year ended December 30, 2023. As of December 30, 2023, goodwill allocated to the DSSAqua and Mountain Valley Eden Europe, Eden Israel, Aimia, Decantae, and Fonhill reporting units as of December 31, 2022 are \$981.2 million, was \$986.4 million and \$16.0 million, \$184.6 million, \$61.4 million, \$47.6 million, \$1.2 million and \$1.0 million, respectively.

Each year during the fourth quarter, we re-evaluate the assumptions used in our assessments, such as revenue growth rates, SG&A expenses, capital expenditures and discount rates, to reflect any significant changes in the business environment that could materially affect the fair value of our reporting units. Based on the evaluations performed in 2022, 2023, we determined that the fair value of each of our reporting units exceeded their carrying amounts.

There are inherent uncertainties related to each of the above listed assumptions, and our judgment in applying them. Changes in the assumptions used in our qualitative assessment could result in impairment charges that could be material to our Consolidated Financial Statements in any given period.

During 2020, we identified a triggering event arising from Refer to Note 2 to the impact of the COVID-19 pandemic and performed an interim quantitative impairment test as of June 27, 2020. We determined that Consolidated Financial Statements for discussion regarding goodwill was impaired for the Eden, Decantae, and Farrers reporting units and recognized impairment charges of \$103.3 million, \$0.3 million and \$0.5 million, respectively. These impairment charges are included in impairment charges in the Consolidated Statement of Operations for the year ended January 2, 2021.

discontinued operations entities.

#### **Intangible Assets, Net**

As of December 31, 2022 December 30, 2023, our intangible assets subject to amortization, net of accumulated amortization, were \$456.1 million \$333.0 million, consisting principally of \$416.4 million \$310.7 million of customer relationships that arose from acquisitions, \$21.4 million \$13.8 million of software, and \$8.2 million \$5.9 million of patents. Customer relationships are typically amortized over the period for which we expect to receive the economic benefits. The customer relationship intangible assets acquired in our acquisitions are amortized over the expected remaining useful life of those relationships on a basis that reflects the pattern of realization of the estimated undiscounted after-tax cash flows. We review the estimated useful life of these intangible assets annually, unless a review is required more frequently due to a triggering event, such as a loss of a significant customer. Our review of the estimated useful life takes into consideration the specific net cash flows related to the intangible asset. The permanent loss of, or significant decline in sales to customers included in the intangible asset would result in either an impairment in the value of the intangible asset or an accelerated amortization of any remaining

value and could lead to an impairment of the fixed assets that were used to service that customer. We did not record impairment charges for our intangible assets subject to amortization in 2022, 2021 or 2020. the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022.

Our intangible assets with indefinite lives relate primarily to trademarks acquired in the acquisition of Legacy Primo, trademarks acquired in the acquisition of DSS, trademarks acquired in the acquisition of Eden (including the trademarks associated with our Eden Europe and Eden Israel businesses), one of the trademarks acquired in the acquisition of Aquaterra, trademarks acquired in the acquisition of Mountain Valley, and trademarks acquired in the acquisition of Crystal Rock and trademarks acquired in the acquisition of SipWell (collectively, the "Trademarks"). These assets have an aggregate net book value of \$437.2 million \$379.7 million as of December 31, 2022 December 30, 2023. There are no legal, regulatory, contractual, competitive, economic, or other factors that limit the useful life of these intangible assets.

The lives of the Trademarks are considered to be indefinite and therefore these intangible assets are not amortized. Rather, they are tested for impairment at least annually or more frequently if we determine a triggering event has occurred during the year. We compare the carrying amount of the intangible asset to its fair value and when the carrying amount is greater than the fair value, we recognize an impairment loss.

As a result of the triggering events described above arising from the exit of our Russia business and realignment of segments, we also performed recoverability tests on the trademarks with an indefinite life acquired in the acquisition of Eden ("Eden Trademarks") as of May 10, 2022. We elected to bypass the qualitative assessment and performed an interim quantitative impairment test as of May 10, 2022 on the Eden Trademarks. The interim quantitative impairment test was performed for the Eden Trademarks, including the Eden Europe and Eden Israel trademarks, to identify any impairment immediately prior to the segment realignment. The interim quantitative impairment test was then performed for the trademarks with indefinite lives associated with the Eden Europe and Eden Israel businesses upon segment realignment.

To determine the fair value of the trademarks being evaluated, we use a relief from royalty method of the income approach, which calculates a fair value royalty rate that is applied to revenue forecasts associated with the trademark. The resulting cash flows are discounted using a rate to reflect the risk of achieving the projected royalty savings attributable to the trademark. The assumptions used to estimate the fair value of the trademark are subjective and require significant management judgment, including estimated future revenues, the fair value royalty rate (which is estimated to be a reasonable market royalty charge that would be charged by a licensor of the trademarks) and the risk adjusted discount rate. Based on our impairment test, we determined that, (1) on a pre-realignment basis, the estimated fair value of the Eden Trademarks exceeded the carrying value by approximately 9.0% (therefore, no impairment charge was recorded for this trademark), and (2) on a post-realignment basis, the estimated fair value of the trademarks with indefinite lives associated with our Eden Israel business exceeded the carrying value by approximately 103.0% (therefore, no impairment charge was recorded for this trademark), and the trademarks with indefinite lives associated with our Eden Europe business were impaired and recognized an impairment charge of \$6.7 million. The impairment charge is included in impairment charges in the Consolidated Statement of Operations for the year ended December 31, 2022. The impairment charge is due primarily to the decrease in the royalty rate used in the quantitative assessment.

We assessed qualitative factors to determine whether the existence of events or circumstances indicated that it was more likely than not that the fair value of the Trademarks were less than their respective carrying value. The qualitative factors we assessed included macroeconomic conditions, industry and market considerations, cost factors that would have a negative effect on earnings and cash flows, overall financial performance compared with forecasted projections in prior periods, and other relevant events, the impact of which are all significant judgments and estimates. During the fourth quarter of 2022, 2023, we concluded that it was more likely than not that the fair value of the Trademarks were more than their carrying value and therefore we were not required to perform any additional testing.

There are inherent uncertainties related to each of the above listed assumptions, and our judgment in applying them. Changes in the assumptions used in our qualitative assessment could result in impairment charges that could be material to our Consolidated Financial Statements in any given period.

During 2020, we identified a triggering event arising from the impact of the COVID-19 pandemic and performed an interim quantitative impairment test as of June 27, 2020. We determined the Eden Trademarks and the Aquaterra Trademark were impaired and recognized impairment charges of \$9.9 million and \$1.2 million, respectively. These impairment charges are included in impairment charges in Refer to Note 2 to the Consolidated Statement of Operations Financial Statements for discussion regarding intangible assets for the year ended January 2, 2021. discontinued operations entities.

#### Impairment and Disposal of Long-Lived Assets

When adverse events occur, we compare the carrying amount of long-lived assets to the estimated undiscounted future cash flows at the lowest level of independent cash flows for the group of long-lived assets and recognize any impairment loss based on discounted cash flows in the Consolidated Statements of Operations, taking into consideration the timing of testing and the asset's remaining useful life. The expected life and value of these long-lived assets is based on an evaluation of the competitive environment, history and future prospects as appropriate. We did not record impairments of long-lived assets in 2022, 2021 or 2020. during the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022.

As part of normal business operations, we identify long-lived assets that are no longer productive and dispose of them. We recognized losses on disposals of property, plant and equipment, net of \$9.1 million, \$7.4 million, and \$9.1 million for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022, respectively. Losses on disposals of assets are presented separately as part of operating income in the Consolidated Statements of Operations.

During the second quarter of 2022, our Board of Directors approved the exit from our business in Russia. Accordingly, we recorded an impairment charge of \$11.2 million during the second quarter to reduce the carrying value of the assets to the estimated fair value less costs to sell. The impairment charge of \$11.2 million to reduce the carrying value of the Russia business to its estimated fair value less costs to sell is included within impairment charges on the Consolidated Statements of Operations as part of operating income. We recognized losses on disposal of property, plant and equipment, net of \$8.5 million for the year twelve months ended December 31, 2022 (\$9.3 million—January 1, 2022; \$10.6 million—January 2, 2021), and is included within the Other category. The exit of our business in Russia was completed during the third quarter of 2022.

#### Insurance Reserves

We maintain insurance retention programs under our general liability, auto liability, and workers' compensation insurance programs. We also carry excess coverage to mitigate catastrophic losses. We use an independent third-party actuary to assist in determining our insurance reserves. Insurance reserves are accrued on an undiscounted basis based on known claims and estimated incurred but not reported claims not otherwise covered by insurance. The estimates are developed utilizing standard actuarial methods and are based on historical claims experience and actuarial assumptions, including loss development factors and expected ultimate loss selections. The inherent uncertainty of future loss projections could cause actual claims to differ from our estimates. The Company recorded insurance reserves of \$58.7 \$67.0 million and \$60.1 \$58.7 million as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022, respectively, within accounts Accounts payable and accrued liabilities and other Other long-term liabilities in the Consolidated Balance Sheets, of which \$12.3 \$8.8 million and \$17.2 \$12.3 million, respectively, was covered by insurance and included as a component of accounts Accounts receivable, net of allowance and other Other long-term assets. assets in the Consolidated Balance Sheets.

#### Foreign Currency Translation



The assets and liabilities of non-U.S. active operations, all of which are self-sustaining, are translated to U.S. dollars at the exchange rates in effect at the balance sheet dates. Revenues and expenses are translated using average monthly exchange rates prevailing during the period. The resulting gains or losses are recorded in **accumulated Accumulated other comprehensive (income) loss, loss in the Consolidated Balance Sheets.**

#### **Income Taxes**

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying amount of assets and liabilities and their respective tax bases, using currently enacted income tax rates. A valuation allowance is established to reduce deferred income tax assets if, on the basis of available evidence, it is not more likely than not that all or a portion of any deferred tax assets will be realized. The consideration of available evidence requires significant management judgment including an assessment of the future periods in which the deferred tax assets and liabilities are expected to be realized and projections of future taxable income.

The ultimate realization of the deferred tax assets, including net operating losses, is dependent upon the generation of future taxable income during the periods prior to their expiration. If our estimates and assumptions about future taxable income are not appropriate, the value of our deferred tax assets may not be recoverable, which may result in an increase to our valuation allowance that will impact current earnings.

We account for uncertain tax positions using a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, based on the technical merits. The second step requires management to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as we have to determine the probability of various possible outcomes. We re-evaluate these uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

We recognize interest and penalties related to unrecognized tax benefits within the **income Income** tax expense (benefit) line in the **accompanying** Consolidated Statements of Operations, and we include accrued interest and penalties within the **other Other** long-term liabilities line in the **accompanying** Consolidated Balance Sheets.

#### **Concentration of Credit Risk**

##### **Pension Costs**

We record annual amounts relating **The Company's financial instruments that are exposed to defined benefit pension plans based on calculations, which include various actuarial assumptions such as discount rates concentrations of credit risk consist primarily of cash and assumed rates cash equivalents. As of return on plan assets depending on the pension plan. Material changes in pension costs may occur December 30, 2023 and December 31, 2022, cash and cash equivalents were maintained at major financial institutions in the future due United States, and current deposits are in excess of insured limits. The Company believes these institutions have sufficient assets and liquidity to changes in these assumptions. Future annual amounts could be impacted by changes conduct their operations in the discount rate, changes in the expected long-term rate ordinary course of return on plan assets, changes in the level of contributions business with little or no credit risk to the plans and other factors. Company. The funded status is the difference between the fair value of plan assets and the benefit obligation. Future actuarial gains or Company has not experienced any losses that are not recognized as net periodic benefits cost in the same periods will be recognized as a component of other comprehensive income. The service cost component of net periodic pension cost is included in cost of sales and SG&A and all other components are included in other expense (income), net in the Consolidated Statements of Operations. such accounts.**

#### **Recently Adopted Accounting Pronouncements**

##### **Update ASU 2021-10- Government Assistance (Topic 832)**

In November 2021, the Financial Accounting Standards Board ("FASB") issued guidance which requires business entities to disclose information about certain government assistance they receive. The amendments in this Update are effective for all entities within their scope for financial statements issued for annual periods beginning after December 15, 2021. Early application of the amendments is permitted. An entity should apply the amendments in this Update either (1) prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application or (2) retrospectively to those transactions. Adoption of the new standard did not result in additional disclosures within our Consolidated Financial Statements.

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

##### **Update ASU 2020-04 – Reference Rate Reform (Topic 848), amended by Update ASU 2022-06 - Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848**

In March 2020, the FASB issued guidance which provides **optional** expedients and exceptions to account for contracts, hedging relationships and other transactions that reference LIBOR or any other reference rates expected to be discontinued because of reference rate reform. This guidance is effective as of March 12, 2020 through December 31, 2022 (updated to December 31, 2024 by the December 2022 issuance of Accounting Standards Update ("ASU") 2022-06) and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2024. We are currently evaluating our contracts and do not expect a material impact at this time. We elected to apply the debt agreement expedient and therefore will account for debt agreement amendments as if the modification was not substantial and thus a continuation of the existing contract. **Additional elections of expedients and exceptions provided under Effective January 13, 2023, we entered into the ASU will be made when contract modifications in response Second LIBOR Transition Amendment to reference rate reform commence, the Credit Agreement, which transitioned the credit agreement from LIBOR to the Secured Overnight Financing Rate ("SOFR"). The amendment did not have a material impact on our Consolidated Financial Statements.**

##### **Update ASU 2021-08- 2021-08 – Business Combinations (Topic 805)**

In October 2021, the FASB issued guidance that requires entities to use principles in ASC 606 to recognize and measure contract assets and liabilities in revenue contracts acquired in a business combination rather than fair value. For public entities, this guidance is effective for fiscal years beginning after December 15, 2022 for annual and interim periods. **Early The adoption of this standard did not have a material impact on our Consolidated Financial Statements.**

#### **Recently Issued Accounting Pronouncements Not Yet Adopted**

##### **Update ASU 2023-06 – Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative**

In October 2023, the FASB issued guidance to modify the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations. This guidance is permitted, including effective for the Company no later than June 30, 2027. We are currently assessing the impact of adoption of this standard on our Consolidated Financial Statements.



#### Update ASU 2023-07 – Segment Reporting (Topic 280) - Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued guidance to improve the disclosures about a public entity's reportable segments and provide for the disclosure of additional and more detailed information about a reportable segment's expenses. This guidance is effective for the Company effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The amendments in an interim period. If early adopted, the amendments are this update should be applied retrospectively to all business combinations prior periods presented in the financial statements. Early adoption is permitted. We are currently assessing the impact of adoption of this standard on our Consolidated Financial Statements.

#### Update ASU 2023-09 – Income Taxes (Topic 740) - Improvements to Income Tax Disclosures

In December 2023, the FASB issued guidance to enhance the transparency and decision usefulness of income tax disclosures through improvements to disclosures primarily related to the rate reconciliation and income taxes paid information. This guidance is effective for which the acquisition date occurred during the fiscal year of adoption. Company for annual periods beginning after December 15, 2024. Early adoption is permitted. We are currently assessing the impact of adoption of this standard on our Consolidated Financial Statements.

### Note 2—Discontinued Operations

#### International Businesses

On February 28, 2020 December 29, 2023, the Company completed the sale European Divestiture for aggregate deal consideration of \$575.0 million, adjusted for customary purchase price adjustments resulting in total cash consideration of \$565.9 million (see Note 1 to the Consolidated Financial Statements). The proceeds from the European Divestiture were included in Investing activities of discontinued operations in the Consolidated Statements of Cash Flows for the fiscal year ended December 30, 2023. The European Divestiture excluded the Remaining International Businesses. This deal is the first of several transactions that will occur in 2024 as part of a Board-approved plan to sell all of our coffee, tea and extract solutions business, S&D Coffee, Inc. ("S&D") international businesses representing a strategic shift in our operations. Accordingly, the International Businesses are presented herein as discontinued operations for consideration of \$405.0 million paid at closing in cash, all periods presented.

In connection with customary post-closing working capital adjustments, which were resolved in June 2020 by payment of \$1.5 million from the European Divestiture, the Company and the Purchaser entered into a transition services agreement pursuant to which the Purchaser will provide certain information technology and shared service center services to the purchaser of S&D. The Company used for various periods. For the proceeds of the S&D divestiture to finance a portion of the Legacy Primo Acquisition.

On January 30, 2018 year ended December 30, 2023, the Company completed the sale of the Traditional Business to Refresco. In July 2020, a settlement agreement was reached with Refresco related to the \$12.4 million of the total sale proceeds that these services were being held in escrow by a third-party escrow agent to secure potential indemnification claims. In exchange for a settlement of pending and future claims, \$4.0 million of the escrow funds were released to Refresco and the remaining \$8.4 million were released to us. not material.

The major components of net Net income (loss) from discontinued operations, net of income taxes in the accompanying Consolidated Statements of Operations include the following:

(in millions of U.S. dollars)	For the Year Ended		
	January 2, 2021		
Revenue, net <sup>1</sup>	\$		97.1
Cost of sales			71.1
Operating loss from discontinued operations			(0.5)
Gain on sale of discontinued operations			53.7
Income from discontinued operations, before income taxes			53.1
Income tax expense <sup>2</sup>			28.0
Net income from discontinued operations, net of income taxes			25.1

(in millions of U.S. dollars)	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022
Revenue, net	\$ 575.0	\$ 521.9	\$ 496.9
Cost of sales	267.7	247.7	230.5
Gross profit	307.3	274.2	266.4
Selling, general and administrative expenses	271.2	267.6	264.5
Loss on disposal of property, plant and equipment, net	0.7	1.1	0.2
Acquisition and integration expenses	0.9	3.2	1.7
Impairment charges	82.4	17.9	—
Operating loss from discontinued operations	(47.9)	(15.6)	—
Other (income) expense, net	(19.4)	11.3	5.8
Interest expense, net	3.1	2.0	0.5
Gain on sale of discontinued operations	(214.7)	—	—
Income (loss) from discontinued operations, before income taxes	\$ 183.1	\$ (28.9)	\$ (6.3)
Income tax expense	8.8	0.2	1.8
Net income (loss) from discontinued operations, net of income taxes	\$ 174.3	\$ (29.1)	\$ (8.1)

Assets and liabilities of discontinued operations presented in the accompanying Consolidated Balance Sheets as of December 30, 2023 and December 31, 2022 include the following:

	December 30, 2023	December 31, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22.6	\$ 43.8
Accounts receivable, net of allowance of \$3.4 (\$8.5 as of December 31, 2022)	67.4	87.9
Inventories	31.9	46.8
Prepaid expenses and other current assets	6.8	8.8
<b>Current assets of discontinued operations</b>	<b>\$ 128.7</b>	<b>\$ 187.3</b>
Property, plant and equipment, net	83.7	164.9
Operating lease right-of-use-assets	37.9	55.4
Goodwill	48.5	295.8
Intangible assets, net	61.5	170.9
Other long-term assets, net <sup>1</sup>	(6.0)	2.4
<b>Long-term assets of discontinued operations</b>	<b>\$ 225.6</b>	<b>\$ 689.4</b>
<b>LIABILITIES</b>		
Short-term borrowings	\$ 18.4	\$ 6.5
Current maturities of long-term debt	3.5	6.6
Accounts payable and accrued liabilities	83.4	142.5
Current operating lease obligations	4.6	9.1
<b>Current liabilities of discontinued operations</b>	<b>\$ 109.9</b>	<b>\$ 164.7</b>
Long-term debt	9.2	31.5
Operating lease obligations	33.6	46.9
Deferred tax liabilities	7.0	27.5
Other long-term liabilities	2.4	9.8
<b>Long-term liabilities of discontinued operations</b>	<b>\$ 52.2</b>	<b>\$ 115.7</b>

<sup>1</sup> Includes the impairment recorded to reduce the carrying value of the Remaining International Businesses to the fair value less costs to sell.

In connection with the European Divestiture, the Company performed a goodwill impairment test on the Remaining International Businesses resulting in a goodwill impairment charge of \$71.1 million and an intangible asset impairment charge of \$4.3 million. This impairment was due to macroeconomic trends and the related party sales impact on long-term forecasts. Upon the classification of the Remaining International Businesses as held for sale, the Company recorded an additional impairment loss of \$7.0 million to continuing reduce the carrying value of the International Businesses to fair value less costs to sell, resulting in a total impairment charge of \$82.4 million that was recorded within Net income (loss) from discontinued operations, net of \$1.0 million income tax on the Consolidated Statements of Operations for the fiscal year ended January 2, 2021 December 30, 2023. There was \$3.0 million tax benefit recorded related to this charge for the fiscal year ended December 30, 2023.

<sup>2</sup> The S&D divestiture During the second quarter of 2022, the decision to exit our business in Russia and the realignment of segments resulted in tax expense a triggering event for goodwill and intangible assets with indefinite lives requiring quantitative assessments for the combined Eden business (which, prior to realignment, included the Eden Europe and Eden Israel businesses) immediately before the realignment of \$28.5 million on segments and for the gain on sale Eden Europe and Israel businesses upon realignment of segments. As a result of these assessments, the Company recorded a goodwill impairment charge of \$11.2 million due to a decrease in 2020 cash flows associated with the exit from our business in Russia and utilized a significant portion trademark impairment charge of \$6.7 million due primarily to a decrease in the existing U.S. net operating loss carryforwards.royalty rate used in the quantitative analysis. The total impairment charge of \$17.9 million was recorded in the results of discontinued operations for the fiscal year ended December 31, 2022.

### Note 3—Leases

We have operating and finance leases for manufacturing and production facilities, branch distribution and warehouse facilities, vehicles and machinery and equipment. The remaining terms on our finance leases range from one year to 34 8 years, while our operating leases range from one year to 18 17 years, some of which may include options to extend the leases generally between one year and 10 years, and some of which may include options to terminate the leases within one year.

The components of lease expense were as follows:

	For the Year Ended		For the Fiscal Year Ended		For the Fiscal Year Ended
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	(in millions of U.S. dollars)	December 30, 2023
Operating lease cost	Operating lease cost	\$ 51.3	\$ 50.0		

Short-term lease cost	Short-term lease cost	4.3	6.3
Finance lease cost	Finance lease cost		
Amortization of right-of-use assets	Amortization of right-of-use assets	\$ 17.8	\$ 15.7
Amortization of right-of-use assets			
Amortization of right-of-use assets			
Interest on lease liabilities	Interest on lease liabilities	4.2	3.6
Total finance lease cost	Total finance lease cost	\$ 22.0	\$ 19.3
Sublease income	Sublease income	\$ 1.4	\$ 0.8

Supplemental cash flow information related to leases was as follows:

For the Year Ended				For the Fiscal Year Ended		For the Fiscal Year Ended	
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	(in millions of U.S. dollars)	December 30, 2023		December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:						
Operating cash flows from operating leases							
Operating cash flows from operating leases							
Operating cash flows from operating leases	Operating cash flows from operating leases	\$ 48.8	\$ 51.4				
Operating cash flows from finance leases	Operating cash flows from finance leases	4.1	3.3				
Financing cash flows from finance leases	Financing cash flows from finance leases	17.0	13.8				
Right-of-use assets obtained in exchange for lease obligations:	Right-of-use assets obtained in exchange for lease obligations:						
Operating leases	Operating leases	\$ 73.3	\$ 37.2				

Operating leases			
Operating leases			
Finance leases	Finance leases	12.0	35.8

Supplemental balance sheet information related to leases was as follows:

<u>(in millions of U.S. dollars, except lease term and discount rate)</u>	<u>(in millions of U.S. dollars, except lease term and discount rate)</u>	December 31, 2022	January 1, 2022	<u>(in millions of U.S. dollars, except lease term and discount rate)</u>		December 30, 2023	December 31, 2022
Operating leases	Operating leases						
Operating lease right-of-use assets							
Operating lease right-of-use assets							
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 198.6	\$ 177.4				
Current operating lease obligations	Current operating lease obligations	35.7	32.3				
Operating lease obligations	Operating lease obligations	174.5	148.7				
Total operating lease obligations	Total operating lease obligations	\$ 210.2	\$ 181.0				
Financing leases	Financing leases						
Financing leases							
Financing leases							
Property, plant and equipment, net							
Property, plant and equipment, net							
Property, plant and equipment, net	Property, plant and equipment, net	\$ 80.9	\$ 90.4				
Current maturities of long-term debt	Current maturities of long-term debt	16.8	17.0				
Long-term debt	Long-term debt	67.2	75.8				

Total finance lease obligations	Total finance lease obligations	\$	84.0	\$	92.8
Weighted Average Remaining Lease Term		December 31, 2022	January 1, 2022		
Weighted-Average Remaining Lease Term		Weighted-Average Remaining Lease Term			
				December 30, 2023	December 31, 2022
Operating leases	Operating leases	8.4 years	7.7 years	Operating leases	7.3 years
Finance leases	Finance leases	8.7 years	10.1 years	Finance leases	3.4 years
Weighted Average Discount Rate					
Weighted-Average Discount Rate					
Weighted-Average Discount Rate					
Weighted-Average Discount Rate					
Operating leases					
Operating leases					
Operating leases	Operating leases	6.1 %	5.9 %	6.6 %	6.5 %
Finance leases	Finance leases	5.1 %	3.6 %	5.5 %	5.1 %

Maturities of operating lease obligations were as follows:

<b>(in millions of U.S. dollars)</b>	<b>(in millions of U.S. dollars)</b>	<b>December 31, 2022</b>	<b>(in millions of U.S. dollars)</b>	<b>December 30, 2023</b>
2023		\$ 45.4		
2024	2024	42.3		
2025	2025	36.5		
2026	2026	26.1		
2027	2027	21.7		
2028				
Thereafter	Thereafter	103.9		
Total lease payments	Total lease payments	275.9		
Less imputed interest	Less imputed interest	(65.7)		
Present value of lease obligations	Present value of lease obligations	\$ 210.2		

Maturities of finance lease obligations were as follows:

<b>(in millions of U.S. dollars)</b>	<b>December 31, 2022</b>
2023	\$ 20.2
2024	19.0
2025	18.1

2026	14.2
2027	8.0
Thereafter	26.6
Total lease payments	106.1
Less imputed interest	(22.1)
Present value of lease obligations	\$ 84.0

#### **Sale-Leaseback Transactions**

During the second quarter of 2022, our Board of Directors approved the sale of four of our owned real properties. Accordingly, we classified the land and buildings as held for sale. On December 29, 2022, the Company completed the sale of two of the properties for an aggregate sales price, net of closing costs, of \$50.1 million. As of December 31, 2022, \$4.6 million of the proceeds are being held in escrow for the future purchase of property. These funds are included in cash and cash equivalents on the Consolidated Balance Sheet as of December 31, 2022. The transactions qualify for sale recognition under the sale-leaseback accounting requirements and the Company recorded a gain of \$38.8 million included within gain on sale of property on the Consolidated Statements of Operations.

As part of the transactions, we entered into a leaseback of each of the properties (for a term of three years and five years, respectively). The leases are classified as operating leases and the Company recorded aggregate right-of-use assets and liabilities of \$11.6 million. The Company entered into a sublease for one of the properties which resulted in an impairment of the right-of-use asset of \$5.2 million recorded within selling, general and administrative expenses on the Consolidated Statements of Operations.

As of December 31, 2022, \$10.3 million related to the remaining properties held for sale is included within prepaid expenses and other current assets on the Consolidated Balance Sheets.

<b>(in millions of U.S. dollars)</b>	<b>December 30, 2023</b>
2024	\$ 16.7
2025	16.2
2026	13.1
2027	4.6
2028	2.0
Thereafter	0.3
Total lease payments	52.9
Less imputed interest	(5.3)
Present value of lease obligations	\$ 47.6

#### **Note 4—Revenue**

Our principal sources of revenue are from bottled water delivery direct to consumers primarily in North America and Europe and from providing multi-gallon purified bottled water, self-service refill drinking water and water dispensers through retailers in North America for the fiscal years ended December 31, 2022, December 30, 2023, January 1, 2022, December 31, 2022 and January 2, 2021, January 1, 2022.

Revenue is recognized, net of sales returns, when a customer obtains control of promised goods or services in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We measure revenue based on the consideration specified in the customer arrangement, and revenue is recognized when the performance obligations in the customer arrangement are satisfied. A performance obligation is a contractual promise to transfer a distinct service to the customer. The transaction price of a contract is allocated to each distinct performance obligation and recognized as revenue when the customer receives the benefit of the performance obligation. Customers typically receive the benefit of our services as they are performed. Substantially all our customer contracts require that we be compensated for services performed to date. This may be upon shipment of goods or upon delivery to the customer, depending on contractual terms.

Shipping and handling costs paid by the customer to us are included in revenue and costs incurred by us for shipping and handling activities that are performed after a customer obtains control of the product are accounted for as fulfillment costs.

In addition, we exclude from net revenue and cost of sales taxes assessed by governmental authorities on revenue-producing transactions.

Although we occasionally accept returns of products from our customers, historically returns have not been material.

#### **Contract Estimates**

The nature of certain of the Company's contracts give rise to variable consideration including cash discounts, volume-based rebates, point of sale promotions, and other promotional discounts to certain customers. For all promotional programs and discounts, the Company estimates the rebate or discount that will be granted to the customer and records an accrual upon invoicing. These estimated rebates or discounts are included in the transaction price of the Company's contracts with customers as a reduction to net revenues and are included as accrued sales incentives in accounts payable and accrued liabilities in the Consolidated Balance Sheets. This methodology is consistent with the manner in which the Company historically estimated and recorded promotional programs and discounts. Accrued sales incentives were \$7.8 million, \$7.7 million and \$8.0 million at \$6.2 million as of December 30, 2023 and December 31, 2022 and January 1, 2022, respectively.

We do not disclose the value of unsatisfied performance obligations for contracts (i) with an original expected length of one year or less or (ii) for which the Company recognizes revenue at the amount in which it has the right to invoice as the product is delivered.

#### **Contract Balances**

Contract liabilities relate primarily to advances received from the Company's customers before revenue is recognized. These amounts are recorded as deferred revenue and are included in accounts Accounts payable and accrued liabilities in the Consolidated Balance Sheets. The advances are expected to be earned as revenue within one year of

receipt. Deferred revenues at as of December 30, 2023 and December 31, 2022 were \$5.2 million and January 1, 2022 were \$11.5 million and \$12.6 million \$5.2 million, respectively. The amount of revenue recognized for the year ended December 31, 2022 December 30, 2023 that was included in the January 1, 2022 deferred revenue balance as of December 31, 2022 was \$11.8 million \$5.2 million.

The Company does not have any material contract assets as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022.

#### Disaggregated Revenue

In general, the Company's business segmentation is aligned according to the nature and economic characteristics of its products and customer relationships and provides meaningful disaggregation of each business segment's results of operations.

Further disaggregation of net revenue to external customers by geographic area based on customer location is as follows:

For the Year Ended					For the Fiscal Year Ended		
For the Fiscal Year Ended					For the Fiscal Year Ended		
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022
United States	United States	\$ 1,620.5	\$1,493.7	\$1,429.6			
United Kingdom		150.9	157.8	142.2			
Canada	Canada	65.8	69.9	64.1			
All other countries	All other countries	377.9	351.9	317.6			
Total	Total	\$ 2,215.1	\$2,073.3	\$1,953.5			

#### Note 5—Acquisitions

##### SipWell Acquisition

On December 30, 2021, Eden Springs Netherlands B.V., a wholly-owned subsidiary of the Company ("Eden"), completed the acquisition of Sip-Well NV, the leading distributor of water solutions in Belgium (the "SipWell Acquisition"). The total cash consideration paid by Eden in the SipWell Acquisition was \$53.1 million, subject to adjustments for any non-permitted leakage since a locked box date. The SipWell Acquisition was funded through a combination of incremental borrowings under the Company's Revolving Credit Facility (as defined below) and cash on hand.

The SipWell Acquisition strengthens the Company's presence in Western and Central Europe. The Company has accounted for this transaction as a business combination which requires that assets acquired and liabilities assumed be measured at their acquisition date fair values.

An allocation of the total cash consideration paid of \$53.1 million has been made to the major categories of assets acquired and liabilities assumed based on management's estimates of their fair values as of the acquisition date. The excess of the purchase price over the aggregate fair values was recorded as goodwill. Measurement period adjustments recorded during the year ended December 31, 2022 include adjustments to other long-term liabilities for uncertain tax positions and a review of the respective fair values, adjustments to operating and financing lease right-of-use assets and obligations based on a review of acquired leases, an adjustment to deferred taxes related to final valuations, and adjustments to cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, and accounts payable and accrued liabilities based on a review of the respective fair values as of the date of acquisition. The measurement period adjustments did not have a material effect on our results of operations in prior periods.

The table below presents the total cash consideration allocation of the estimated acquisition date fair values of the assets acquired and liabilities assumed:

(in millions of U.S. dollars)	Measurement Period		Acquired Value
	Originally Reported	Adjustments	
Cash and cash equivalents	\$ 6.8	\$ (1.7)	\$ 5.1
Accounts receivable	1.3	(0.1)	1.2
Inventories	0.1	—	0.1
Prepaid expenses and other current assets	0.2	1.7	1.9
Property, plant and equipment	21.7	(3.0)	18.7
Operating lease right-of-use-assets	0.4	1.1	1.5
Goodwill	38.1	4.7	42.8
Intangible assets	20.0	—	20.0
Current maturities of long-term debt	(1.6)	0.7	(0.9)
Accounts payable and accrued liabilities	(9.9)	1.1	(8.8)
Current operating lease obligations	(0.4)	(0.3)	(0.7)
Long-term debt	(17.7)	2.3	(15.4)
Operating lease obligations	—	(0.8)	(0.8)



Deferred tax liabilities	(5.9)	0.5	(5.4)
Other long-term liabilities	—	(6.2)	(6.2)
Total	\$ 53.1	\$ —	\$ 53.1

During the year ended January 1, 2022, the Company incurred \$0.3 million of acquisition-related costs associated with the SipWell Acquisition, which are included in acquisition and integration expenses in the Consolidated Statement of Operations.

#### Intangible Assets

In our determination of the fair value of intangible assets, we consider, among other factors, the best use of acquired assets, analysis of historical financial performance and estimates of future performance of the acquired business' products. The estimated fair values of identified intangible assets are calculated considering both market participant assumptions, using an income approach, as well as estimates and assumptions provided by Primo management and management of the acquired business.

The estimated fair value of customer relationships represent future after-tax discounted cash flows that will be derived from sales to existing customers of the acquired business as of the date of acquisition. Critical assumptions used in our valuation of customer relationships for SipWell include, but are not limited to, anticipated future cash flows, customer attrition rate and risk adjusted discount rate. Anticipated future cash flows assumption reflects projected revenue growth rates, EBITDA margins, and capital expenditures.

The estimated fair value of trademarks and trade names represent the future projected cost savings associated with the premium and brand image obtained as a result of owning the trademark or trade name as opposed to obtaining the benefit of the trademark or trade name through a royalty or rental fee. Critical assumptions used in our valuation of trademarks and trade names include, but are not limited to, projected revenue growth rates, weighted-average terminal growth rate, risk adjusted discount rate and royalty rate.

The following table sets forth the components of identified intangible assets associated with the SipWell Acquisition and their estimated weighted average useful lives:

(in millions of U.S. dollars)	Estimated Fair Market Value	Estimated Useful Life
Customer relationships	\$ 11.5	19 years
Trade names	8.3	Indefinite
Software	0.2	3 years
Total	\$ 20.0	

#### Goodwill

Goodwill is calculated as the excess of the purchase consideration transferred over the fair value of the identifiable assets acquired less the liabilities assumed.

The primary factors that contributed to the recognition of goodwill are cash flow projections that include expected future earnings, projections of growth and expected cost synergies resulting from integration of SipWell into our operations. The goodwill recognized as part of the SipWell Acquisition was allocated to the Europe reporting segment, none of which is expected to be tax deductible.

#### Note 6—Other Expense (Income), Net

The following table summarizes other expense (income), net for the fiscal years ended December 31, 2022, December 30, 2023, January 1, 2022, December 31, 2022 and January 2, 2021, January 1, 2022:

For the Year Ended					For the Fiscal Year Ended			
For the Fiscal Year Ended								
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
Foreign exchange losses, net	\$	15.1	\$ 8.7	\$ 1.5				
Proceeds from legal settlements		—	—	(1.9)				
Foreign exchange losses (gains), net								
Tariff refunds								
Gain on sale of business	Gain on sale of business	(0.8)	(3.8)	(0.6)				
Loss on extinguishment of long-term debt	Loss on extinguishment of long-term debt	—	27.2	19.7				
Other gains, net	Other gains, net	(5.5)	(4.2)	—				
Total	Total	\$ 8.8	\$ 27.9	\$ 18.7				

**Note 7—6—Interest Expense, Net**

The following table summarizes interest expense, net for the fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022 and January 2, 2021 January 1, 2022:

(in millions of U.S. dollars)	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022
Interest on long-term debt	\$ 51.7	\$ 50.8	\$ 56.3
Interest on short-term debt	14.1	9.3	4.1
Other interest expense, net	5.6	7.7	7.9
Total	\$ 71.4	\$ 67.8	\$ 68.3

(in millions of U.S. dollars)	For the Year Ended		
	December 31, 2022	January 1, 2022	January 2, 2021
Interest on long-term debt	\$ 50.8	\$ 56.3	\$ 68.7
Interest on short-term debt	9.8	4.6	5.0
Other interest expense, net	9.2	7.9	7.9
Total	\$ 69.8	\$ 68.8	\$ 81.6

**Note 8—7—Income Taxes**

**Provision (Benefit) for Income Taxes**

Income (loss) from continuing operations, before income taxes consisted of the following:

For the Year Ended								
For the Fiscal Year Ended					For the Fiscal Year Ended			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
Canada	Canada	\$ 4.5	\$ (23.9)	\$ (88.4)				
Outside Canada	Outside Canada	44.8	30.2	(64.1)				
Income (loss) from continuing operations, before income taxes	Income (loss) from continuing operations, before income taxes	\$ 49.3	\$ 6.3	\$(152.5)				

Income tax expense consisted of the following:

For the Year Ended								
For the Fiscal Year Ended					For the Fiscal Year Ended			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
Current	Current							
Canada	Canada	\$ —	—	\$ —				
Canada								
Canada								
Outside	Outside							
Canada	Canada	5.6	5.4	1.9				
		\$ 5.6	\$ 5.4	\$ 1.9				

		\$			
Deferred	Deferred				
Canada	Canada	\$	—	\$	—
Canada					
Canada					
Outside	Outside				
Canada	Canada		14.1	4.1	2.4
		\$	14.1	\$	4.1
		\$		\$	2.4
		\$			
Income	Income				
tax	tax				
expense	expense	\$	19.7	\$	9.5
		\$		\$	4.3

The following table reconciles income taxes calculated at the basic Canadian corporate rates with the income tax provision:

(in millions of U.S. dollars)	For the Year Ended		
	December 31, 2022	January 1, 2022	January 2, 2021
Income tax expense (benefit) based on Canadian statutory rates	\$ 13.1	\$ 1.6	\$ (40.4)
Foreign tax rate differential	(7.9)	(7.1)	(4.3)
Local taxes	4.8	2.2	2.1
Nontaxable interest income	(7.9)	(9.3)	(8.7)
Impairment expense	3.7	—	17.6
Impact of intercompany transactions and dividends	3.7	5.9	10.8
Income tax credits	(0.2)	(0.3)	(0.5)
Change in enacted tax rates	(0.6)	(0.2)	(1.7)
Change in valuation allowance	11.1	9.6	28.5
Change in uncertain tax positions	(1.4)	0.9	(1.5)
Equity compensation	1.4	2.2	1.9
Permanent differences	2.4	0.9	1.6
Adjustments to prior year taxes	(2.8)	3.1	(1.1)
Other items	0.3	—	—
Income tax expense	\$ 19.7	\$ 9.5	\$ 4.3

(in millions of U.S. dollars)	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022
Income tax expense (benefit) based on Canadian statutory rates	\$ 24.1	\$ 20.7	\$ 3.3
Foreign tax rate differential	(13.4)	(9.0)	(7.1)
Local taxes	8.9	4.0	1.6
Nontaxable interest income	(3.4)	(3.4)	(3.9)
Impairment expense	—	0.9	—
Impact of intercompany transactions and dividends	(0.5)	(2.3)	0.2
Income tax credits	(1.8)	(0.2)	(0.3)
Change in enacted tax rates	(1.3)	0.5	(0.4)
Change in valuation allowance	16.8	7.0	8.6
Change in uncertain tax positions	(5.5)	0.6	1.5
Equity compensation	1.4	1.4	2.2
Permanent differences	1.0	0.6	0.8
Adjustments to prior year taxes	0.1	(1.8)	1.2
Other items	0.6	0.5	—
Income tax expense	\$ 27.0	\$ 19.5	\$ 7.7

### Deferred Tax Assets and Liabilities

Deferred income tax assets and liabilities were recognized on temporary differences between the financial and tax bases of existing assets and liabilities as follows:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022
Deferred tax assets	Deferred tax assets					
Net operating loss carryforwards						
Net operating loss carryforwards						
Net operating loss carryforwards	Net operating loss carryforwards	\$ 165.7	\$ 198.5			
Capital loss carryforwards	Capital loss carryforwards	16.3	18.0			
Liabilities and reserves	Liabilities and reserves	30.8	31.0			
Stock options	Stock options	10.8	9.4			
Inventories	Inventories	3.3	3.2			
Interest expense	Interest expense	33.5	17.6			
Right of use lease obligations	Right of use lease obligations	57.4	53.8			
Right of use lease obligations						
Right of use lease obligations						
		317.8	331.5			
		233.8				
		233.8				
		233.8				
Deferred tax liabilities	Deferred tax liabilities					
Property, plant and equipment						
Property, plant and equipment						
Property, plant and equipment	Property, plant and equipment	(73.2)	(73.5)			
Intangible assets	Intangible assets	(187.0)	(197.8)			
Right of use assets	Right of use assets	(54.0)	(52.7)			
Other	Other	(4.0)	(0.8)			
		(318.2)	(324.8)			
Other						
Other		(246.2)				
Valuation allowance	Valuation allowance	(169.4)	(164.7)			

Net deferred tax liability	Net deferred tax liability	\$ (169.8)	\$(158.0)
----------------------------	----------------------------	------------	-----------

As of **December 31, 2022** **December 30, 2023**, we have outside tax basis differences, including undistributed earnings, in our foreign subsidiaries. For **2022, 2023**, deferred taxes have not been recorded on the undistributed earnings because our foreign subsidiaries have the ability to repatriate funds to their respective parent company tax-efficiently or the undistributed earnings are indefinitely reinvested under the accounting guidance. In order to arrive at this conclusion, we considered factors including, but not limited to, past experience, domestic cash requirements, cash requirements to satisfy the ongoing operations, capital expenditures and other financial obligations of our subsidiaries. It is not practicable to determine the excess book basis over outside tax basis in the shares or the amount of incremental taxes that might arise if these earnings were to be remitted. The amount of tax payable could be significantly impacted by the jurisdiction in which a distribution was made, the amount of the distribution, foreign withholding taxes under applicable tax laws when distributed, relevant tax treaties and foreign tax credits. We repatriated earnings of **\$17.0 million** **\$87.3 million** and **\$40.2 million** **\$17.0 million** to Canada in **2022** during the fiscal years ended **December 30, 2023** and **2021, December 31, 2022**, respectively, incurring no tax expense.

As of **December 31, 2022** **December 30, 2023**, we have operating loss carryforwards totaling **\$643.4 million** **\$411.5 million**, capital loss carryforwards totaling **\$62.1 million** **\$67.0 million**, and tax credit carryforwards totaling **\$2.9 million** **nil**. The operating loss carryforward amount was attributable to Canadian operating loss carryforwards of **\$278.7 million** **\$302.3 million** that will expire from **2023 2024** to **2042; 2043**; U.S. federal and state operating loss carryforwards of **\$116.2 million** **\$63.6 million** and **\$11.1 million** **\$8.5 million**, respectively, that will predominantly expire from **2023 2024** to **2041; 2036**; U.S. federal operating loss carryforwards of **\$43.8 million** that have indefinite lives; Dutch operating loss carryforwards of **\$107.2 million** **\$36.4 million** that have indefinite lives; and various other United Kingdom operating loss carryforwards of **\$86.4 million** **\$0.7 million** that predominantly have indefinite lives.

The capital loss carryforward is attributable primarily to Canadian capital losses of **\$57.3 million** and Israeli capital losses of **\$4.8 million** **\$67.0 million**, all with indefinite lives. Tax credit carryforwards of **\$2.9 million** will expire from **2023** to **2042**.

In general, under Section 382 and 383 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), a U.S. corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs") or tax credits to offset future taxable income. Therefore, current or future changes in our Canadian stock ownership, many of which are outside of our control, could result in a U.S. ownership change under Section 382 and 383 of the Code. If we undergo a U.S. ownership change, our ability to utilize U.S. federal or state NOLs or tax credits could be limited. We monitor changes in our ownership on an ongoing basis and do not believe we had a change of control limitation as of **December 31, 2022** **December 30, 2023**.

We establish a valuation allowance to reduce deferred tax assets if, based on the weight of the available evidence, both positive and negative, for each respective tax jurisdiction, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Due to recent cumulative losses, it was determined that it is more likely than not we will not realize the benefit of net operating loss carryforwards and other net deferred assets in **Canada, and certain jurisdictions within the Eden business, Canada**. The balance of the valuation allowance was **\$169.4 million** **\$131.6 million** and **\$164.7 million** **\$115.5 million** for the fiscal years ended **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022**, respectively. The valuation allowance increase in **2022 2023** was related primarily to losses generated in tax jurisdictions with existing valuation allowances.

Additionally, we have determined that it is more likely than not that the benefit from our capital losses in **Canada and Israel** will not be realized in the future due to the uncertainty regarding potential future capital gains in the jurisdiction. In recognition of this risk, we have provided a valuation allowance of **\$16.3 million** **\$17.8 million** on our capital losses.

#### Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of our unrecognized tax benefits is as follows:

For the Year Ended								
For the Fiscal Year Ended					For the Fiscal Year Ended			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
Unrecognized tax benefits at beginning of year	Unrecognized tax benefits at beginning of year	\$ 17.5	\$ 15.6	\$ 16.9				
Additions based on tax positions taken during a prior period	Additions based on tax positions taken during a prior period	—	1.1	—				
Settlement on tax positions taken during a prior period	Settlement on tax positions taken during a prior period	—	—	(1.7)				
Additions related to acquired entities								
Additions related to acquired entities								

Additions related to acquired entities	Additions related to acquired entities	2.8	1.7	—
Lapse in statute of limitations	Lapse in statute of limitations	(3.6)	(2.5)	(1.0)
Additions based on tax positions taken during the current period	Additions based on tax positions taken during the current period	1.8	1.7	1.3
Cash payments		—	—	(0.2)
Foreign exchange				
Foreign exchange				
Foreign exchange	Foreign exchange	(0.8)	(0.1)	0.3
Unrecognized tax benefits at end of year	Unrecognized tax benefits at end of year	\$ 17.7	\$ 17.5	\$ 15.6

As of December 31, 2022 December 30, 2023, we had \$17.7 million \$9.4 million of unrecognized tax benefits, a net increase decrease of \$0.2 million \$6.5 million from \$17.5 million \$15.9 million as of January 1, 2022 December 31, 2022. If we recognized our tax positions, approximately \$17.2 million \$3.1 million would favorably impact the effective tax rate. We believe it is reasonably possible that our unrecognized tax benefits will decrease or be recognized in the next twelve months by up to \$12.7 million \$2.0 million due to the settlement of certain tax positions and lapses in statutes of limitation in various tax jurisdictions.

We recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes. No There were net interest or and penalties were of \$1.0 million, nil and nil recovered during the fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022 and January 2, 2021. January 1, 2022, respectively. The amount of interest and penalties recognized on the Consolidated Balance Sheets for 2022 as of December 30, 2023 and 2021 December 31, 2022 were a liability of \$1.9 million \$0.7 million and \$1.3 million \$1.7 million, respectively.

We are subject to taxation in Canada, the United States, and other foreign jurisdictions. With few exceptions, we are no longer subject to income tax examination for years prior to 2017 2020. To the extent that income tax attributes such as net operating losses and tax credits have been carried forward from years prior to 2017 2020, those attributes can still be audited when utilized on returns subject to audit. We are currently under audit in Canada by the Canada Revenue Agency ("CRA") for tax years 2014, 2016, 2017, 2019 and 2017. We are currently under audit in Israel for the 2015 to 2019 tax years and Netherlands for the 2018 tax year.

2021.

#### Note 9 — Share-Based Compensation

Our shareowners approved our Amended and Restated Primo Water Corporation Equity Incentive Plan (the "Amended and Restated Equity Plan") in May 2016, and approved the Primo Water Corporation 2018 Equity Incentive Plan ("2018 Equity Plan" and together with the Amended and Restated Equity Plan, the "Equity Plans") in May 2018. Awards under the Equity Plans may be in the form of incentive stock options, non-qualified stock options, restricted shares, restricted share units, performance shares, performance units, stock appreciation rights, and stock payments to employees, directors and outside consultants. The Equity Plans are administered by the Human Resources and Compensation Committee ("HRCC") of the Board of Directors or any other board Board committee as may be designated by the Board of Directors from time to time. Under the Amended and Restated Equity Plan, 20,000,000 shares are reserved for future issuance, and under the 2018 Equity Plan, 8,000,000 shares are reserved for future issuance, subject to adjustment upon a share split, share dividend, recapitalization, and other similar transactions and events. Shares that are issued under the Equity Plans are applied to reduce the maximum number of shares remaining available for issuance under the Equity Plans; provided that the total number of shares available for issuance under the Equity Plans are reduced two shares for each share issued pursuant to a "full-value" award (i.e., an award other than an a stock option or stock appreciation right).

Shares to be issued pursuant to Time-based RSUs, Performance-based RSUs, or stock options that are forfeited, expired, or are canceled or settled without the issuance of shares return to the pool of shares available for issuance under the Equity Plans. As of December 31, 2022 December 30, 2023, there were approximately 493,000 819,000 shares available for future issuance under the Amended and Restated Equity Plan, and approximately 2,242,000 1,406,000 shares available for future issuance under the 2018 Equity Plan.

In the second quarter of 2020, the HRCC approved a bonus for a select group of associates that was settled in fully vested common shares based on the closing share price on the date the achievement of the performance target described below was certified by the HRCC. The aggregate target payout of \$2.4 million was based on (1) attainment of a specified percentage target under the Company's annual cash performance bonus plan for the DSS business, and (2) attainment of a specified annualized 2020 synergy target. This bonus was accounted for as a liability-classified award with a performance condition. The final bonus payout was based upon the performance percentage, which was 122% of the target payout. For the year ended January 2, 2021, the Company recorded \$2.9 million of share-based compensation expense, which is included in SG&A expenses on the Consolidated Statement of Operations. A related liability associated with these awards of \$2.9 million was recorded in accounts payable and accrued liabilities on the Consolidated Balance Sheet as of January 2, 2021 and was subsequently paid in the first quarter of 2021.

The table below summarizes the share-based compensation expense for the fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022, and January 2, 2021 January 1, 2022. Share-based compensation expense is recorded in SG&A expenses in the Consolidated Statements of Operations. As referenced

below: (i) "Performance-based RSUs" represent restricted share units with performance-based vesting, (ii) "Time-based RSUs" represent restricted share units with time-based vesting, (iii) "Stock options" represent non-qualified stock options, (iv) "Director share awards" represent common shares issued in consideration of the annual board retainer fee to non-management members of our Board, of Directors, and (v) the "ESPP" represents the Primo Water Corporation Employee Share Purchase Plan, under which common shares are issued to eligible employees at a discount through payroll deductions.

		For the Year Ended							For the Fiscal Year Ended	
		For the Fiscal Year Ended							For the Fiscal Year Ended	
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022		January 1, 2022	
Stock options	Stock options	\$ 0.8	\$ 3.0	\$ 5.5						
Performance-based RSUs	Performance-based RSUs	6.5	7.4	7.8						
Time-based RSUs	Time-based RSUs	8.4	5.5	4.9						
Director share awards	Director share awards	1.2	1.3	1.3						
Liability-classified awards		—	—	2.9						
ESPP										
ESPP										
ESPP	ESPP	0.3	0.3	0.3						
Total <sup>1</sup>	Total <sup>1</sup>	\$ 17.2	\$ 17.5	\$ 22.7						

<sup>1</sup> Includes \$0.6 million, \$0.8 million, \$0.8 million, and \$2.0 million of share-based compensation expense from our discontinued operations, which were is included in net income (loss) from discontinued operations, net of income taxes on the Consolidated Statements of Operations for the year fiscal years ended January 2, 2021.

On August 4, 2020 December 30, 2023, we amended the Equity Plans to provide for defined criteria for a retirement along with continued vesting of equity awards upon a retirement. The total incremental compensation expense associated with the modification was \$5.9 million December 31, 2022 and was included in SG&A expenses on the Consolidated Statement of Operations for the year ended January 2, 2021, January 1, 2022, respectively.

The tax benefit recognized related to share-based compensation expense for the fiscal year years ended December 31, 2022 was December 30, 2023, \$3.4 million December 31, 2022, and January 1, 2022 was (January 1, 2022 - \$3.0 million, \$3.4 million, and \$2.2 million; January 2, 2021 - \$0.8 million), respectively.

As of December 31, 2022 December 30, 2023, the unrecognized share-based compensation expense and weighted average the weighted-average number of years over which we expect it to recognize it as compensation expense be recognized were as follows:

(in millions of U.S. dollars, except years)	Unrecognized share-based compensation expense as of December 31, 2022	Weighted average years expected to recognize compensation
Stock options	\$ 0.2	0.9
Performance-based RSUs	9.0	2.3
Time-based RSUs	6.2	1.7
Total	\$ 15.4	

(in millions of U.S. dollars, except years)	Unrecognized share-based compensation expense as of December 30, 2023	Weighted-average years expected to recognize compensation
Performance-based RSUs	\$ 11.9	2.4 years
Time-based RSUs	4.3	2.0 years
Total	\$ 16.2	

#### Stock Options

During the fiscal years ended December 30, 2023 and December 31, 2022, no stock options were granted to employees. During 2021 and 2020 the fiscal year ended January 1, 2022, approximately 18,000 and 1,053,600 stock options were granted to certain employees under the Equity Plans at a weighted-average exercise price of \$17.79 and \$15.48 per share, respectively. The weighted-average grant date fair value of the stock options granted during the year ended January 1, 2022 was estimated to be \$5.47 and \$4.63



per share in 2021 and 2020, respectively, using the Black-Scholes option pricing model. The contractual term of an a stock option granted is fixed by the Amended and Restated Equity Plan and cannot exceed ten years from the grant date.

Following a review of peer group and survey data, and with input from its compensation consultant, the HRCC determined to change the mix of awards granted to participants in our Equity Plans commencing with the awards granted in 2021 by eliminating stock options from the mix and allocating awards 60% to performance-based restricted share units and 40% to time-based restricted share units.

The grant date fair value of each option stock options granted during 2021 and 2020 the fiscal year ended January 1, 2022 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	For the Year Ended	
	January 1, 2022	January 2, 2021
Risk-free interest rate	1.2 %	0.7 %
Average expected life (years)	6.0	6.0
Expected volatility	35.9 %	36.2 %
Expected dividend yield	1.4 %	1.6 %

	For the Fiscal Year Ended
	January 1, 2022
Risk-free interest rate	1.2 %
Average expected life (years)	6.0
Expected volatility	35.9 %
Expected dividend yield	1.4 %

The following table summarizes the activity for Company stock options:

		Stock Options (in thousands)	Weighted average exercise price	Weighted average contractual term (years)	Aggregate intrinsic value (in thousands)
Outstanding at December 28, 2019		6,493	\$ 12.57	6.9	\$ 11,045.4
Number of Stock options (in thousands)					
Outstanding as of January 2, 2021					
Granted	Granted	1,054	15.48		
Exercised	Exercised	(252)	10.27		1,185.9
Forfeited or expired		(25)	11.98		
Outstanding at January 2, 2021		7,270	\$ 13.07	6.5	\$ 20,659.3
Granted		18	17.79		
Exercised					
Exercised	Exercised	(2,382)	10.32		17,439.4
Forfeited or expired	Forfeited or expired	(51)	13.62		
Outstanding at January 1, 2022		4,855	\$ 14.42	6.0	\$ 15,588.1
Outstanding as of January 1, 2022					

Outstanding as of January 1, 2022					
Outstanding as of January 1, 2022					
Exercised	Exercised	(126)	10.65		729.9
Exercised					
Exercised					
Forfeited or expired	Forfeited or expired	(205)	14.51		
Outstanding at December 31, 2022					
		4,524	\$ 14.52	5.2	\$ 6,482.0
Exercisable at December 31, 2022					
		4,239	\$ 14.45	5.0	\$ 6,403.2
Vested or expected to vest at December 31, 2022					
		4,524	\$ 14.52	5.2	\$ 6,482.0
Outstanding as of December 31, 2022					
Outstanding as of December 31, 2022					
Outstanding as of December 31, 2022					
Exercised					
Exercised					
Exercised					
Forfeited or expired					
Outstanding as of December 30, 2023					
Outstanding as of December 30, 2023					
Outstanding as of December 30, 2023					
Exercisable as of December 30, 2023					
Vested or expected to vest as of December 30, 2023					

The aggregate intrinsic value amounts in the table above represent the difference between the closing price of our common shares on the New York Stock Exchange on December 29, 2023, December 30, 2022, and December 31, 2021 which was \$15.05, \$15.54, (December 31, 2021—\$17.63; December 31, 2020—\$15.68), and \$17.63, respectively, and the exercise price, multiplied by the number of in-the-money stock options as of the same date.

The total amount of cash received from the exercise of stock options during the fiscal year years ended December 30, 2023, December 31, 2022, and January 1, 2022 was \$4.6 million, \$0.8 million (January 1, 2022 — , and \$23.8 million, January 2, 2021 — \$2.0 million), respectively, with an associated tax benefit of \$0.1 million, nil, (January 1, 2022 — and \$1.3 million; January 2, 2021 — \$0.1 million). , respectively.

The total fair value of options that vested during the year fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022 was \$4.2 million, \$8.3 million (January 1, 2022 — , and \$16.7 million; January 2, 2021 — \$15.8 million). , respectively.

Other Awards

In 2022, During the year ended December 30, 2023, we granted 76,480 76,024 common shares to the non-management members of our Board of Directors under the Equity Plans with a grant date fair value of approximately \$1.2 \$1.3 million. The common shares were issued in consideration of the directors' annual board Board retainer fee and were vested upon issuance.

Additionally, in 2022, During the year ended December 30, 2023, we granted 529,000 28,000 Performance-based RSUs subject to the prior year vesting schedule and objectives. We also granted 412,000 Performance-based RSUs, which vest at the end of a three-year performance period beginning on the first day of our 2023 2024 fiscal year and ending on the last day of our 2025 2026 fiscal year. year ("2024 Performance Awards"). The number of shares ultimately awarded will be based upon the performance payout rate, which can range from 0% to 200% of the awards granted. The Performance-based RSUs During 2023, the HRCC determined that the 2024 Performance Awards will vest primarily based on the Company's achievement of average annual return on invested capital ("ROIC" ("ROIC") and aggregate revenues Relative TSR for the applicable performance period (the "Performance Objectives"). The number of Performance-based RSUs that may vest, and the related unrecognized compensation cost is subject to change based on the Performance Objectives achieved during the vesting period. The Company also Additionally, we granted 413,000 231,000 Time-based RSUs, which vest over two to three years in equal annual installments on the first, second and third anniversaries of the date of grant and include a service condition.

The grant date fair value of the 2024 Performance Awards was estimated at the grant date using the Monte-Carlo simulation model with the following weighted-average assumptions:

	For the Fiscal Year Ended
	December 30, 2023
Risk-free interest rate	4.3 %
Average expected life (years)	3.07
Expected volatility	28.5 %
Beginning TSR price	\$ 14.67

The risk-free rate is based on the U.S. Treasury yield in effect at the grant date with a term equal to the simulation period used in the Monte-Carlo simulation model. The simulation period is equal to the performance periods associated with the performance shares. Volatility is based on the Company's historical data. Beginning TSR price is equal to the average closing price for the last eight trading days immediately prior to the grant date.

	Number of Performance-based RSUs (in thousands)	Weighted Average Grant-Date Fair Value	Number of Time-based RSUs (in thousands)	Weighted Average Grant-Date Fair Value
<b>Balance at December 28, 2019</b>	1,599	\$ 14.36	397	\$ 14.43
Awarded	458	15.64	542	14.85
Awarded in connection with modification	344	17.50	—	—
Issued	(842)	16.80	(371)	13.82
Forfeited	(374)	16.03	(20)	14.18
<b>Balance at January 2, 2021</b>	1,185	\$ 15.27	548	\$ 14.75
Awarded	484	17.06	665	16.50
Awarded in connection with modification	119	17.46	—	—
Issued	(467)	17.46	(266)	14.59
Forfeited	(75)	15.02	(62)	14.88
<b>Outstanding at January 1, 2022</b>	1,246	\$ 15.65	885	\$ 16.10
Awarded	529	15.20	413	15.10
Awarded in connection with modification	44	14.61	—	—
Issued	(319)	14.61	(420)	15.74
Forfeited	(49)	16.10	(29)	16.42
<b>Outstanding at December 31, 2022</b>	1,451	\$ 15.65	849	\$ 15.78
<b>Vested or expected to vest at December 31, 2022</b>	1,679	\$ 15.33	849	\$ 15.78

The following table summarizes the activity for the Company's other awards:

	Number of Performance-based RSUs (in thousands)	Weighted-average grant date fair value	Number of Time-based RSUs (in thousands)	Weighted-average grant date fair value
<b>Balance as of January 2, 2021</b>	1,185	\$ 15.27	548	\$ 14.75
Awarded	484	17.06	665	16.50
Awarded in connection with modification	119	17.46	—	—
Issued	(467)	17.46	(266)	14.59
Forfeited	(75)	15.02	(62)	14.88
<b>Balance as of January 1, 2022</b>	1,246	\$ 15.65	885	\$ 16.10
Awarded	529	15.20	413	15.10
Awarded in connection with modification	44	14.61	—	—
Issued	(319)	14.61	(420)	15.74

Forfeited	(49)	16.10	(29)	16.42
<b>Outstanding as of December 31, 2022</b>	<b>1,451</b>	<b>\$ 15.65</b>	<b>849</b>	<b>\$ 15.78</b>
Awarded	440	18.46	231	14.72
Awarded in connection with modification	228	13.88	—	—
Issued	(515)	13.88	(460)	15.54
Forfeited	(101)	16.26	(76)	15.52
<b>Outstanding as of December 30, 2023</b>	<b>1,503</b>	<b>\$ 16.61</b>	<b>544</b>	<b>\$ 15.29</b>
<b>Vested or expected to vest as of December 30, 2023</b>	<b>1,865</b>	<b>\$ 16.55</b>	<b>544</b>	<b>\$ 15.29</b>

The total fair value of Performance-based RSUs vested and issued during the fiscal years ended **December 31, 2022** December 30, 2023, December 31, 2022 and January 1, 2022 was \$7.1 million, \$4.7 million and January 2, 2021 were \$4.7 million, \$8.1 million and \$14.1 million, respectively.

The total fair value of Time-based RSUs vested and issued during the fiscal years ended **December 31, 2022** December 30, 2023, **January 1, 2022** December 31, 2022, and **January 2, 2021** were **January 1, 2022** was \$7.1 million, \$6.6 million, \$3.9 million, and \$5.1 million \$3.9 million, respectively.

#### Employee Share Purchase Plan

The Company has maintained the Primo Water Corporation Employee Share Purchase Plan (the "ESPP") since 2015. The ESPP qualifies as an "employee share purchase plan" under Section 423 of the Internal Revenue Code of 1986 ("IRC"), as amended. Substantially all employees are eligible to participate in the ESPP and may elect to participate at the beginning of any quarterly offering period. The ESPP authorizes the issuance, and the purchase by eligible employees, of up to 3,000,000 shares of Primo common shares through payroll deductions. **As of December 30, 2023, 2,091,606 shares remained available for issuance under the ESPP.** Eligible employees who choose to participate may purchase Primo common shares at 90% of market value on the first or last day of the quarterly offering period, whichever is lower. The minimum contribution which an eligible employee may make under the ESPP is 1% of the employee's eligible compensation, with the maximum contribution limited to 15% of the employee's eligible compensation. At the end of each quarterly offering period for which the employee participates, the total amount of each employee's payroll deduction for that offering period will be used to purchase Primo common shares. The Company recognized **\$0.3 million** \$0.2 million, \$0.3 million and \$0.3 million of share-based compensation expense in SG&A expenses in the Consolidated Statements of Operations for **2022, 2021** the years ended December 30, 2023, December 31, 2022, and **2020, January 1, 2022**, respectively. **At December 31, 2022, 2,215,838 shares remained available for issuance under the ESPP.**

#### Note **10—9** Common Shares and Net Income (Loss) per Common Share

##### Common Shares

On **August 9, 2022** August 9, 2023, **our** the Board of Directors approved a share repurchase program for up to **\$100 million** \$50.0 million of our outstanding common shares. Upon the closing of the European Divestiture on December 29, 2023, an incremental \$25.0 million share repurchase was authorized, revising the total share repurchase authorization to \$75.0 million. During the fiscal year ended December 30, 2023, we repurchased 131,409 common shares for \$1.9 million through open market transactions under this repurchase plan.

On August 9, 2022, the Board of Directors approved a share repurchase program for up to \$100.0 million of our outstanding common shares over a 12-month period commencing that expired on **August 15, 2022** August 14, 2023. **For** During the fiscal year ended December

**30, 2023, we repurchased 1,272,612 common shares for \$19.0 million through open market transactions under this repurchase plan. During the fiscal year ended December 31, 2022, we repurchased 1,753,479 common shares for \$23.8 million** \$23.8 million through open market transactions under **the** this repurchase plan.

On May 4, 2021, **our** the Board of Directors approved a share repurchase program for up to \$50.0 million of our outstanding common shares over a 12-month period **which that** expired on May 10, 2022. We repurchased 2,646,831 common shares for \$43.5 million through open market transactions under this repurchase plan, all in the **fiscal** year ended January 1, 2022.

On December 11, 2019, our Board of Directors approved a share repurchase program for up to \$50.0 million of Primo's outstanding common shares over a 12-month period, which expired on December 15, 2020. We repurchased 2,316,835 common shares for \$25.0 million through open market transactions under this repurchase plan, all in the year ended January 2, 2021.

Shares purchased under these repurchase plans were subsequently canceled.

On March 2, 2020, the Company completed the Legacy Primo Acquisition, with 26,497,015 common shares issued at \$14.25 per share to holders of Legacy Primo.

##### Net Income (Loss) Per Common Share

Basic net income (loss) per common share is calculated by dividing net income (loss) by the **weighted average** **weighted-average** number of common shares outstanding during the periods presented. Diluted net income (loss) per common share is calculated by dividing diluted net income (loss) by the **weighted average** **weighted-average** number of common shares outstanding adjusted to include the effect, if dilutive, of the exercise of in-the-money stock options, Performance-based RSUs, and Time-based RSUs during the periods presented.

Set forth below is a reconciliation of the numerator and denominator for the diluted net income (loss) per common share computations for the periods indicated:

For the Year Ended			
December 31, 2022	January 1, 2022	December 30, 2023	January 1, 2022
For the Fiscal Year Ended		For the Fiscal Year Ended	
December 30, 2023	December 31, 2022	December 30, 2023	January 1, 2022

Numerator (in millions):	Numerator (in millions):			
Continuing operations				
Continuing operations				
Continuing operations	Continuing operations	\$ 29.6	\$ (3.2)	\$(156.8)
Discontinued operations	Discontinued operations	—	—	25.1
Net income (loss)	Net income (loss)	29.6	(3.2)	(131.7)
Basic Earnings Per Share	Basic Earnings Per Share			
Denominator (in thousands):	Denominator (in thousands):			
Weighted average common shares outstanding - basic		160,763	160,778	155,446
Denominator (in thousands):				
Denominator (in thousands):				
Weighted-average common shares outstanding - basic				
Weighted-average common shares outstanding - basic				
Weighted-average common shares outstanding - basic				
Weighted-average common shares outstanding - basic				
Basic Earnings Per Share:	Basic Earnings Per Share:			
Continuing operations				
Continuing operations				
Continuing operations	Continuing operations	\$ 0.18	\$ (0.02)	\$(1.01)
Discontinued operations	Discontinued operations	—	—	0.16
Net income (loss)	Net income (loss)	\$ 0.18	\$ (0.02)	\$(0.85)
Diluted Earnings Per Share	Diluted Earnings Per Share			
Denominator (in thousands):	Denominator (in thousands):			
Weighted average common shares outstanding - basic		160,763	160,778	155,446
Dilutive effect of Stock Options		261	—	—
Dilutive effect of Performance based RSUs		445	—	—
Denominator (in thousands):				
Denominator (in thousands):				
Weighted-average common shares outstanding - basic				
Weighted-average common shares outstanding - basic				
Weighted-average common shares outstanding - basic				
Dilutive effect of Stock options				

Dilutive effect of Performance-based RSUs				
Dilutive effect of Time-based RSUs	Dilutive effect of Time-based RSUs	416	—	—
Weighted average common shares outstanding - diluted		161,885	160,778	155,446
Weighted-average common shares outstanding - diluted				
Diluted Earnings Per Share:				
Continued operations				
Continued operations				
Continued operations	Continued operations	\$ 0.18	\$ (0.02)	\$ (1.01)
Discontinued operations	Discontinued operations	—	—	0.16
Net income (loss)	Net income (loss)	\$ 0.18	\$ (0.02)	\$ (0.85)

The following table summarizes anti-dilutive securities excluded from the computation of diluted net income (loss) per common share for the periods indicated:

(in thousands)	(in thousands)	For the Year Ended			(in thousands)	For the Fiscal Year Ended		
		December 31, 2022	January 1, 2022	January 2, 2021		December 30, 2023	December 31, 2022	January 1, 2022
Stock options	Stock options	2,838	4,855	7,270				
Performance-based RSUs <sup>1</sup>	Performance-based RSUs	979	1,524	1,185				
Time-based RSUs <sup>2</sup>	Time-based RSUs	—	885	548				

<sup>1</sup> Performance-based RSUs represent the number of shares expected to be issued based on the estimated achievement of the performance metric for these awards.

<sup>2</sup> Time-based RSUs represent the number of shares expected to be issued based on known employee retention information.

#### Note 11—10—Segment Reporting

Our broad portfolio of products includes bottled water, water dispensers, purified bottled water, self-service refill drinking water, filtration units, premium spring, sparkling and flavored essence water, mineral water, and coffee.

During the second fourth quarter of 2022, 2023, we reviewed and realigned our reporting segments to reflect how exclude the business will be managed and results will be evaluated. Following that review, certain of our businesses previously included in the Rest of World segment were realigned between the Europe within discontinued operations. Our sole reporting segment and the Other category. Our two reporting segments are as follows: is North America, (which which includes our DSS, Aquaterra, Mountain Valley, and Legacy Primo businesses) and Europe (which includes our Eden Europe, Decantae and Fonhill businesses), businesses. The Other category includes our Eden Israel, Aimia and Farrers businesses, as well as our corporate oversight function, and other miscellaneous expenses. expenses, and the results of our business in Russia prior to the exit of the business during the third quarter of 2022.

Segment reporting results have been recast to reflect these changes for all periods presented.

		December 31, 2022					For the Fiscal Year Ended December 30, 2023			
(in millions of U.S. dollars)	(in millions of U.S. dollars)						(in millions of U.S. dollars)	North America	Other	Total
		North America	Europe	Other	Eliminations	Total				
Revenue, net	Revenue, net	\$1,685.6	\$265.3	\$264.2	\$—	\$2,215.1				
Depreciation and amortization	Depreciation and amortization	179.6	38.9	24.3	—	242.8				
Operating income (loss)	Operating income (loss)	203.7	(28.4)	(47.4)	—	127.9				
Property, plant and equipment, net	Property, plant and equipment, net	547.8	101.9	64.7	—	714.4				
Goodwill	Goodwill	997.2	186.8	109.0	—	1,293.0				
Intangible assets, net	Intangible assets, net	720.0	116.1	58.6	—	894.7				
Total segment assets <sup>1</sup>	Total segment assets <sup>1</sup>	2,746.1	526.8	394.1	—	3,667.0				
Additions to property, plant and equipment	Additions to property, plant and equipment	160.0	26.4	21.3	—	207.7				

<sup>1</sup> Excludes intersegment receivables, investments and notes receivable.

		January 1, 2022					For the Fiscal Year Ended December 31, 2022			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	North America					(in millions of U.S. dollars)	North America	Other	Total
		America	Europe	Other	Eliminations	Total				
Revenue, net		\$1,562.9	\$247.6	\$263.8	\$	(1.0)	\$2,073.3			
Revenue, net										
Depreciation and amortization	Depreciation and amortization	156.9	39.4	22.8		—	219.1			
Operating income (loss)	Operating income (loss)	146.0	(10.2)	(32.8)		—	103.0			
Property, plant and equipment, net	Property, plant and equipment, net	554.2	107.0	56.9		—	718.1			
Goodwill	Goodwill	994.1	204.0	123.3		—	1,321.4			
Intangible assets, net	Intangible assets, net	748.1	145.3	76.4		—	969.8			
Total segment assets <sup>2</sup>		2,744.4	579.1	399.9		—	3,723.4			
Total segment assets <sup>1</sup>										
Additions to property, plant and equipment	Additions to property, plant and equipment	113.5	25.9	12.6		—	152.0			



<sup>1</sup> Intersegment revenue between the Other category and the Europe reporting segment was \$1.0 million for the year ended January 1, 2022.

<sup>2</sup> Excludes intersegment receivables, investments and notes receivable.

January 2, 2021					
(in millions of U.S. dollars)	North America	Europe	Other	Eliminations	Total
Revenue, net <sup>1</sup>	\$ 1,493.2	\$ 240.5	\$ 221.3	\$ (1.5)	\$ 1,953.5
Depreciation and amortization	142.4	39.1	20.6	—	202.1
Operating income (loss)	130.0	(124.0)	(58.2)	—	(52.2)
Property, plant and equipment, net	550.7	86.5	48.4	—	685.6
Goodwill	982.1	180.5	121.7	—	1,284.3
Intangible assets, net	759.7	146.5	81.4	—	987.6
Total segment assets <sup>2</sup>	2,729.7	515.4	359.6	—	3,604.7
Additions to property, plant and equipment	87.0	20.8	6.2	—	114.0

For the Fiscal Year Ended January 1, 2022			
(in millions of U.S. dollars)	North America	Other	Total
Revenue, net	\$ 1,562.9	\$ 13.5	\$ 1,576.4
Depreciation and amortization	156.9	3.3	160.2
Operating income (loss)	146.0	(43.0)	103.0
Additions to property, plant and equipment	113.5	1.7	115.2

<sup>1</sup> Intersegment revenue between the Other category and the Europe reporting segment was \$1.5 million for the year ended January 2, 2021.

<sup>2</sup> Excludes intersegment receivables, investments and notes receivable.

#### Reconciliation of Segment Assets to Total Assets

(in millions of U.S. dollars)

	December 30, 2023	December 31, 2022
Segment assets	\$ 3,168.7	\$ 2,790.3
Assets of discontinued operations	354.3	876.7
<b>Total assets</b>	<b>\$ 3,523.0</b>	<b>\$ 3,667.0</b>

Credit risk arises from the potential default of a customer in meeting its financial obligations to us. Concentrations of credit exposure may arise with a group of customers that have similar economic characteristics or that are located in the same geographic region. The ability of such customers to meet obligations would be similarly affected by changing economic, political or other conditions. We are not currently aware of any facts that would create a material credit risk.

We have limited customer concentration as no customer accounts for more than 10% of our net revenues.

Revenues are attributed to countries based on the location of the customer. Revenues generated from sales to external customers by geographic area were as follows:

For the Year Ended								
For the Fiscal Year Ended					For the Fiscal Year Ended			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	January 2, 2021	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022	January 1, 2022
United States	United States	\$ 1,620.5	\$1,493.7	\$1,429.6				
United Kingdom		150.9	157.8	142.2				
Canada								
Canada								
Canada	Canada	65.8	69.9	64.1				
All other countries	All other countries	377.9	351.9	317.6				

Revenues by channel by reporting segment were as follows:

	For the Year Ended December 31, 2022	
For the Fiscal Year Ended December 31, 2022		
For the Fiscal Year Ended December 31, 2022		
For the Fiscal Year Ended December 31, 2022		

	For the Year Ended January 1, 2022									
(in millions of U.S. dollars)	North America		Europe		Other		Eliminations <sup>1</sup>		Total	
<u>Revenue, net</u>										
Water Direct/Water Exchange	\$	1,051.0	\$	182.4	\$	43.1	\$	—	\$	1,276.5
Water Refill/Water Filtration		180.5		32.3		0.6		—		213.4
Other Water		162.6		1.2		80.5		—		244.3
Water Dispensers		65.4		—		—		—		65.4
Other		103.4		31.7		139.6		(1.0)		273.7
Total	\$	1,562.9	\$	247.6	\$	263.8	\$	(1.0)	\$	2,073.3

1 Intersegment revenue between the Other category and the Europe reporting segment was \$1.0 million for the year ended January 1, 2022.

For the Year Ended January 2, 2021					
(in millions of U.S. dollars)	North America	Europe	Other	Eliminations <sup>1</sup>	Total
<u>Revenue, net</u>					
Water Direct/Water Exchange	\$ 965.8	\$ 177.6	\$ 34.0	\$ —	\$ 1,177.4
Water Refill/Water Filtration	175.1	29.3	—	—	204.4
Other Water	160.7	—	63.5	—	224.2
Water Dispensers	75.9	—	—	—	75.9
Other	115.7	33.6	123.8	(1.5)	271.6
Total	\$ 1,493.2	\$ 240.5	\$ 221.3	\$ (1.5)	\$ 1,953.5

1 Intersegment revenue between the Other category and the Europe reporting segment was \$1.5 million for the year ended January 2, 2021.

For the Fiscal Year Ended January 1, 2022			
(in millions of U.S. dollars)	North America	Other	Total
<u>Revenue, net</u>			
Water Direct/Water Exchange	\$ 1,051.0	\$ 13.5	\$ 1,064.5
Water Refill/Water Filtration	180.5	—	180.5
Other Water	162.6	—	162.6
Water Dispensers	65.4	—	65.4
Other	103.4	—	103.4
Total	\$ 1,562.9	\$ 13.5	\$ 1,576.4

Property, plant and equipment, net by geographic area as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022 were as follows:

(in millions of U.S. dollars)	December 30, 2023	December 31, 2022
United States	\$ 535.5	\$ 526.4
Canada	20.4	23.0
All other countries	0.6	0.1
Total	\$ 556.5	\$ 549.5

(in millions of U.S. dollars)	December 31, 2022	January 1, 2022
United States	\$ 526.4	\$ 533.2
United Kingdom	19.0	22.1
Canada	23.0	21.7
All other countries <sup>1</sup>	146.0	141.1
Total	\$ 714.4	\$ 718.1

1 No individual country is greater than 10% of total property, plant and equipment, net as of December 31, 2022 and January 1, 2022.

#### Note 12—11—Accounts Receivable, Net

The following table summarizes accounts receivable, net as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022
Trade receivables	Trade receivables	\$ 261.1	\$ 261.9			
Allowance for doubtful accounts	Allowance for doubtful accounts	(20.6)	(20.8)			
Other	Other	18.1	20.5			

Total	Total	\$ 258.6	\$ 261.6
-------	-------	----------	----------

**Note 13—Inventories**

The following table summarizes inventories as of **December 31, 2022** December 30, 2023 and **January 1, 2022** December 31, 2022:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022	January 1, 2022	(in millions of U.S. dollars)	December 30, 2023	December 31, 2022
Raw materials	Raw materials	\$ 68.5	\$ 56.7			
Finished goods	Finished goods	30.9	27.0			
Resale items	Resale items	11.1	9.1			
Other		1.6	1.8			
Total	Total	\$ 112.1	\$ 94.6			
Total						
Total						

**Note 14—Property, Plant and Equipment, Net**

The following table summarizes property, plant and equipment, net as of **December 31, 2022** December 30, 2023 and **January 1, 2022** December 31, 2022:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022			January 1, 2022			December 30, 2023			December 31, 2022		
		Estimated Useful Life in Years			Accumulated Depreciation			Estimated Useful Life in Years			Accumulated Depreciation		
		Cost	Depreciation	Net	Cost	Depreciation	Net	Cost	Depreciation	Net	Cost	Depreciation	Net
Land	Land	n/a	\$ 80.3	\$ —	\$ 80.3	\$ 94.7	\$ —	\$ 94.7					
Buildings	Buildings	10-40	97.5	39.0	58.5	94.9	37.1	57.8					
Machinery and equipment	Machinery and equipment	5-15	169.0	93.4	75.6	171.6	94.7	76.9					
Plates, films and molds	Plates, films and molds	1-10	2.0	1.3	0.7	2.0	1.2	0.8					
Vehicles and transportation equipment	Vehicles and transportation equipment	3-15	114.5	81.0	33.5	99.7	76.4	23.3					
Leasehold improvements	Leasehold improvements		20.6	13.0	7.6	21.1	13.9	7.2					
IT Systems	IT systems	3-7	21.4	15.5	5.9	20.3	14.6	5.7					
Furniture and fixtures	Furniture and fixtures	3-10	13.6	10.7	2.9	14.1	10.9	3.2					
Customer equipment	Customer equipment	2-15	584.0	276.0	308.0	542.4	236.9	305.5					
Returnable bottles	Returnable bottles	1.5-5	135.0	74.5	60.5	111.6	59.0	52.6					
Finance leases	Finance leases		128.3	47.4	80.9	121.4	31.0	90.4					
Total	Total		\$1,366.2	\$ 651.8	\$714.4	\$1,293.8	\$ 575.7	\$718.1					

- 1 Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease life.
- 2 Customer equipment consists of coolers, refill equipment, brewers, refrigerators, water purification devices and storage racks held on site at customer locations.
- 3 Returnable bottles are those bottles on site at customer locations.
- 4 Our recorded assets under finance leases relate to machinery and equipment, customer equipment, IT systems and vehicles and transportation equipment.

The amounts above include construction in progress construction-in-progress of \$8.4 million \$4.6 million and \$2.6 million for 2022 and 2021, \$1.4 million as of December 30, 2023, December 31, 2022, respectively.

Depreciation expense, which includes depreciation recorded for assets under finance leases, was \$152.7 million, \$140.0 million, and \$120.7 million for the years ended December 30, 2023, December 31, 2022, and January 1, 2022, respectively.

#### Property Sales

For the year ended December 30, 2023, the Company completed the sale of five owned real properties for an aggregate sales price, net of closing costs, of \$31.0 million, resulting in a gain of \$21.0 million included within gain on sale of property on the Consolidated Statements of Operations.

During the second quarter of 2022, we classified four of our owned real properties as held for sale. On December 29, 2022, the Company completed the sale of two of the properties for an aggregate sales price, net of closing costs, of \$50.1 million. As of December 31, 2022, \$4.6 million of the proceeds were being held in escrow for the future purchase of property which was \$177.6 million (2021 - \$155.5 million; 2020 - \$138.8 million), completed during 2023. These funds were included in cash and cash equivalents on the Consolidated Balance Sheet as of December 31, 2022. The transactions qualified for sale recognition under the sale-leaseback accounting requirements and the Company recorded a gain of \$38.8 million included within gain on sale of property on the Consolidated Statements of Operations.

As part of the transactions, we entered into a leaseback of each of the properties (for a term of three years and five years, respectively). The leases are classified as operating leases and the Company recorded aggregate right-of-use assets and liabilities of \$11.6 million. The Company entered into a sublease for one of the properties which resulted in an impairment of the right-of-use asset of \$5.2 million recorded within selling, general and administrative expenses on the Consolidated Statements of Operations.

As of December 30, 2023 and December 31, 2022, we had \$3.2 million and \$10.3 million, respectively, related to properties held for sale which is included within prepaid expenses and other current assets on the Consolidated Balance Sheets.

#### Note 15—14—Intangible Assets, Net

The following table summarizes intangible assets, net as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022:

		December 31, 2022			January 1, 2022			December 30, 2023			December 31, 2022			
(in millions of U.S. dollars)	(in millions of U.S. dollars)	Accumulated			Accumulated			(in millions of U.S. dollars)	Accumulated			Cost	Accumulated	Net
		Cost	Amortization	Net	Cost	Amortization	Net		Cost	Amortization	Net	Cost	Amortization	Net
Intangible Assets	Intangible Assets													
Not subject to amortization	Not subject to amortization													
Not subject to amortization														
Not subject to amortization														
Trademarks														
Trademarks														
Trademarks	Trademarks	\$ 437.2	\$ —	\$437.2	\$ 459.2	\$ —	\$459.2							
Intellectual Property	Intellectual Property	1.4	—	1.4	0.7	—	0.7							
Total intangible assets not subject to amortization	Total intangible assets not subject to amortization	\$ 438.6	\$ —	\$438.6	\$ 459.9	\$ —	\$459.9							
Subject to amortization	Subject to amortization													
Customer relationships														
Customer relationships														
Customer relationships	Customer relationships	818.2	401.8	416.4	831.4	368.7	462.7							
Patents	Patents	19.2	11.0	8.2	19.2	8.7	10.5							
Software	Software	80.3	58.9	21.4	72.2	48.5	23.7							

Other	Other	19.3	9.2	10.1	20.4	7.4	13.0
Total intangible assets subject to amortization	Total intangible assets subject to amortization	\$ 937.0	\$ 480.9	\$ 456.1	\$ 943.2	\$ 433.3	\$ 509.9
Total intangible assets	Total intangible assets	\$ 1,375.6	\$ 480.9	\$ 894.7	\$ 1,403.1	\$ 433.3	\$ 969.8

Amortization expense of intangible assets was \$65.2 million during 2022 (2021 - \$63.6 million; 2020 - \$63.3 million), \$40.6 million, \$42.0 million, and \$39.5 million for the years ended December 30, 2023, December 31, 2022, and January 1, 2022, respectively.

The following table summarizes the estimated amortization expense for intangible assets subject to amortization over the next five years is: years:

(in millions of U.S. dollars)	
2024	\$ 38.1
2025	30.0
2026	29.5
2027	24.7
2028	20.4
Thereafter	190.3
Total	\$ 333.0

(in millions of U.S. dollars)	
2023	\$ 57.1
2024	49.4
2025	41.4
2026	39.9
2027	34.0
Thereafter	234.3
Total	\$ 456.1

#### Note 16—15—Accounts Payable and Accrued Liabilities

The following table summarizes accounts payable and accrued liabilities as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022:

(in millions of U.S. dollars)		December 30, 2023	December 31, 2022
Trade payables	\$	94.3	\$ 108.0
Accrued compensation		48.3	39.9
Accrued sales incentives		7.7	6.2
Accrued interest		8.6	9.0
Payroll, sales and other taxes		9.8	11.3
Accrued deposits		52.2	47.1
Insurance reserves		18.7	16.9
Other accrued liabilities		36.8	44.2
Total	\$	276.4	\$ 282.6

(in millions of U.S. dollars)		December 31, 2022	January 1, 2022
Trade payables	\$	163.7	\$ 181.4
Accrued compensation		55.2	52.2
Accrued sales incentives		7.8	8.0
Accrued interest		9.0	9.3
Payroll, sales and other taxes		16.7	23.6
Accrued deposits		62.1	62.1

Insurance reserves		16.9	20.7
Other accrued liabilities		93.7	80.4
Total		<u>\$ 425.1</u>	<u>\$ 437.7</u>

#### Note 17—16—Debt

Our total debt as of **December 31, 2022** December 30, 2023 and **January 1, 2022** December 31, 2022 was as follows:

(in millions of U.S. dollars)	December 30, 2023			December 31, 2022		
	Unamortized Debt			Unamortized Debt		
	Principal	Costs	Net	Principal	Costs	Net
3.875% senior notes due in 2028	\$ 499.4	\$ 4.8	\$ 494.6	\$ 479.1	\$ 5.6	\$ 473.5
4.375% senior notes due in 2029	750.0	7.2	742.8	750.0	8.6	741.4
Revolving Credit Facility	—	—	—	197.0	—	197.0
Short-term borrowings	—	—	—	8.8	—	8.8
Finance leases	47.6	—	47.6	48.3	—	48.3
<b>Total debt</b>	<b>\$ 1,297.0</b>	<b>\$ 12.0</b>	<b>\$ 1,285.0</b>	<b>\$ 1,483.2</b>	<b>\$ 14.2</b>	<b>\$ 1,469.0</b>
Less: Short-term borrowings and current debt:						
Revolving Credit Facility	\$ —	\$ —	\$ —	\$ 197.0	\$ —	\$ 197.0
Short-term borrowings	—	—	—	8.8	—	8.8
Finance leases - current maturities	14.2	—	14.2	10.9	—	10.9
<b>Total current debt</b>	<b>\$ 14.2</b>	<b>\$ —</b>	<b>\$ 14.2</b>	<b>\$ 216.7</b>	<b>\$ —</b>	<b>\$ 216.7</b>
<b>Total long-term debt</b>	<b>\$ 1,282.8</b>	<b>\$ 12.0</b>	<b>\$ 1,270.8</b>	<b>\$ 1,266.5</b>	<b>\$ 14.2</b>	<b>\$ 1,252.3</b>

(in millions of U.S. dollars)	December 31, 2022			January 1, 2022		
	Unamortized Debt			Unamortized Debt		
	Principal	Costs	Net	Principal	Costs	Net
3.875% senior notes due in 2028	\$ 479.1	\$ 5.6	\$ 473.5	\$ 509.6	\$ 6.9	\$ 502.7
4.375% senior notes due in 2029	750.0	8.6	741.4	750.0	10.0	740.0
Revolving Credit Facility	197.0	—	197.0	211.0	—	211.0
Short-term borrowings	15.3	—	15.3	11.1	—	11.1
Finance leases	84.0	—	84.0	92.8	—	92.8
Other debt financing	2.4	—	2.4	3.3	—	3.3
<b>Total debt</b>	<b>\$ 1,527.8</b>	<b>\$ 14.2</b>	<b>\$ 1,513.6</b>	<b>\$ 1,577.8</b>	<b>\$ 16.9</b>	<b>\$ 1,560.9</b>
Less: Short-term borrowings and current debt:						
Revolving Credit Facility	\$ 197.0	\$ —	\$ 197.0	\$ 211.0	\$ —	\$ 211.0
Short-term borrowings	15.3	—	15.3	11.1	—	11.1
Finance leases - current maturities	16.8	—	16.8	17.0	—	17.0
Other debt financing	0.7	—	0.7	0.7	—	0.7
<b>Total current debt</b>	<b>\$ 229.8</b>	<b>\$ —</b>	<b>\$ 229.8</b>	<b>\$ 239.8</b>	<b>\$ —</b>	<b>\$ 239.8</b>
<b>Total long-term debt</b>	<b>\$ 1,298.0</b>	<b>\$ 14.2</b>	<b>\$ 1,283.8</b>	<b>\$ 1,338.0</b>	<b>\$ 16.9</b>	<b>\$ 1,321.1</b>

The long-term debt payments, (which which include current maturities of long-term debt) debt, required in each of the next five years and thereafter are as follows:

(in millions of U.S. dollars)	Long-Term Debt (including current)
2023	\$ 229.8
2024	16.4
2025	16.3
2026	13.1
2027	7.0



Thereafter	1,245.2
	<b>\$ 1,527.8</b>

(in millions of U.S. dollars)	Long-Term Debt (including current)
2024	\$ 14.2
2025	14.5
2026	12.4
2027	4.3
2028	501.3
Thereafter	750.3
	<b>\$ 1,297.0</b>

#### Revolving Credit Facility

On March 6, 2020, the Company entered into a credit agreement (the "Credit Agreement") among the Company, as parent borrower, Primo Water Holdings Inc. and certain other subsidiary borrowers, certain other subsidiaries of the Company from time to time designated as subsidiary borrowers, Bank of America, N.A., as administrative agent and collateral agent, and the lenders from time to time party thereto.

The Credit Agreement provides for a senior secured revolving credit facility in an initial aggregate committed amount of \$350.0 million (the "Revolving Credit Facility"), which may be increased by incremental credit extensions from time to time in the form of term loans or additional revolving credit commitments. The Revolving Credit Facility has a five year maturity date and includes letter of credit and swing line loan sub facilities.

Initial borrowings under the Revolving Credit Facility were used to refinance in full and terminate our previously existing asset-based lending credit facility ("ABL facility" (the "ABL Facility"). Certain letters of credit outstanding under the ABL Facility were rolled over under the Revolving Credit Facility. We incurred approximately \$3.4 million of financing fees in connection with the Revolving Credit Facility. The Revolving Credit Facility was considered to be a modification of the ABL facility Facility under GAAP. These new financing fees along with \$1.8 million of unamortized deferred costs of the ABL facility Facility are being amortized using the straight-line method over the duration of the Revolving Credit Facility.

As of December 31, 2022 December 30, 2023, the there were no outstanding borrowings under the Revolving Credit Facility were \$197.0 million and were recorded in short-term borrowings on the Consolidated Balance Sheet. Facility. Outstanding letters of credit totaled \$46.6 \$66.7 million, resulting in total utilization under the Revolving Credit Facility of \$243.6 \$66.7 million. Accordingly, unused availability under the Revolving Credit Facility as of December 31, 2022 December 30, 2023 amounted to \$106.4 \$283.3 million.

The weighted average weighted-average effective interest rate at December 31, 2022 and January 1, 2022 on the outstanding borrowings under the Revolving Credit Facility outstanding borrowings as of December 30, 2023 and December 31, 2022 was 5.9% —% and 2.4% 5.9%, respectively. The effective interest rates are based on our aggregate availability.

On January 13, 2023, we entered into the Second LIBOR Transition Amendment to the Credit Agreement, which replaced interest rate calculations based on LIBOR with calculations based on SOFR. As of December 31, 2022 December 30, 2023, borrowings under the Credit Agreement bore interest at a rate per annum equal to either: (a) a euro currency rate as determined under the Credit Agreement, plus the applicable margin, or (b) a term SOFR rate, as determined under the Credit Agreement, plus the applicable margin, (c) a base rate equal to the highest of (i) Bank of America's prime rate, (ii) 0.5% per annum above the federal funds rate, and (iii) the euro currency term SOFR rate, as determined under the Credit Agreement, for a one month interest period, plus 1.0%, plus the applicable margin, or (d) an alternative currency daily or term rate, as determined under the Credit Agreement, plus the applicable margin. The applicable margin for euro currency, term SOFR, and alternative currency rate loans ranges from 137.5 1.375% to 200 basis points 2.000% and the applicable margin for base rate loans ranges from 37.5 0.375% to 100 basis points, 1.000%, in each case depending on our consolidated total leverage ratio. Unutilized commitments under the Credit Agreement are subject to a commitment fee ranging from 20 0.20% to 30 basis points 0.30% per annum depending on our consolidated total leverage ratio, payable on a quarterly basis.

On January 13, 2023, we entered into the Second LIBOR Transition Amendment to the Credit Agreement, which replaced interest rate calculations based on LIBOR with calculations based on SOFR. A copy of the Second Libor Transition Amendment is attached hereto as Exhibit 10.3.

#### 4.375% Senior Notes due in 2029

On April 30, 2021, we issued \$750.0 million of 4.375% senior notes due April 30, 2029 ("2029 (the "2029 Notes") to qualified purchasers in a private placement offering under Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2029 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. The 2029 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the \$350.0 million senior secured revolving credit facility and the €450.0 million of 3.875% senior notes due October 31, 2028. The 2029 Notes will mature on April 30, 2029 and interest is payable semi-annually on April 30th and October 31st of each year commencing on October 31, 2021. The proceeds of the 2029 Notes, along with available cash on hand, were used to redeem in full the \$750.0 million of 5.500% senior notes due April 1, 2025 (" (the "2025 Notes"). The redemption of the 2025 Notes") Notes included \$20.6 million in premium payments, accrued interest of \$3.6 million, and pay related premiums, fees and expenses, the write-off of \$6.6 million in deferred financing fees.

We incurred approximately \$11.2 million of financing fees for the issuance of the 2029 Notes. The financing fees are being amortized using the effective interest method over an eight-year period, which represents the term to maturity of the 2029 Notes.

#### 3.875% Senior Notes due in 2028

On October 22, 2020, we issued €450.0 million (\$479.1 499.4 million at exchange rates in effect on December 31, 2022 December 30, 2023) of 3.875% senior notes due October 31, 2028 ("2028 (the "2028 Notes") to qualified purchasers in a private placement offering under Rule 144A under the Securities Act, and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2028 Notes were issued by our wholly-owned subsidiary Primo Water Holdings

Inc. The 2028 Notes are guaranteed by the Company and certain subsidiaries that are currently obligors under the Revolving Credit Facility the €450.0 million of 5.500% senior notes due July 1, 2024 ("2024 Notes") and the 2025 2029 Notes. The 2028 Notes will mature on October 31, 2028 and interest is payable semi-annually on April 30th and October 31st of each year commencing on April 30, 2021.

We incurred approximately \$8.5 million of financing fees for the issuance of the 2028 Notes. The financing fees are being amortized using the effective interest method over a period of eight years, which represents the term to maturity of the 2028 Notes.

On October 22, 2020, we used the €450.0 million proceeds of the 2028 Notes (U.S. \$533.5 million at the exchange rate in effect on October 22, 2020), along with borrowings from the Revolving Credit Facility, to redeem in full the 2024 Notes. The redemption of the 2024 Notes included \$14.7 million in premium payments, accrued interest of \$9.0 million, and the write-off of \$5.1 million in deferred financing fees.

5.500% Senior Notes due in 2025

In March 2017, we issued \$750.0 million of our 2025 Notes to qualified purchasers in a private placement offering under Rule 144A under the Securities Act, and outside the United States to non-U.S. purchasers pursuant to Regulation S under the Securities Act and other applicable laws. The 2025 Notes were issued by our wholly-owned subsidiary Primo Water Holdings Inc. (formerly Cott Holdings Inc.), and most of our U.S., Canadian, U.K. and Dutch subsidiaries guarantee the 2025 Notes. The 2025 Notes will mature on April 1, 2025 and interest is payable semi-annually on April 1st and October 1st of each year commencing on October 1, 2017. The proceeds of the 2025 Notes were used to redeem in full \$625.0 million of our 6.750% senior notes due 2020, redeem \$100.0 million aggregate principal amount of our 10.000% senior secured notes due 2021 and to pay related fees and expenses.

We incurred \$11.7 million of financing fees in connection with the issuance of the 2025 Notes. The financing fees were amortized using the effective interest method over a period of eight years, which represents the term to maturity of the 2025 Notes.

On April 30, 2021, we used the proceeds of the 2029 Notes, along with available cash on hand, to redeem in full the 2025 Notes. The redemption of the 2025 Notes included \$20.6 million in premium payments, accrued interest of \$3.6 million, and the write-off of \$6.6 million in deferred financing fees.

Covenant Compliance

Indentures governing our outstanding notes Governing Our Outstanding Notes

Under the indentures governing our outstanding notes, we are subject to a number of covenants, including covenants that limit our and certain of our subsidiaries' ability, subject to certain exceptions and qualifications, to (i) pay dividends or make distributions, repurchase equity securities, prepay subordinated debt or make certain investments, (ii) incur additional debt or issue certain disqualified stock or preferred stock, (iii) create or incur liens on assets securing indebtedness, (iv) merge or consolidate with another company or sell all or substantially all of our assets taken as a whole, (v) enter into transactions with affiliates and (vi) sell assets. The covenants are substantially similar across the series of notes. As of December 31, 2022 December 30, 2023, we were in compliance with all of the covenants under each series of notes. There have been no amendments to any covenants of our outstanding notes since the date of their issuance or assumption, as applicable.

Revolving Credit Facility

The Credit Agreement has two financial covenants, a consolidated secured leverage ratio and an interest coverage ratio. The consolidated secured leverage ratio must not be more than 3.50 to 1.00, with an allowable temporary increase to 4.00 to 1.00 for the quarter in which the Company consummates a material acquisition with a price not less than \$125.0 million, for three quarters. The interest coverage ratio must not be less than 3.00 to 1.00. The Company was in compliance with these financial covenants as of December 31, 2022 December 30, 2023.

In addition, the Credit Agreement has certain non-financial covenants, such as covenants regarding indebtedness, investments, and asset dispositions. The Company was in compliance with all covenants as of December 31, 2022 December 30, 2023.

Note 18—17—Retirement Plans

The Company maintains certain defined contribution ("DC") retirement plans covering qualifying employees. The total expense with respect to these DC plans was \$7.0 million \$7.4 million, \$6.4 million, and \$5.7 million for the year fiscal years ended December 30, 2023, December 31, 2022 (2021—\$6.3 million; 2020—\$6.0 million), and January 1, 2022, respectively.

The Company also maintains several maintained defined benefit ("DB") plans acquired as a part of acquisitions covering certain U.S. and non-U.S. employees referred to as the (the " U.S. and International Plans, respectively. Plan"). Retirement benefits are based on years of service multiplied by a monthly benefit factor. Pension costs are funded in accordance with the provisions of the applicable law.

Our U.S. Plan is closed to new participants and is frozen. Effective as of December 31, 2021, our the U.S. Plan was terminated. In accordance with the amended plan documents, we anticipate making made distributions for all plan participants (either directly to the participant or to an insurance company depending upon their optional payment election) and expect to distribute distributed all plan assets in during the fiscal year 2023.

The Company uses a December 31, 2022 measurement date for all DB plans.

ended December 30, 2023.

Obligations and Funded Status

The following table summarizes the change in the projected benefit obligation, change in plan assets and unfunded status of the DB plans U.S. Plan as of December 31, 2022 December 30, 2023 and January 1, 2022 December 31, 2022:

(in millions of U.S. dollars)	December 31, 2022		
	U.S.	International	Total
Change in Projected Benefit Obligation			

Projected benefit obligation at beginning of year	\$	9.4	\$	13.9	\$	23.3
Service cost		—		0.9		0.9
Interest cost		0.1		0.1		0.2
Plan participant contributions		—		0.2		0.2
Benefit payments		(0.6)		(0.9)		(1.5)
Actuarial gains		(1.6)		(3.2)		(4.8)
Translation gains		—		(0.9)		(0.9)
Projected benefit obligation at end of year	\$	7.3	\$	10.1	\$	17.4
<b>Change in Plan Assets</b>						
Plan assets beginning of year	\$	9.2	\$	6.2	\$	15.4
Employer contributions		—		0.3		0.3
Plan participant contributions		—		0.2		0.2
Benefit payments		(0.6)		(0.6)		(1.2)
Expected return on plan assets		—		0.1		0.1
Actual return on plan assets		(1.5)		—		(1.5)
Translation losses		—		(0.2)		(0.2)
Fair value at end of year	\$	7.1	\$	6.0	\$	13.1
<b>Funded Status of Plan</b>						
Projected benefit obligation	\$	(7.3)	\$	(10.1)	\$	(17.4)
Fair value of plan assets		7.1		6.0		13.1
Unfunded status	\$	(0.2)	\$	(4.1)	\$	(4.3)

(in millions of U.S. dollars)

(in millions of U.S. dollars)

(in millions of U.S. dollars)

**Change in Projected Benefit Obligation**

**Change in Projected Benefit Obligation**

**Change in Projected Benefit Obligation**

Projected benefit obligation at beginning of year

Projected benefit obligation at beginning of year

Projected benefit obligation at beginning of year

	January 1, 2022		
(in millions of U.S. dollars)	U.S.	International	Total
<b>Change in Projected Benefit Obligation</b>			
Projected benefit obligation at beginning of year	\$ 9.5	\$ 13.4	\$ 22.9
Service cost	—	0.8	0.8
Interest cost	0.2	0.1	0.3
Plan participant contributions	—	0.3	0.3
Benefit payments	(0.4)	(1.2)	(1.6)
Actuarial losses	0.1	0.6	0.7
Translation gains	—	(0.1)	(0.1)
Interest cost			
Interest cost			
Benefit payments			
Benefit payments			
Benefit payments			
Actuarial gains			

Actuarial gains				
Actuarial gains				
Settlement gains				
Settlement gains				
Settlement gains				
Projected benefit obligation at end of year				
Projected benefit obligation at end of year				
Projected benefit obligation at end of year	Projected benefit obligation at end of year	\$ 9.4	\$ 13.9	\$ 23.3
<b>Change in Plan Assets</b>	<b>Change in Plan Assets</b>			
<b>Change in Plan Assets</b>				
<b>Change in Plan Assets</b>				
Plan assets beginning of year	Plan assets beginning of year	\$ 9.1	\$ 6.0	\$ 15.1
Plan assets beginning of year				
Plan assets beginning of year				
Employer contributions	Employer contributions	0.2	0.4	0.6
Plan participant contributions		—	0.3	0.3
Employer contributions				
Employer contributions				
Benefit payments	Benefit payments	(0.4)	(0.7)	(1.1)
Actuarial gains		—	0.2	0.2
Expected return on plan assets		—	0.1	0.1
Benefit payments				
Benefit payments				
Actual return on plan assets	Actual return on plan assets	0.3	—	0.3
Translation losses		—	(0.1)	(0.1)
Actual return on plan assets				
Actual return on plan assets				
Fair value at end of year				
Fair value at end of year				
Fair value at end of year	Fair value at end of year	\$ 9.2	\$ 6.2	\$ 15.4
<b>Funded Status of Plan</b>	<b>Funded Status of Plan</b>			
<b>Funded Status of Plan</b>				
<b>Funded Status of Plan</b>				
Projected benefit obligation				
Projected benefit obligation				
Projected benefit obligation	Projected benefit obligation	\$ (9.4)	\$ (13.9)	\$ (23.3)
Fair value of plan assets	Fair value of plan assets	9.2	6.2	15.4
Fair value of plan assets				
Fair value of plan assets				
Unfunded status	Unfunded status	\$ (0.2)	\$ (7.7)	\$ (7.9)
Unfunded status				
Unfunded status				

The accumulated benefit obligation for the U.S. Plans equaled Plan was nil and \$7.3 million as of December 30, 2023 and \$9.4 million at the end of 2022 and 2021, December 31, 2022, respectively. The accumulated benefit obligation for the International Plans equaled \$10.1 million and \$13.9 million at the end of 2022 and 2021, respectively.

**Periodic Pension Costs**

The components of net periodic pension cost were as follows:

(in millions of U.S. dollars)	December 31, 2022		
	U.S.	International	Total
Service cost	\$ —	\$ 0.9	\$ 0.9
Interest cost	0.1	0.1	0.2
Expected return on plan assets	(0.1)	(0.1)	(0.2)
Net periodic pension cost	\$ —	\$ 0.9	\$ 0.9

(in millions of U.S. dollars)	January 1, 2022		
	U.S.	International	Total
Service cost	\$ —	\$ 0.8	\$ 0.8
Interest cost	0.2	0.1	0.3
Expected return on plan assets	(0.2)	(0.1)	(0.3)
Net periodic pension cost	\$ —	\$ 0.8	\$ 0.8

(in millions of U.S. dollars)
(in millions of U.S. dollars)
(in millions of U.S. dollars)
Interest cost
Interest cost
Interest cost
Expected return on plan assets
Expected return on plan assets
Expected return on plan assets
Recognized net loss due to settlement
Recognized net loss due to settlement
Recognized net loss due to settlement

(in millions of U.S. dollars)	January 2, 2021		
	U.S.	International	Total
Service cost	\$ —	\$ 1.0	\$ 1.0
Interest cost	0.3	0.1	0.4
Expected return on plan assets	(0.5)	(0.1)	(0.6)
Curtailment gain	—	(0.3)	(0.3)
Net periodic pension (benefit) cost	\$ (0.2)	\$ 0.7	\$ 0.5
Net periodic pension cost			
Net periodic pension cost			
Net periodic pension cost			

**Accumulated Other Comprehensive (Loss) Income**

Amounts included in accumulated other comprehensive (loss) income, net of tax, at year-end as of the periods presented which have not yet been recognized in net periodic benefit cost were as follows:

December 31, 2022
-------------------

<u>(in millions of U.S. dollars)</u>	<u>(in millions of U.S. dollars)</u>	U.S.	International	Total
Unrecognized net actuarial (loss) income		\$ (0.6)	\$ 1.8	\$ 1.2
Total accumulated other comprehensive (loss) income		\$ (0.6)	\$ 1.8	\$ 1.2
January 1, 2022				
<u>(in millions of U.S. dollars)</u>	<u>(in millions of U.S. dollars)</u>	U.S.	International	Total
Unrecognized net actuarial loss	Unrecognized net actuarial loss	\$ (0.6)	\$ (1.1)	\$ (1.7)
Unrecognized net actuarial loss				
Unrecognized net actuarial loss				
Total accumulated other comprehensive loss				
Total accumulated other comprehensive loss				
Total accumulated other comprehensive loss	Total accumulated other comprehensive loss	\$ (0.6)	\$ (1.1)	\$ (1.7)
January 2, 2021				
<u>(in millions of U.S. dollars)</u>		U.S.	International	Total
Unrecognized net actuarial loss		\$ (0.4)	\$ (0.7)	\$ (1.1)
Total accumulated other comprehensive loss		\$ (0.4)	\$ (0.7)	\$ (1.1)

#### Actuarial Assumptions

The following table summarizes the weighted average weighted-average actuarial assumptions used to determine the projected benefit obligation:

	For the Year Ended		
	December 31, 2022	January 1, 2022	January 2, 2021
<u>U.S. Plans</u>			
Discount rate	4.9 %	2.5 %	2.0 %
Expected long-term rate of return on plan assets	1.0 %	2.0 %	6.3 %
<u>International Plans</u>			
Discount rate	4.5 %	1.8 %	1.3 %
Expected long-term rate of return on plan assets	2.3 %	2.0 %	2.1 %
Rate of compensation increase	2.7 %	1.8 %	1.2 %
CPI Inflation factor	— %	0.1 %	0.1 %

	For the Fiscal Year Ended		
	December 30, 2023	December 31, 2022	January 1, 2022
<u>U.S. Plans</u>			
Discount rate	— %	4.9 %	2.5 %
Expected long-term rate of return on plan assets	— %	1.0 %	2.0 %

The following table summarizes the weighted average weighted-average actuarial assumptions used to determine net periodic benefit cost:

	For the Fiscal Year Ended	For the Fiscal Year Ended		
	December 30, 2023	December 30, 2023	December 31, 2022	January 1, 2022
<u>U.S. Plans</u>				
Discount rate				
Discount rate				

Discount rate	5.1 %	1.0 %	2.0 %
Expected long-term rate of return on plan assets	Expected long-term rate of return on plan assets	1.0 %	1.0 %
			2.0 %

	For the Year Ended		
	December 31, 2022	January 1, 2022	January 2, 2021
<b>U.S. Plans</b>			
Discount rate	1.0 %	2.0 %	3.0 %
Expected long-term rate of return on plan assets	1.0 %	2.0 %	6.3 %
<b>International Plans</b>			
Discount rate	4.5 %	1.8 %	1.3 %
Expected long-term rate of return on plan assets	2.3 %	2.0 %	2.1 %
Inflation factor	— %	0.1 %	0.1 %

The Company utilizes a yield curve analysis to determine the discount rates for its DB plan obligations. The yield curve considers pricing and yield information for high quality corporate bonds with maturities matched to estimated payouts of future pension benefits. The Company evaluates its assumption regarding the estimated long-term rate of return on plan assets based on historical experience, future expectations of investment returns, asset allocations, and its investment strategy. The Company's long-term rate of return on plan assets reflect expectations of projected weighted average weighted-average market returns of plan assets. Changes in expected returns on plan assets also reflect any adjustments to the Company's targeted asset allocation.

#### Plan Assets and Asset Mix

Our DB plans weighted-average asset allocations by asset category were as follows:

	December 31, 2022	January 1, 2022
<b>U.S. Plans</b>		
Cash and cash equivalents	100.0 %	— %
Fixed income investments	— %	100.0 %
<b>International Plans</b>		
Cash and cash equivalents	3.6 %	— %
Equity securities	28.6 %	57.5 %
Fixed income investments	57.1 %	32.4 %
Real estate	10.7 %	10.1 %

#### Plan Assets

Our investment policy is that plan assets will be managed utilizing an investment philosophy and approach characterized by all of the following, listed in priority order: (1) emphasis on total return, (2) emphasis on high-quality securities, (3) sufficient income and stability of income, (4) safety of principal with limited volatility of capital through proper diversification and (5) sufficient liquidity.



In connection with termination of the U.S. Plan and the distribution of all plan assets in the fiscal year ended December 30, 2023, there were no plan assets as of December 30, 2023. The U.S. Plan assets were 100% allocated to cash and cash equivalents.

The target allocation percentages for the International Plans' assets range between 20% to 60% in equity securities, 30% to 80% in fixed income investments, 0% to 30% in real estate and 0% to 15% in alternative investments. None equivalents as of our equity or debt securities are included in plan assets.

#### Cash Flows

We expect to contribute \$0.4 million to the DB plans during the 2023 fiscal year.

The following benefit payments are expected to be paid in the periods indicated below:

(in millions of U.S. dollars)	U.S.		International		Total
<u>Expected benefit payments</u>					
FY 2023	\$	7.3	\$	1.1	\$ 8.4
FY 2024		—		0.6	0.6
FY 2025		—		0.6	0.6
FY 2026		—		0.6	0.6
FY 2027		—		0.4	0.4
FY 2028 through FY 2032		—		2.2	2.2

The fair values of the Company's U.S. Plan assets are measured daily at their net asset value and valued at \$7.1 million and \$9.2 million at December 31, 2022 and January 1, 2022, respectively.

The fair values of the Company's International Plan assets at December 31, 2022 and January 1, 2022 were as follows:

(in millions of U.S. dollars)	December 31, 2022		
	Level 1	Level 2	Level 3
<u>Cash and cash equivalents:</u>			
Cash and cash equivalents	\$ 0.2	\$ —	\$ —
<u>Mutual funds:</u>			
Non-U.S. equity securities	1.8	—	—
<u>Fixed income:</u>			
Non-U.S. bonds	1.7	—	—
Insurance contract	—	1.7	—
<u>Real estate:</u>			
Real estate	—	0.6	—
Total	\$ 3.7	\$ 2.3	\$ —

(in millions of U.S. dollars)	January 1, 2022		
	Level 1	Level 2	Level 3
<u>Mutual funds:</u>			
Non-U.S. equity securities	\$ 1.9	\$ —	\$ —
<u>Fixed income:</u>			
Non-U.S. bonds	1.7	—	—
Insurance contract	—	2.0	—
<u>Real estate:</u>			
Real estate	—	0.6	—
Total	\$ 3.6	\$ 2.6	\$ —

#### Note 19—18—Consolidated Accumulated Other Comprehensive (Loss) Income

Changes in consolidated accumulated other comprehensive (loss) income ("AOCI") by component for the fiscal years ended December 31, 2022 December 30, 2023, January 1, 2022 December 31, 2022 and January 2, 2021 January 1, 2022 were as follows:

		Gains and Losses on Derivative Instruments	Pension Benefit Plan Items	Currency Translation Adjustment Items	Total
(in millions of U.S. dollars) <sup>1</sup>	(in millions of U.S. dollars) <sup>1</sup>				
Balance December 28, 2019		\$ 11.2	\$ (1.0)	\$ (78.7)	\$(68.5)
(in millions of U.S. dollars) <sup>1</sup>					
(in millions of U.S. dollars) <sup>1</sup>					
Balance as of January 2, 2021					
OCI before reclassifications	OCI before reclassifications	(8.7)	(0.1)	(6.9)	(15.7)
Amounts reclassified from AOCI	Amounts reclassified from AOCI	(2.5)	—	—	(2.5)
Net current-period OCI	Net current-period OCI	(11.2)	(0.1)	(6.9)	(18.2)
Balance January 2, 2021		\$ —	\$ (1.1)	\$ (85.6)	\$(86.7)
Balance as of January 1, 2022					
OCI before reclassifications	OCI before reclassifications	—	(0.6)	18.2	17.6
Amounts reclassified from AOCI	Amounts reclassified from AOCI	—	—	—	—
Net current-period OCI	Net current-period OCI	—	(0.6)	18.2	17.6
Balance January 1, 2022		\$ —	\$ (1.7)	\$ (67.4)	\$(69.1)
Balance as of December 31, 2022					
OCI before reclassifications	OCI before reclassifications	—	2.9	(15.7)	(12.8)
Amounts reclassified from AOCI	Amounts reclassified from AOCI	—	—	(0.3)	(0.3)
Net current-period OCI	Net current-period OCI	—	2.9	(16.0)	(13.1)
Balance December 31, 2022		\$ —	\$ 1.2	\$ (83.4)	\$(82.2)
Balance as of December 30, 2023					

<sup>1</sup> All amounts are net of tax. Amounts in parentheses indicate debits.

The following table summarizes the amounts reclassified from AOCI to total net income (loss) for the fiscal years ended December 31, 2022, December 30, 2023, January 1, 2022, December 31, 2022 and January 2, 2021, January 1, 2022:

(in millions of U.S. dollars)	For the Year Ended			Affected Line Item in the Statement Where Net Income Is Presented
Details About AOCI Components <sup>1</sup>	December 31, 2022	January 1, 2022	January 2, 2021	
Gains and losses on derivative instruments				
Foreign currency and commodity hedges	\$ —	\$ —	\$ 0.1	Cost of sales
Commodity hedges <sup>2</sup>	\$ —	\$ —	\$ 2.4	Gain on sale of discontinued operations
	\$ —	\$ —	\$ 2.5	Total before taxes
	—	—	—	Tax (expense) or benefit
	\$ —	\$ —	\$ 2.5	Net of tax

Foreign currency translation adjustments	\$ 0.3	\$ —	\$ —	Impairment charges
Total reclassifications for the period	\$ 0.3	\$ —	\$ 2.5	Net of tax

(in millions of U.S. dollars)		For the Fiscal Year Ended			Affected Line Item in the Statement Where Net Income Is Presented
Details About AOCI Components:		December 30, 2023	December 31, 2022	January 1, 2022	
Amortization of pension benefit plan items					
Recognized net actuarial gain	\$ 0.2	\$ —	\$ —		Gain on sale of discontinued operations and Other expense (income), net <sup>2</sup>
	\$ 0.2	\$ —	\$ —		Net of tax
Foreign currency translation adjustments	\$ 10.2	\$ 0.3	\$ —		Gain on sale of discontinued operations and Impairment charges <sup>3</sup>
Total reclassifications for the period	\$ 10.4	\$ 0.3	\$ —		Net of tax

<sup>1</sup> Amounts in parenthesis indicate debits.

<sup>2</sup> Net of \$1.3 million of associated tax impact that resulted in a decrease Includes \$0.6 million related to the gain recognition of unrealized losses resulting from the distribution of the assets of the U.S. defined benefit plan included in Other expense (income), net on the Consolidated Statement of Operations. In addition, it includes \$0.8 million related to the recognition of unrealized gains resulting from the sale of the European Business included in Net income (loss) from discontinued operations, for net of income taxes on the Consolidated Statement of Operations. Amounts are net of the tax impact of \$0.2 million.

<sup>3</sup> For the year ended January 2, 2021, December 30, 2023, the amount relates to the foreign currency translation balances recognized in earnings in connection with the sale of the European Business included in Net income (loss) from discontinued operations, net of income taxes on the Consolidated Statement of Operations. For the year ended December 31, 2022, the foreign currency translation balance recognized was included in Impairment charges on the Consolidated Statement of Operations.

#### Note 20—19—Commitments and Contingencies

We are subject to various claims and legal proceedings with respect to matters such as governmental regulations, and other actions arising out of the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on our financial position, results of operations, or cash flow.

We had \$66.7 million, \$46.6 million, and \$59.4 million in standby letters of credit outstanding as of December 30, 2023, December 31, 2022 (\$59.4 million—January 1, 2022; \$50.6 million—January 2, 2021), and January 1, 2022, respectively.

We have future purchase obligations of \$11.9 million \$8.1 million that consist of commitments for the purchase of inventory, energy transactions, and payments related to inventory and professional fees and information technology outsourcing agreements. These obligations represent the minimum contractual obligations expected under the normal course of business.

#### Guarantees

In July 2017, we entered into a Share Repurchase Agreement with Refresco Group B.V., a Dutch company ("Refresco"), pursuant to which we sold to Refresco, in January 2018, our carbonated soft drinks and juice businesses and our Royal Crown International finished goods export business (collectively, the "Traditional Business" and such transaction, the "Traditional Business Divestiture"). After the Traditional Business Divestiture, we have continued to provide contractual payment guarantees to two third-party lessors of certain real property used in this business. The leases were conveyed to the buyer as part of the sale, but our guarantee was not released by the landlord. The two lease agreements mature in 2027 and 2028. The maximum potential amount of undiscounted future payments under the guarantee is approximately \$13.5 million \$10.8 million as of December 31, 2022 December 30, 2023 and was calculated based on the minimum lease payments of the leases over the remaining term of the agreements. The sale documents require the buyer to pay all post-closing obligations under these conveyed leases, and to reimburse us if the landlord calls on a guarantee. The buyer has also agreed to a covenant to negotiate with the landlords for a release of our guarantees. We currently do not believe it is probable we would be required to perform under any of these guarantees or any of the underlying obligations.

#### Note 21—20—Fair Value Measurements

FASB Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair value are as follows:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

#### Fair Value of Financial Instruments

The carrying amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, receivables, payables, short-term borrowings and long-term debt approximate their respective fair values, except as otherwise indicated. The carrying values and estimated fair values of our significant outstanding debt as of **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022** were as follows:

(in millions of U.S. dollars)	(in millions of U.S. dollars)	December 31, 2022		January 1, 2022		(in millions of U.S. dollars)	December 30, 2023		December 31, 2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value		Carrying Value	Fair Value	Carrying Value	Fair Value
3.875% senior notes due in 2028 <sup>1, 2</sup>	3.875% senior notes due in 2028 <sup>1, 2</sup>	\$ 473.5	\$ 418.7	\$ 502.7	\$ 516.2					
3.875% senior notes due in 2028 <sup>1, 2</sup>	3.875% senior notes due in 2028 <sup>1, 2</sup>									
4.375% senior notes due in 2029 <sup>1, 2</sup>	4.375% senior notes due in 2029 <sup>1, 2</sup>	741.4	642.2	740.0	735.8					
<b>Total</b>	<b>Total</b>	<b>\$1,214.9</b>	<b>\$1,060.9</b>	<b>\$1,242.7</b>	<b>\$1,252.0</b>					

- The fair values were based on the trading levels and bid/offer prices observed by a market participant and are considered Level 2 financial instruments.
- Carrying value of our significant outstanding debt is net of unamortized debt issuance costs as of **December 31, 2022** **December 30, 2023** and **January 1, 2022** **December 31, 2022** (see Note 17 16 to the Consolidated Financial Statements).

#### Non-Financial Assets Measured at Fair Value on a Non-Recurring Basis

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain items at fair value on a non-recurring basis. These assets can include goodwill, intangible assets, property, plant and equipment, lease-related right-of-use assets, and long-lived assets that have been reduced to fair value when they are held for sale. If certain triggering events occur, or if an annual impairment test is required, we would evaluate these non-financial assets for impairment. If an impairment were to occur, the asset would be recorded at the estimated fair value, using primarily unobservable Level 3 inputs.

During the second quarter of 2022, the assets held for sale of our business in Russia were measured at the lower of carrying value or fair value less costs to sell as discussed in more detail in Note 1—Summary of Significant Accounting Policies. 1 to the Consolidated Financial Statements. The Company's measurement of fair value less costs to sell was based on the total consideration expected to be received by the Company as outlined in the disposition agreement which is a Level 2 input.

During the second quarter of 2022, as a result of the exit of our Russia business and realignment of segments, we identified a triggering event indicating possible impairment of goodwill and intangible assets. See Note 1 to the Consolidated Financial Statements for additional information on goodwill and intangible asset impairment. The determination of the estimated fair values of the reporting units included unobservable Level 3 inputs. We did not identify impairment of our property, plant and equipment, lease-related right-of-use assets, or long-lived assets except as noted above related to the Russia assets held for sale.

During the second quarter of 2020, given the general deterioration in economic and market conditions in which we operate arising from the COVID-19 pandemic, we identified a triggering event indicating possible impairment of goodwill and intangible assets. See

**Note 1 to the Consolidated 21—Quarterly Financial Statements for additional information on goodwill and intangible asset impairment. We did not identify impairment of our property, plant and equipment, lease-related right-of-use assets, or long-lived assets. Information (unaudited)**

(in millions of U.S. dollars, except per share amounts)	For the Fiscal Year Ended December 30, 2023				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue, net	\$ 412.5	\$ 450.6	\$ 470.0	\$ 438.7	\$ 1,771.8
Cost of sales	153.5	159.8	166.7	154.8	634.8

<b>Gross profit</b>	<b>259.0</b>	<b>290.8</b>	<b>303.3</b>	<b>283.9</b>	<b>1,137.0</b>
Selling, general and administrative expenses	234.6	246.6	244.8	250.0	976.0
Loss on disposal of property plant and equipment, net	1.3	0.9	1.6	5.3	9.1
Acquisition and integration expenses	1.7	1.9	2.4	3.5	9.5
Gain on sale of property	—	—	(5.3)	(15.7)	(21.0)
<b>Operating income</b>	<b>21.4</b>	<b>41.4</b>	<b>59.8</b>	<b>40.8</b>	<b>163.4</b>
Other (income) expense, net	(0.3)	0.6	(4.0)	4.9	1.2
Interest expense, net	18.2	18.8	17.8	16.6	71.4
<b>Income from continuing operations before taxes</b>	<b>3.5</b>	<b>22.0</b>	<b>46.0</b>	<b>19.3</b>	<b>90.8</b>
Income tax expense	0.3	8.4	12.3	6.0	27.0
<b>Net income from continuing operations</b>	<b>3.2</b>	<b>13.6</b>	<b>33.7</b>	<b>13.3</b>	<b>63.8</b>
<b>Net income (loss) from discontinued operations, net of income taxes</b>	<b>2.6</b>	<b>7.7</b>	<b>(0.3)</b>	<b>164.3</b>	<b>174.3</b>
<b>Net income</b>	<b>\$ 5.8</b>	<b>\$ 21.3</b>	<b>\$ 33.4</b>	<b>\$ 177.6</b>	<b>\$ 238.1</b>
<b>Net income per common share</b>					
<b>Basic:</b>					
Continuing operations	\$ 0.02	\$ 0.09	\$ 0.21	\$ 0.08	\$ 0.40
Discontinued operations	\$ 0.02	\$ 0.04	\$ —	\$ 1.03	\$ 1.09
Net income	\$ 0.04	\$ 0.13	\$ 0.21	\$ 1.11	\$ 1.49
<b>Diluted:</b>					
Continuing operations	\$ 0.02	\$ 0.09	\$ 0.21	\$ 0.08	\$ 0.40
Discontinued operations	\$ 0.02	\$ 0.04	\$ —	\$ 1.03	\$ 1.08
Net income	\$ 0.04	\$ 0.13	\$ 0.21	\$ 1.11	\$ 1.48

(in millions of U.S. dollars, except per share amounts)	For the Fiscal Year Ended December 31, 2022				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
<b>Revenue, net</b>	\$ 399.9	\$ 440.3	\$ 447.9	\$ 405.1	\$ 1,693.2
Cost of sales	165.9	177.1	174.6	156.4	674.0
<b>Gross profit</b>	<b>234.0</b>	<b>263.2</b>	<b>273.3</b>	<b>248.7</b>	<b>1,019.2</b>
Selling, general and administrative expenses	211.6	222.9	228.0	221.3	883.8
Loss on disposal of property, plant and equipment, net	1.4	0.2	2.5	3.3	7.4
Acquisition and integration expenses	3.0	4.0	2.5	2.6	12.1
Impairment charges	—	11.2	—	—	11.2
Gain on sale of property	—	—	—	(38.8)	(38.8)
<b>Operating income</b>	<b>18.0</b>	<b>24.9</b>	<b>40.3</b>	<b>60.3</b>	<b>143.5</b>
Other (income) expense, net	(1.4)	(0.9)	2.0	(2.2)	(2.5)
Interest expense, net	16.4	16.6	16.6	18.2	67.8
<b>Income from continuing operations before taxes</b>	<b>3.0</b>	<b>9.2</b>	<b>21.7</b>	<b>44.3</b>	<b>78.2</b>
Income tax expense	2.2	1.2	6.6	9.5	19.5
<b>Net income from continuing operations</b>	<b>0.8</b>	<b>8.0</b>	<b>15.1</b>	<b>34.8</b>	<b>58.7</b>
<b>Net (loss) income from discontinued operations, net of income taxes</b>	<b>(7.5)</b>	<b>(30.5)</b>	<b>(13.8)</b>	<b>22.7</b>	<b>(29.1)</b>
<b>Net (loss) income</b>	<b>\$ (6.7)</b>	<b>\$ (22.5)</b>	<b>\$ 1.3</b>	<b>\$ 57.5</b>	<b>\$ 29.6</b>
<b>Net (loss) income per common share</b>					
<b>Basic:</b>					
Continuing operations	\$ —	\$ 0.05	\$ 0.09	\$ 0.22	\$ 0.36
Discontinued operations	\$ (0.04)	\$ (0.19)	\$ (0.08)	\$ 0.14	\$ (0.18)
Net (loss) income	\$ (0.04)	\$ (0.14)	\$ 0.01	\$ 0.36	\$ 0.18
<b>Diluted:</b>					



Reserves deducted in the balance sheet from the asset to which they apply	Reserves deducted in the balance sheet from the asset to which they apply
<u>Allowances for losses on:</u>	<u>Allowances for losses on:</u>
<u>Allowances for losses on:</u>	
<u>Accounts receivables</u>	<u>Accounts receivables</u>
Accounts receivables	
Accounts receivables	
Inventories	Inventories     \$ (20.7)    \$ —    \$ (10.7)    \$ 0.1    \$ 10.5    \$ (20.8)
Differential tax assets	(1.8)       —       (0.4)      0.1           0.6          (1.5)
Deferred tax assets	(156.5)      —       (9.6)      1.4           —          (164.7)
	\$ (179.0)    \$ —    \$ (20.7)    \$ 1.6    \$ 11.1    \$(187.0)
\$	



\$

- 1 Deductions primarily represent uncollectible accounts written off.

F-56 F-45

slide1

Execution Version #96366369v9 SECOND LIBOR TRANSITION AMENDMENT THIS SECOND LIBOR TRANSITION AMENDMENT

**SUPPLEMENTAL INDENTURE**, (this "Agreement" "**Supplemental Indenture**"), dated as of January 13, 2023, is entered into among PRIMO WATER CORPORATION, a corporation organized under the federal laws of Canada (the "Parent Borrower"), and BANK OF AMERICA, N.A., as administrative agent (the "Administrative Agent"), and the financial institutions whose names appear as lenders on the signature page hereof, (which comprises all of the Lenders directly and adversely affected hereby). RECITALS WHEREAS, the Parent Borrower, the Subsidiary Borrowers from time to time party thereto, the lenders from time to time party thereto (the "Lenders"), the other parties from time to time party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent, have entered into that certain Credit Agreement dated as of March 6, 2020 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"); and WHEREAS, certain loans and/or other extensions of credit (the "Loans") under the Credit Agreement denominated in Dollars incur or are permitted to incur interest, fees, commissions or other amounts based on the London Interbank Offered Rate as administered by the ICE Benchmark Administration ("LIBOR") in accordance with the terms of the Credit Agreement; WHEREAS, the Administrative Agent and the Parent Borrower have determined in accordance with the Credit Agreement that LIBOR for Loans denominated in Dollars should be replaced with a successor rate in accordance with the Credit Agreement and, in connection therewith, the Administrative Agent and the Lenders have determined in consultation with the Parent Borrower that certain conforming changes are necessary or advisable. WHEREAS, as of the Amendment Effective Date, certain outstanding Loans are denominated in Dollars and incur such interest, fees, commissions or other amounts based on LIBOR with Interest Periods ending on a date subsequent to the Amendment Effective Date ("Existing LIBOR Loans"); WHEREAS, pursuant to such determination, the Administrative Agent, the Lenders and the Parent Borrower have agreed to amend the Credit Agreement pursuant to Section 10.01 of the Credit Agreement. NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows: 1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement. 2. Amendments. Upon the effectiveness of this Amendment, the Credit Agreement is amended: (a) to delete the stricken text (indicated textually in the same manner as the following example: stricken text) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the conformed copy of the Credit Agreement attached as Exhibit A hereto (as so amended, the "Amended Credit Agreement"), this Amended Credit Agreement supersedes Appendix A of the Libor Transition Amendment, dated as of September 23, 2021;

slide2

US 354419247.02.2 #96366369v9 (b) to replace Exhibit B thereto with a new Exhibit B-1, as set forth in Exhibit B attached hereto, and a new Exhibit B-2, as set forth in Exhibit C attached hereto; and (c) to amend and restate Schedule 10.02 thereto in its entirety with Schedule 10.02 attached hereto. 3. Existing LIBOR Loans. Notwithstanding the amendments in Section 2 above or in any other provision contained in this Agreement or the Amended Credit Agreement, (i) all Existing LIBOR Loans (A) shall continue to bear interest at a rate per annum determined in accordance with the Eurocurrency Rate as defined immediately prior to the Amendment Effective Date until the last day of the current Interest Period with respect to such Loans and (B) on the last day of such Interest Period shall be converted to a Term SOFR Loan or a Base Rate Loan, as the case may be, in accordance with the terms of Section 2.02(a) of the Credit Agreement and (ii) after the Amendment Effective Date, no Loan denominated in Dollars shall be made as, converted into or continued as a Eurocurrency Rate Loan. 4. Conflict with Loan Documents. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control. 5. Conditions Precedent. This Agreement shall become effective (the "Amendment Effective Date") upon receipt by the Administrative Agent of counterparts of this Agreement duly executed by the Parent Borrower, the Administrative Agent and the Lenders. 6. Payment of Expenses. The Parent Borrower agrees to reimburse the Administrative Agent for all reasonable fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable fees, charges and disbursements of counsel to the Administrative Agent (paid directly to such counsel if requested by the Administrative Agent). 7. Miscellaneous. (a) The Loan Documents, and the obligations of the Parent Borrower under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms. This Agreement is a Loan Document for all purposes under the Credit Agreement. (b) The Parent Borrower (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents, (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents, (iv) agrees that the Collateral Documents continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever, (v) confirms its grant of security interests pursuant to the Collateral Documents to which it is a party as Collateral for the Obligations, and (vi) acknowledges that all Liens granted (or purported to be granted) pursuant to the Collateral Documents remain and continue in full force and effect in respect of, and to secure, the Obligations. (c) The Parent Borrower represents and warrants that: (i) The execution, delivery and performance by such Person of this Agreement is within such Person's organizational powers and has been duly authorized by all necessary organizational partnership, member or other action, as applicable, as may be necessary or required.

slide3

US 354419247.02 3 #96366369v9 (i) This Agreement has been duly executed and delivered by such Person, and constitutes a legal, valid and binding obligation of such Person, enforceable against it in accordance with the terms hereof, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity. (ii) The execution and delivery by such Person of this Agreement and performance by such Person of this Agreement have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its certificate or articles of incorporation or organization or other applicable constitutive documents, (i) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation to which such Person is a party or affecting such Person or the properties of such Person or any subsidiary thereof or (y) any order, injunction, writ or decree of any governmental authority or any arbitral award to which such Person or any subsidiary thereof or its property is subject or (ii) violate any law. (iv) Before and after giving effect to this Agreement, (A) all representations and warranties of such Person set forth in the Loan Documents are true and correct in all material

respects (and in all respects if any such representation or warranty is already qualified by materiality (after giving effect to such materiality qualification)) on and as of the Amendment Effective Date (except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by "materiality," "Material Adverse Effect" or similar language (after giving effect to such materiality qualification)) as of such earlier date), and (B) no Default exists. (d) This Agreement may be in the form of an electronic record (in ".pdf" form or otherwise) and may be executed using electronic signatures, which shall be considered as originals and shall have the same legal effect, validity and enforceability as a paper record. This Agreement may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts shall be one and the same Agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent of a manually signed Agreement which has been converted into electronic form (such as scanned into ".pdf" format), or an electronically signed Agreement converted into another format, for transmission, delivery and/or retention. (e) Any provision of this Agreement held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. (f) The terms of the Credit Agreement with respect to governing law, submission to jurisdiction, waiver of venue and waiver of jury trial are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms. [Remainder of page intentionally left blank]

---

 slide4

 slide5

slide6



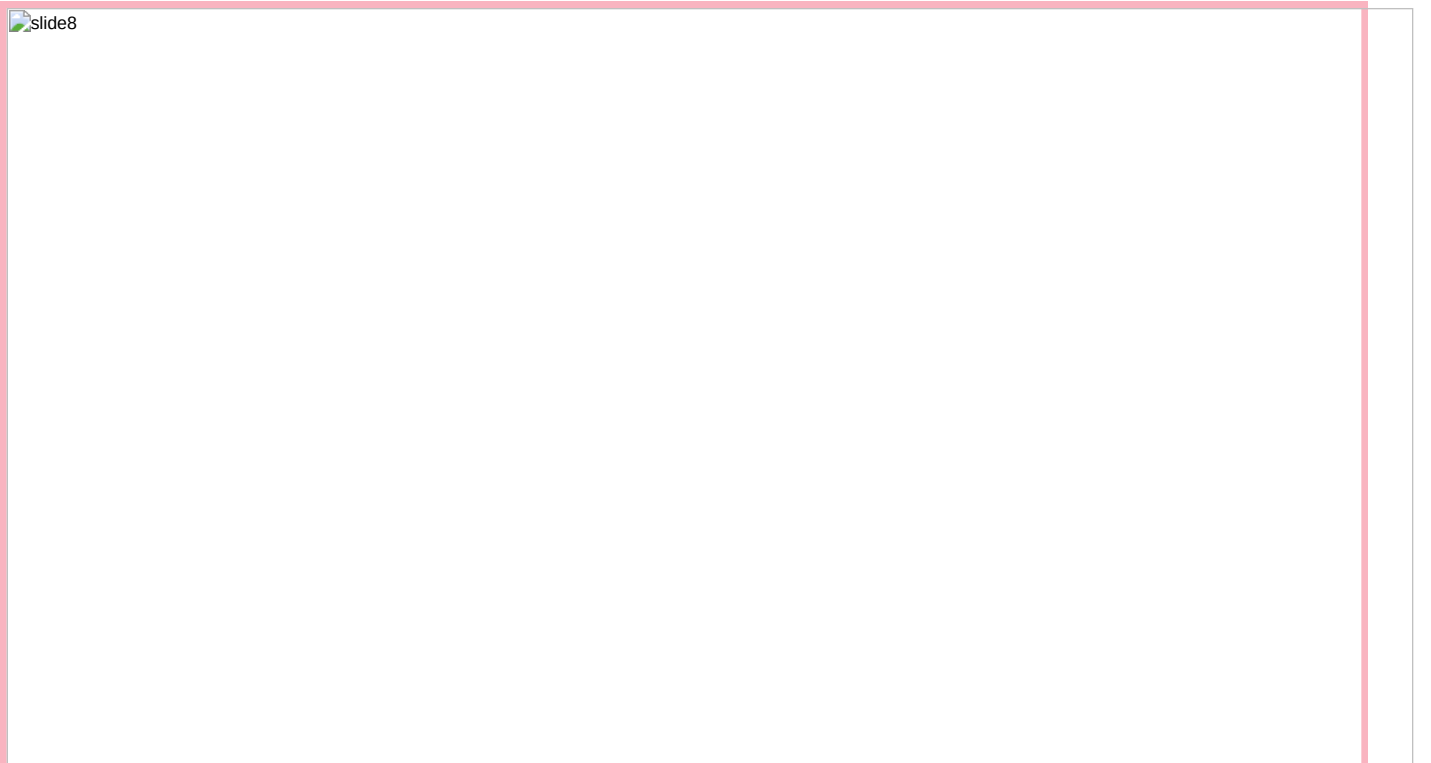


slide7





slide8





[Signature Page to Second LIBOR Transition Amendment] Error! Unknown document property name. DEUTSCHE BANK AG NEW YORK BRANCH, as a Lender By: Name: Title: By: Name: Title: Suzan Onal



slide9

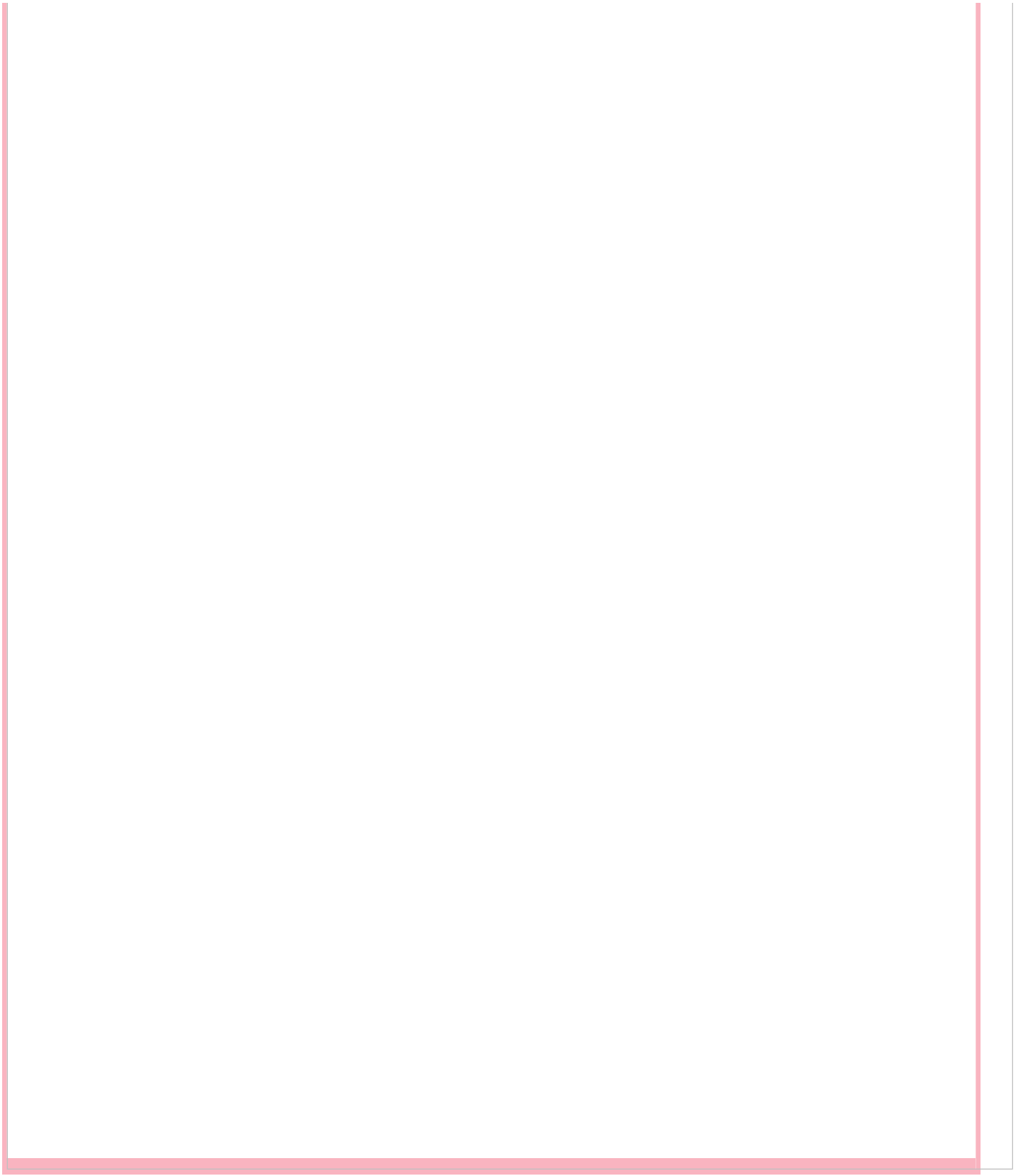


 slide10



[Signature Page to Second LIBOR Transition Amendment] Error! Unknown document property name. TRUIST BANK, as a Lender By: Name: Tesha Winslow Title: Director

 slide11





 slide13



Execution Version Conformed through Second LIBOR Transition Amendment Published CUSIP Number: 22164GAA8 CUSIP Number (Revolving Credit Facility): 22164GAB6 CREDIT AGREEMENT Dated as of March 6, 2020 among PRIMOR WATER CORPORATION, as Parent Borrower, COTT HOLDINGS INC. and EDEN SPRINGS NEDERLAND B.V., as Subsidiary Borrowers, BANK OF AMERICA, N.A., as Administrative Agent and Collateral Agent, THE LENDERS PARTY HERETO, AND BANK OF AMERICA, N.A., as Lead Arranger and Bookrunner KE 66614332.13 #96352060v15 #96352060v15

slide14

TABLE OF CONTENTS Page Article I Definitions and Accounting Terms 2 Section 1.01 Defined Terms 2 Section 1.02 Other Interpretive Provisions 73 Section 1.03 Accounting Terms 74 Section 1.04 Rounding 75 Section 1.05 References to Agreements, Laws, Etc. 75 Section 1.06 Times of Day 75 Section 1.07 Timing of Payment or Performance 7675 Section 1.08 Exchange Rates; Currency Equivalents Generally 7675 Section 1.09 Letter of Credit Amounts 78 Section 1.10 Limited Condition Transactions 78 Section 1.11 Leverage Ratios 8079 Section 1.12 Cashless Rolls 80 Section 1.13 Certain Calculations and Tests 80 Section 1.14 Additional Alternative Currencies 80 Section 1.15 Change of Currency 81 Section 1.16 Dutch Terms 82 Article II The Commitments and Credit Extensions 82 Section 2.01 The Loans 82 Section 2.02 Borrowings, Conversions and Continuation of Loans 82 Section 2.03 Letters of Credit 85 Section 2.04 Swing Line Loans 9697 Section 2.05 Prepayments 99100 Section 2.06 Termination or Reduction of Commitments 104105 Section 2.07 Repayment of Loans 105106 Section 2.08 Interest 105106 Section 2.09 Fees 106107 Section 2.10 Computation of Interest and Fees 106107 Section 2.11 Evidence of Indebtedness 106108 Section 2.12 Payments Generally 107108 Section 2.13 Sharing of Payments 110111 Section 2.14 Incremental Credit Extensions 110112 Section 2.15 Extensions of Term Loans and Revolving Credit Commitments 114115 Section 2.16 Defaulting Lenders 116118 Section 2.17 Permitted Debt Exchanges 118119 Section 2.18 Subsidiary Borrowers 122123 Article III Taxes, Increased Costs Protection and Illegality 123124 Section 3.01 Taxes 123124 Section 3.02 Inability to Determine Rates 127128 Section 3.03 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurocurrency Rate Loans 128, 133 ii #96352060v15 #96352060v15

slide15

Section 3.04 Funding Losses 129134 Section 3.05 Matters Applicable to All Requests for Compensation 130135 Section 3.06 Replacement of Lenders under Certain Circumstances 131136 Section 3.07 Illegality 133137 Section 3.08 Survival 133 Article IV Conditions Precedent to Credit Extensions 133138 Section 4.01 Conditions to Revolving Credit Facility 133138 Section 4.02 [Reserved] 136140 Section 4.03 Conditions to All Credit Extensions 136141 Article V Representations and Warranties 137141 Section 5.01 Existence, Qualification and Power; Compliance with Laws 137141 Section 5.02 Authorization; No Contravention 137142 Section 5.03 Governmental Authorization; Other Consents 137142 Section 5.04 Binding Effect 138142 Section 5.05 Financial Statements; No Material Adverse Effect 138142 Section 5.06 Litigation 138143 Section 5.07 Ownership of Property; Liens 138143 Section 5.08 Environmental Compliance 139143 Section 5.09 Taxes 139144 Section 5.10 Compliance with ERISA 139144 Section 5.11 Subsidiaries; Capital Stock 140145 Section 5.12 Margin Regulations; Investment Company Act 140145 Section 5.13 Disclosure 141145 Section 5.14 Intellectual Property; Licenses, Etc. 141145 Section 5.15 Solvency 141146 Section 5.16 Collateral Documents 141146 Section 5.17 Use of Proceeds 142146 Section 5.18 Patriot Act, etc. 142146 Section 5.19 Sanctioned Persons 142146 Section 5.20 FCPA 142147 Section 5.21 [Reserved] 142147 Section 5.22 No EEA Financial Institution 142147 Section 5.23 Beneficial Ownership 142147 Section 5.24 Centre of Main Interests and Establishments 143147 Article VI Affirmative Covenants 143147 Section 6.01 Financial Statements 143147 Section 6.02 Certificates; Other Information 144149 Section 6.03 Notices 146150 Section 6.04 Maintenance of Existence 146151 Section 6.05 Maintenance of Properties 146151 Section 6.06 Maintenance of Insurance 146151 Section 6.07 Compliance with Laws 147151 Section 6.08 Books and Records 147152 Section 6.09 Inspection Rights 147152 iii #96352060v15 #96352060v15

slide16

Section 6.10 Covenant to Guarantee Obligations and Give Security 148153 Section 6.11 Use of Proceeds 149154 Section 6.12 Further Assurances and Post-Closing Covenants 149154 Section 6.13 Designation of Subsidiaries 150154  
Section 6.14 Payment of Taxes 150155 Section 6.15 [Reserved] 150155 Section 6.16 Nature of Business 150155 Section 6.17 Fiscal Year 150155 Section 6.18 UK Pensions 151155 Section 6.19 [Reserved] 151156 Section 6.20 People  
with Significant Control Regime 151156 Article VII Negative Covenants 151156 Section 7.01 Liens 152156 Section 7.02 Investments 156161 Section 7.03 Indebtedness 160165 Section 7.04 Fundamental Changes 163168 Section 7.05  
Dispositions 165170 Section 7.06 Restricted Payments 168172 Section 7.07 Transactions with Affiliates 171175 Section 7.08 Consolidated Secured Leverage Ratio 172177 Section 7.09 Interest Coverage Ratio 173177 Section 7.10  
Amendments or Waivers of Organizational Documents and/or Subordinated Indebtedness Debt Documents 173177 Section 7.11 Restrictions on Subsidiaries' Distributions 173178 Article VIII Events of Default and Remedies 176180 Section  
8.01 Events of Default 176180 Section 8.02 Remedies Upon Event of Default 179183 Section 8.03 Exclusion of Immaterial Subsidiaries 179184 Section 8.04 Application of Funds 180184 Article IX Administrative Agent and Other Agents  
181186 Section 9.01 Appointment and Authorization of Agents 181186 Section 9.02 Delegation of Duties 182187 Section 9.03 Liability of Agents 183187 Section 9.04 Reliance by Agents 184188 Section 9.05 Notice of Default 185189  
Section 9.06 Credit Decision, Disclosure of Information by Agents 185189 Section 9.07 Indemnification of Agents 186190 Section 9.08 Agents in their Individual Capacities 186191 Section 9.09 Successor Agents 187191 Section 9.10  
Administrative Agent May File Proofs of Claim; Credit Bidding 188193 Section 9.11 Collateral and Guaranty Matters 190194 Section 9.12 Other Agents; Arrangers and Managers 192196 Section 9.13 Appointment of Supplemental  
Administrative Agents 192197 Section 9.14 Withholding Tax 193198 iv #96352060v15 #96352060v15

Slide17

Section 9.15 Cash Management Obligations; Secured Hedge Agreements 193198 Section 9.16 (Reserved) 194199 Section 9.17 Certain ERISA Matters 194199 Section 9.18 Appointment of Collateral Agent as security trustee for UK Security Agreements. 195200 Section 9.19 Parallel Debt Undertaking. 198203 Article X Miscellaneous 199204 Section 10.01 Amendments, Etc. 199204 Section 10.02 Notices and Other Communications; Facsimile Copies 202207 Section 10.03 No Waiver; Cumulative Remedies 205209 Section 10.04 Attorney Costs and Expenses 205209 Section 10.05 Indemnification by Parent Borrower 205210 Section 10.06 Payments Set Aside 207212 Section 10.07 Successors and Assigns 208212 Section 10.08 Confidentiality 216220 Section 10.09 Setoff 217221 Section 10.10 Counterparts 217222 Section 10.11 Integration 217222 Section 10.12 Survival of Representations and Warranties 218222 Section 10.13 Severability 218222 Section 10.14 GOVERNING LAW, JURISDICTION, SERVICE OF PROCESS 218223 Section 10.15 WAIVER OF RIGHT TO TRIAL BY JURY 219223 Section 10.16 Binding Effect 219224 Section 10.17 (Reserved) 219224 Section 10.18 Lender Action 219224 Section 10.19 USA PATRIOT Act, Canadian AML Legislation and UK "Know your customer" 220224 Section 10.20 Acceptable Intercreditor Agreements 221225 Section 10.21 Obligations Absolute 221226 Section 10.22 No Advisory or Fiduciary Responsibility 222226 Section 10.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions 222227 Section 10.24 Acknowledgement Regarding Any Supported OFCs 223227

slide18



CREDIT AGREEMENT This CREDIT AGREEMENT is entered into as of March 6, 2020 **October 24, 2023**, by and among Primo Water Corporation, **Financing One LLC**, as a corporation organized under the federal laws of Canada **Guarantor** (the "Parent Borrower" "**Guaranteeing Subsidiary**"), **Cott Primo Water Holdings Inc.**, a Delaware corporation ("CHI" or a "Subsidiary Borrower") and **Eden Springs Nederland B.V.**, a private limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Rotterdam, the Netherlands, registered with the Dutch Chamber of Commerce under number 27198876 ("Eden Springs" or a "Subsidiary Borrower" (the "**Issuer**"), certain Subsidiaries of Parent Borrower designated as Subsidiary Borrowers pursuant to Section 2.18 hereof (each a "Subsidiary Borrower" and, together with CHI, Eden Springs and Parent Borrower, the "Borrowers" and each individually a "Borrower"), Bank of America, N.A. ("Bank of America"), as Administrative Agent and Collateral Agent and each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"). PRELIMINARY STATEMENTS 1. Parent Borrower intends to repay the principal, accrued and unpaid interest, fees, premium, if any, and other amounts, under that certain Second Amended and Restated Credit Agreement, dated January 30, 2019, by and among Parent Borrower, the other loan parties party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent and as collateral agent, and the lenders from time to time party thereto (as amended by Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of February 7, 2020, by and among Parent Borrower, the other loan parties thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto and as otherwise amended, supplemented, waived or otherwise modified through the date hereof, the "Existing ABL Credit Agreement") and have all security interests and guarantees terminated and certain existing letters of credit issued by a lender under the Existing ABL Credit Agreement (or an Affiliate thereof) will be "rolled over" on the Closing Date (the "Revolver Refinancing"). 2. Parent Borrower has requested that the Lenders extend credit to the Borrowers in the form of Revolving Credit Commitments in an initial aggregate principal amount of \$350,000,000 (the "Initial Revolving Facility"). The Initial Revolving Facility may include one or more Letters of Credit from time to time. 3. The proceeds of Revolving Credit Loans and Letters of Credit will be used to consummate the Revolver Refinancing and for working capital and other general corporate purposes of Parent Borrower and its Subsidiaries, including Capital Expenditures and the financing of Permitted Acquisitions. 4. The applicable Lenders have indicated their willingness to lend, and the L/C Issuer has indicated its willingness to issue Letters of Credit, in each case, on the terms and subject to the conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows: 1 #96352060v15 #96352060v15

slide20



ARTICLE I DEFINITIONS AND ACCOUNTING TERMS Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below: "Acceptable Discount" has the meaning specified in Section 2.05(d)(iii). "2024 Notes" means the 5.50% Senior Notes due 2024 issued pursuant to an Indenture, dated as of June 30, 2016, by and among Cott Finance Corporation, which was combined with Primo Water Corporation by way of an amalgamation with Primo Water Corporation assuming all of Cott Finance Corporation's obligations under such notes as issuer, the guarantors party thereto from time to time, BNY Trust Company of Canada, as Canadian co-trustee (the "Canadian Trustee"), and The Bank of New York Mellon, as U.S. co-trustee (the "U.S. Trustee" and together with the Canadian Trustee, the "Trustees" and each, a "Trustee"), under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Issuer, each of the Guarantors, the Trustees and the Agent have heretofore executed and delivered an indenture dated as such indenture may be of October 22, 2020 (as amended, supplemented, waived or otherwise modified, from time to time. "2025 Notes" means the 5.50% "Indenture"), providing for the issuance of 3.875% Senior Notes due 2025 issued 2028 of the Issuer (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustees a supplemental indenture to which the Guaranteeing Subsidiary shall unconditionally guarantee, on a joint and several basis with the other Guarantors, all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the Indenture, the Issuer, any Guarantor and the Trustees are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Issuer and the Trustees mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

## ARTICLE II

### AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. The Guaranteeing Subsidiary agrees on a joint and several basis with all the existing Guarantors, to fully, unconditionally and irrevocably Guarantee to each Holder of the Notes and the Trustees and the Agent the Guaranteed Obligations pursuant to Article X of the Indenture on a senior basis.

## ARTICLE III

### MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Guarantor shall be given as provided in the Indenture to the Guarantor, with a copy to the Issuer as provided in the Indenture for notices to the Issuer.

KE 101654793.1

SECTION 3.2. Merger and Consolidation. The Guaranteeing Subsidiary shall not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into another Person (other than the Company, the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 4.1(g) of the Indenture.

SECTION 3.3. Release of Guarantee. This Guarantee shall only be released in accordance with Section 10.2 of the Indenture.

SECTION 3.4. Parties. Nothing expressed or mentioned herein is intended or shall be construed to give any Person, firm or corporation, other than the Holders, the Trustees and the Agent, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture or the Indenture or any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be governed by, and construed in accordance with, the laws of the State of New York.

SECTION 3.6. Severability. In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 3.7. Benefits Acknowledged. The Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall not be used to, and is not intended to, interpret any other indenture (other than the Indenture), supplemental indenture, loan or credit agreement of the Issuer, the Guarantors or any of the Company's Subsidiaries. Any such indenture, supplemental indenture, loan or credit agreement may not be used to interpret this Supplemental Indenture. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

SECTION 3.9. The Trustee and the Agent. Each of the Trustee and the Agent makes no representation or warranty as to the validity or sufficiency of this Supplemental Indenture or with respect to the recitals contained herein, all of which recitals are made solely by the other parties hereto.

SECTION 3.10. Counterparts. The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

SECTION 3.11. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of any such Guarantee.

SECTION 3.12. Headings. The headings of the Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

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

**PRIMO WATER HOLDINGS INC.**

By: /s/ Mike James  
Name: Mike James  
Title: Assistant Secretary

**PRIMO WATER FINANCING ONE LLC**

By: /s/ Mike James  
Name: Mike James  
Title: Assistant Secretary

**BNY TRUST COMPANY OF CANADA,**

as Canadian Trustee

By: /s/ Bhawna Dhayal  
Name: Bhawna Dhayal  
Title: Vice President

**THE BANK OF NEW YORK MELLON,**

as U.S. Trustee

By: /s/ Esther Antoine  
Name: Esther Antoine  
Title: Vice President

SUPPLEMENTAL INDENTURE, (this "Supplemental Indenture") dated as of March 22, 2017 October 24, 2023, by and among CHI, Primo Water Financing One LLC, as a Guarantor (the "Guaranteeing Subsidiary"), Primo Water Holdings Inc., a Delaware corporation (the "Issuer"), BNY Trust Company of Canada, as Canadian co-trustee (the "Canadian Trustee"), and The Bank of New York Mellon, as U.S. co-trustee (the "U.S. Trustee" and together with the Canadian Trustee, the "Trustees" and each, a "Trustee"), under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Issuer, each of the Guarantors, the Trustees and the Agent have heretofore executed and delivered an indenture dated as such indenture may be of April 30, 2021 (as amended, supplemented, waived or otherwise modified, from time to time. "Acceptable Discount" has the meaning specified in Section 2.05(d)(iii). "Acceptable

Intercreditor Agreement" means a customary intercreditor agreement, subordination agreement, collateral trust agreement or other intercreditor arrangement (which may, if applicable, consist of a payment waterfall) in form and substance reasonably acceptable to the Administrative Agent and Parent Borrower, which shall be deemed reasonably acceptable if (a) substantially in the form of the First Lien Intercreditor Agreement and/or Junior Lien Intercreditor Agreement or (b) it (or any material changes to any such agreement specified in clause (a) or previously entered into pursuant to clause (b)) is posted to the Platform and (i) is accepted by the Required Lenders or (ii) not otherwise objected to by the Required Lenders within 5 Business Days of being posted. "Acceptance Date" has the meaning specified in Section 2.05(d)(ii). "Accounting Changes" has the meaning specified in Section 1.03(d). "Acquired EBITDA" means, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable, all as determined on a consolidated basis for such Acquired Entity or Business or Converted Restricted Subsidiary, as applicable. "Acquired Entity or Business" has the meaning specified in the definition of the term "Consolidated EBITDA." "Indenture" "Additional Lender" has the meaning specified in Section 2.14(e). 2 #96352060v15 #96352060v15

---

 Slide21

"Additional Revolving Credit Commitment" has the meaning specified in Section 2.14(a). "Adjustment" has the meaning specified in the definition of "Eurocurrency Rate". "Administrative Agent" means, subject to Section 9.13, Bank of America, in its capacity as administrative agent under the Loan Documents, or any successor administrative agent appointed in accordance with Section 9.09. "Administrative Agent's Office" means, with respect to any currency, the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify Parent Borrower and the Lenders. "Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent. "Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution. "Affiliate" means, with respect to any Person, another Person, directly or indirectly, Controlling or Controlled by or under direct or indirect common Control with such specified Person. For the purposes of this definition, "Control" when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" have meanings correlative thereto. "Affiliated Lender" means Parent Borrower and its Subsidiaries. "Affiliate Transaction" has the meaning specified in Section 7.07. "After Year-End Transaction" has the meaning specified in Section 2.05(b)(i). "Agent Parties" has the meaning specified in Section 10.02(c). "Agent-Related Persons" means the Agents, together with their respective Affiliates and branches, and the partners, officers, directors, employees, agents, trustees, administrators, managers, advisors, other representatives and attorneys-in-fact and successors and permitted assigns of such Persons and Affiliates and branches. "Agents" means, collectively, the Administrative Agent, the Collateral Agent, and the Supplemental Administrative Agents (if any). "Aggregate Commitments" means the Commitments of all the Lenders. 3 #96352060v15 #96352060v15

slide22

"Aggregate Revolving Credit Commitments" means the Revolving Credit Commitments of all the Revolving Credit Lenders. The amount of the Aggregate Revolving Credit Commitments on the Closing Date is \$350,000,000. "Agreement" means this Credit Agreement. "Agreement Currency" has the meaning specified in Section 1.08(f). "Alternative Currency" means, with respect to Revolving Loans and Letters of Credit, EurosEuro, Canadian Dollars and Pounds Sterling and other currencies (other than Dollars) as may be added with the consent of all Revolving Credit Lenders in accordance with Section 1.14. "Alternative Currency Daily Rate" means, for any day, with respect to any extension of credit under the Credit Agreement denominated in Pounds Sterling, the rate per annum equal to SONIA determined pursuant to the definition thereof plus the SONIA Adjustment; provided, that, if any Alternative Currency Daily Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. Any change in an Alternative Currency Daily Rate shall be effective from and including the date of such change without further notice. "Alternative Currency Daily Rate Loan" means a Loan that bears interest at a rate based on the definition of "Alternative Currency Daily Rate." All Alternative Currency Daily Rate Loans must be denominated in an Alternative Currency. "Alternative Currency Equivalent" means, with respect to an amount denominated in any Alternative Currency, such amount, and with respect to an amount denominated in Dollars, the equivalent in such Alternative Currency of such amount determined by the Administrative Agent or the L/C Issuer, as the case may be, at the Exchange Rate on the applicable Valuation Date for the purchase of such Alternative Currency with Dollars. "Alternative Currency Loan" means an Alternative Currency Term Rate Loan, an Alternative Currency Daily Rate Loan or a Eurocurrency Rate Loan, as applicable. "Alternative Currency Rate" means the Alternative Currency Term Rate, the Alternative Currency Daily Rate or the Eurocurrency Rate. "Alternative Currency Term Rate" means, for any Interest Period, with respect to any extension of credit under the Credit Agreement denominated in Euro, the rate per annum equal to the Euro Interbank Offered Rate ("EURIBOR") as published on the applicable Reuters screen page (or such other commercially available source) such quotations as may be designated by the Administrative Agent from time to time) on the day that is two (2) TARGET Days (as defined in the Credit Agreement) preceding the first day of such Interest Period with a term equivalent to such Interest Period; provided, that, if any Alternative Currency Term Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. "Alternative Currency Term Rate Loan" means a Loan that bears interest at a rate based on the definition of "Alternative Currency Term Rate." All Alternative Currency Term Rate Loans must be denominated in an Alternative Currency. 4 #96352060v15 #96352060v15

slide23



5 #96352060v15 #96352060v15 "Anti-Corruption Laws" has the meaning specified in Section 5.20. "Applicable Currency" means Dollars or any Alternative Currency that bears interest at a rate based on LIBOR, as applicable. "Applicable Discount" has the meaning specified in Section 2.05(d)(iii). "Applicable Foreign Loan Party Documents" has the meaning specified in Section 5.22(a). "Applicable Lending Office" means for any Lender, such Lender's office, branch or affiliate Designated for Eurocurrency Rate Loans, Term SOFR Loans, Base Rate Loans, Alternative Currency Term Rate Loans, Alternative Currency Daily Rate Loans, LIC Advances or Letters of Credit, as applicable, as notified to the Administrative Agent, any of which offices may be changed by such Lender. "Applicable Percentage" means, at any time (a) with respect to any Lender with a Commitment of any Class, the percentage equal to a fraction the numerator of which is the amount of such Lender's Commitment of such Class at such time and the denominator of which is the aggregate amount of all Commitments of such Class of all Lenders (and with respect to any Letters of Credit issued or participations purchased therein by any Revolving Credit Lender, the percentage equal to a fraction the numerator of which is the amount of such Revolving Credit Lender's Revolving Credit Commitment at such time and the denominator of which is the Revolving Credit Commitments of all Revolving Credit Lenders) (provided that (i) in the case of Section 2.16 when a Defaulting Lender shall exist, "Applicable Percentage" with respect to any Revolving Credit Facility shall be determined by disregarding any Defaulting Lender's Revolving Credit Commitment under such Revolving Credit Facility and (ii) if the Revolving Credit Commitments under any Revolving Credit Facility have terminated or expired, the Applicable Percentages of the Lenders under such Revolving Credit Facility shall be determined based upon the Revolving Credit Commitments most recently in effect) and (b) with respect to the Loans of any Class, a percentage equal to a fraction the numerator of which is such Lender's Outstanding Amount of the Loans of such Class and the denominator of which is the aggregate Outstanding Amount of all Loans of such Class. "Applicable Rate" means a percentage per annum equal to: (A) until delivery of financial statements and a related Compliance Certificate for the first full fiscal quarter commencing after the Closing Date pursuant to Section 6.01, (A) for Eurocurrency Rate Loans that are Revolving Credit Loans, 1.50% (B) for Base Rate Loans that are Revolving Credit Loans, 0.50%, (C) for Letter of Credit fees pursuant to Section 2.03(g), 1.50% per annum and (D) for the Commitment Fee, 0.25% and (ii) thereafter, in connection with Revolving Credit Loans and Letter of Credit fees, the percentages per annum set forth in the table below, based upon the Consolidated Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a): Applicable Rate for Revolving Credit Loans Letter of Base RatePricing EurocurrencyConsolidated Total

 slide24

#96352060v15 #96352060v15 0.25% 1.75% I 0.75% Commitment Fees 1.75% > 4.50:1.00 III 0.30% < 3.50:1.00 and > 2.50:1.00 Credit Fees 0.25% 2.00% 1.50% Level 0.50% 1.00% 1.50% for Revolving Credit Loans 2.00% IV < 2.50:1.00 0.20% Rate, Term SOFR or Alternative Currency Rate for Revolving Credit Loans 1.375% II 0.375% Leverage Ratio 1.375% < 4.50:1.00 and > 3.50:1.00 Any increase or decrease in the Applicable Rate pursuant to clause (a) above



resulting from a change in the Consolidated Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided that, if a Compliance Certificate is not delivered within the time frame set forth in Section 6.02(a), the Applicable Rate set forth in "Pricing Level 1," in the applicable table, shall apply commencing with the first Business Day immediately following such date and continuing until the first Business Day immediately following the delivery of such Compliance Certificate. Notwithstanding the foregoing, the Applicable Rate in respect of any Class of Additional Revolving Credit Commitments or Extended Revolving Credit Commitments and any Incremental Term Loans, Extended Term Loans or Revolving Credit Loans made pursuant to any Additional Revolving Credit Commitments or Extended Revolving Credit Commitments shall be the applicable percentages per annum set forth in the relevant Incremental Facility Amendment or Extension Offer. In the event that any financial statements or Compliance Certificate delivered pursuant to Section 6.01 are, or are shown to be, inaccurate and such inaccuracy, if corrected, would have led to a higher Applicable Rate for any period (an "Applicable Period") than the Applicable Rate applied for such Applicable Period, then (i) Parent Borrower shall promptly (and in no event later than five (5) Business Days thereafter) deliver to the Administrative Agent a correct Compliance Certificate for such Applicable Period, (ii) the Applicable Rate shall be determined by reference to the corrected Compliance Certificate and (iii) Parent Borrower shall pay to the Administrative Agent promptly upon demand (and in no event later than five (5) Business Days after such Compliance Certificate was required to be delivered) any additional interest or Letter of Credit fee owing as a result of such increased Applicable Rate for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with the terms hereof. Nothing contained in this paragraph shall in any way limit the rights of the Administrative Agent or the Lenders with respect to Sections 2.08(b) and 8.01, provided, that any underpayment due to change in Applicable Rate shall not in itself constitute a Default or

slide25

Event of Default under Section 8.01 so long as such additional interest or fees are paid within the time period set forth above. "Applicable Reference Rate" means, for any Eurocurrency Rate Loan denominated in any LIBOR Quoted Currency, LIBOR Term SOFR Loan, Term SOFR; for any Eurocurrency Rate Loan denominated in Canadian Dollars, the CDOR Rate; for any Alternative Currency Daily Rate Loans, SONIA; for any Alternative Currency Term Rate Loans, EURIBOR and for any Eurocurrency Rate Loan denominated in an Alternative Currency that is not a LIBOR Quoted Currency Canadian Dollars, as described in clause (i)(iii) in the definition of "Eurocurrency Rate". "Applicable Time" means, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency, as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be necessary for timely settlement on the relevant date of borrowing or payment, as applicable, in accordance with normal banking procedures in the place of payment. "Applicant Borrower" has the meaning specified in Section 2.18(a). "Appropriate Lender" means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to any Letters of Credit, (i) the relevant L/C Issuer and (ii) the Revolving Credit Lenders and (c) with respect to any Swing Line Loans, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders. "Approved Currency" means Dollars and any Alternative Currency. "Approved Fund" means, with respect to any Lender, any Fund that is administered, advised or managed by (a) such Lender, (b) an Affiliate of such Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages such Lender. "Arranger" means the Lead Arranger. "Assignees" has the meaning specified in Section 10.07(b). "Assignment and Assumption" means (a) an Assignment and Assumption substantially in the form of Exhibit A and (b) in the case of any assignment of Term Loans in connection with a Permitted Debt Exchange conducted in accordance with Section 2.17, such form of assignment (if any) as may have been requested by the Administrative Agent in accordance with Section 2.17(a)(vii) or, in each case, any other form (including electronic documentation generated by Clearpar® or other electronic platform) approved by the Administrative Agent. "Associate" means (a) any Person engaged in a Similar Business of which Parent Borrower or its Restricted Subsidiaries are the legal and beneficial owners of between 20.0% and 50.0% of all outstanding Voting Stock or (b) any joint venture entered into by Parent Borrower or any Restricted Subsidiary of Parent Borrower. 7 #96352060v15 #96352060v15

slide26

"Attorney Costs" means and includes all reasonable and documented fees, expenses and disbursements of any law firm or other external legal counsel. "Audited Financial Statements" means the audited consolidated balance sheets of Parent Borrower and its Restricted Subsidiaries for the fiscal years ended December 28, 2017, December 28, 2018 and December 28, 2019. "Auto-Extension Letter of Credit" has the meaning specified in Section 2.03(b)(iii). "Availability Period" means the period from the Closing Date to but excluding the earlier of the Maturity Date for the Revolving Credit Facility and the date of termination of the Revolving Credit Commitments under the Revolving Credit Facility in accordance with the provisions of this Agreement. "Available Amount" means, at any time, without duplication, an amount (which shall not be less than zero) equal to the sum of: (a) 50% of Consolidated Net Income of Parent Borrower for the period (taken as one accounting period) beginning on October 1, 2001 to the end of Parent Borrower's most recently ended fiscal quarter for which internal financial statements are available (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit) at such time (the amount under this clause (a), the "Growth Amount"); provided that the Growth Amount shall not be less than zero; plus (b) 100% of the aggregate amount of Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by Parent Borrower from the issuance or sale of its Capital Stock (other than Disqualified Stock), including in connection with a merger or consolidation with another person, subsequent to December 12, 2014 or otherwise contributed to the equity (other than through the issuance of Disqualified Stock) of Parent Borrower subsequent to December 12, 2014 (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock pursuant to an incentive plan established by Parent Borrower or any Subsidiary of Parent Borrower for the benefit of its employees to the extent funded by Parent Borrower or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on Section 7.06(f) and (z) Excluded Contributions); plus (c) 100% of the aggregate amount of Net Cash Proceeds, and the fair market value of property or assets or marketable securities, received by Parent Borrower or any Restricted Subsidiary from the issuance or sale (other than to Parent Borrower or a Restricted Subsidiary of Parent Borrower or an employee stock ownership plan or trust established by Parent Borrower or any Subsidiary of Parent Borrower for the benefit of their employees to the extent funded by Parent Borrower or any Restricted Subsidiary) by Parent Borrower or any Restricted Subsidiary subsequent to the Closing Date of any Indebtedness or Disqualified Stock that has been converted into or exchanged for Capital Stock of Parent Borrower (other than Disqualified Stock) plus, without duplication, the amount of any cash, and the fair market value of property or 8 #96352060v15 #96352060v15

slide27

assets or marketable securities, received by Parent Borrower or any Restricted Subsidiary upon such conversion or exchange; plus (d) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by Parent Borrower, of marketable securities or other property received by means of: (i) the sale or other disposition (other than to Parent Borrower or a Restricted Subsidiary) of Investments not permitted under Section 7.02 made by Parent Borrower or its Restricted Subsidiaries and repurchases and redemptions of such Investments not permitted under Section 7.02 from Parent Borrower or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Investments not permitted under Section 7.02 by Parent Borrower or its Restricted Subsidiaries, in each case after the Closing Date; or (ii) the sale (other than to Parent Borrower or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a distribution from an Unrestricted Subsidiary (other than in each case to the extent of the amount of the Investment that constituted a Permitted Investment) or a dividend from an Unrestricted Subsidiary after the Closing Date; plus (e) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger or consolidation of an Unrestricted Subsidiary into Parent Borrower or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to Parent Borrower or a Restricted Subsidiary after the Closing Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith of Parent Borrower at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger or consolidation or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged or consolidated or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a Permitted Investment. "Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution. "Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings). "Bank of America" has the meaning specified in the Recitals hereto. "Bankruptcy Code" means Title 11 of the United States Code, as amended. "Base Rate" means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to the highest of: 9 #96352060v15 #96352060v15

slide28

(a) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate"; (b)  $\frac{1}{2}$  of 1.00% per annum above the Federal Funds Rate; and (c) the Eurocurrency Rate for Dollar deposits for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%; provided that, for the avoidance of doubt, the Eurocurrency Rate for any day shall be based on the LIBOR

Screen Rate at approximately 11:00 a.m. London time on such day (without any rounding). Term SOFR plus 1.00%; If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.02 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. Notwithstanding anything else herein, if the Base Rate as so determined would otherwise be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. "Base Rate Loan" means a Loan that bears interest at a rate based on the Base Rate. All Base Rate Loans shall be denominated in Dollars. "Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation. "Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230. "Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan". "BHC Act Affiliate" has the meaning specified in Section 10.24(b)(i). "Board of Directors" means (a) with respect to Parent Borrower or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof, (b) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof, (c) with respect to a limited liability company, the managing member or members or any duly authorized controlling committee thereof, and (d) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, 10 #96352060v15 #96352060v15

slide29

unless the context otherwise requires, such Board of Directors is of Parent Borrower and such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). "Bona Fide Lending Affiliate" means, with respect to any Competitor, any debt fund, investment vehicle, regulated bank entity or unregulated lending entity (in each case, other than a Person separately identified to the Arranger in writing on or prior to the Closing Date) that is (a) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business and (b) managed, sponsored or advised by any Person that is controlling, controlled by or under common control with such Competitor or Affiliate thereof, as applicable, but only to the extent that no personnel involved with the investment in such Competitor or affiliate thereof, as applicable, (i) makes (or has the right to make or participate with others in making) investment decisions on behalf of such debt fund, investment vehicle, regulated bank entity or unregulated lending entity or (ii) has access to any information (other than information that is publicly available) relating to Parent Borrower or any entity that forms a part of its businesses (including any of its Subsidiaries or Parent Borrower entities). "Borrowing" means Loans of the same Class, Type and currency, made, converted or continued on the same date and, in the case of Eurocurrency Rate Loans, Term SOFR Loans or Alternative Currency Term Rate Loans, as to which a single Interest Period is in effect. "Borrowing Minimum" means (a) with respect to Eurocurrency Rate Loans and Term SOFR Loans, \$1,000,000 and (b) with respect to Base Rate Loans, \$100,000. "Borrowing Multiple" means \$100,000. "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in the state where the Administrative Agent's Office with respect to Obligations denominated in Dollars is located are authorized or required by law to remain closed, or are in fact closed, and: (a) if such day relates to any interest rate settings as to a Eurocurrency Rate or Alternative Currency Loan denominated in DollarsEuro, any fundings, disbursements, settlements and payments in DollarsEuro in respect of any such Eurocurrency Rate or Alternative Currency Loan, or any other dealings in DollarsEuro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate or Alternative Currency Loan, means any such day a Business Day that is also a London Banking TARGET Day; (b) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means a TARGET Day; (c) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in 11

slide30

Deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market, for such currency; and (c) if such day relates to any interest rate settings as to an Alternative Currency Loan denominated in Pounds Sterling, means a day other than a day banks are closed for general business in London because such day is a Saturday, Sunday or a legal holiday under the laws of the United Kingdom; and (d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Rate Loan denominated in a currency other than Dollars, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency. "Canadian AML Legislation" has the meaning specified in Section 10.19(b). "Canadian Dollars" means the lawful money of Canada. "Canadian Pledge Agreement" means the Ontario law governed pledge agreement dated as of the Closing Date by and between Parent Borrower and the Collateral Agent. "Canadian Tax Act" means the Income Tax Act (Canada), as amended. "Capital Expenditures" means, for any period, the aggregate of, without duplication, (a) all expenditures (whether paid in cash or accrued as liabilities and including Capitalized Research and Development Costs and Capitalized Software Expenditures) by Parent Borrower and its Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as additions during such period to property, plant or equipment reflected in the consolidated balance sheets of Parent Borrower and its Restricted Subsidiaries and (b) Capitalized Lease Obligations incurred by Parent Borrower and its Restricted Subsidiaries during such period. "Capital Stock" of any Person means any and all shares of, rights to purchase, warrants, options or depositary receipts for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity. "Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty. "Capitalized Research and Development Costs" means research and development costs that are required to be, in accordance with GAAP, capitalized. 12

#96352060v15 #96352060v15

slide31



"Capitalized Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of a Person and its Restricted Subsidiaries. "Carbon Netherlands" means Carbon Netherlands B.V., a private limited liability company incorporated in the Netherlands, having its corporate seat in Zoetermeer, the Netherlands, registered with the Dutch Chamber of Commerce under number 76764702. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support. "Cash Collateral Account" means a deposit account at a commercial bank selected by the Administrative Agent in the name of the Administrative Agent and under the sole dominion and control of the Administrative Agent, and otherwise established in a manner reasonably satisfactory to the Administrative Agent. "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent or any L/C Issuer or the Swing Line Lender (as applicable) and the Revolving Credit Lenders, as collateral for L/C Obligations, Obligations in respect of Swing Line Loans or obligations of Revolving Credit Lenders to fund participations in respect thereof, cash or deposit account balances denominated, in the case of collateral for L/C Obligations, in the Approved Currency in which the applicable Letter of Credit was issued, or, if the applicable L/C Issuer or the Swing Line Lender benefitting from such collateral agrees in its reasonable discretion, other credit support (including by backstopping with other letters of credit), in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent, (b) the applicable L/C Issuer or the Swing Line Lender and (c) Parent Borrower (which documents are hereby consented to by the Lenders). "Cash Equivalents" means any of the following types of investments, to the extent owned by Parent Borrower or any Restricted Subsidiary: (a) (i) Dollars, Israeli shekel, Canadian Dollars, EurosEuro, Swiss Franc, British Pounds or any national currency of any member state of the European Union, or (ii) any other foreign currency held by Parent Borrower and the Restricted Subsidiaries in the ordinary course of business or consistent with past practices; (b) securities issued or directly and fully Guaranteed or insured by the United States, Canadian, Swiss or United Kingdom governments, a member state of the European Union or, in each case, any agency or instrumentality thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition; (c) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances with maturities of one year or less from the date of acquisition thereof issued by (i) any lender affiliate thereof or (ii) by any bank or trust company 13

#96352060v15 #96352060v15

slide32



(A) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (B) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of \$100,000,000; (d) repurchase obligations for underlying securities of the types described in clauses (b) and (c) of this definition entered into with any Person referenced in clause (c) above; (e) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Person referenced in clause (c); (f) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (c) above (or by the parent company thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by a corporation rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper or variable or fixed rate notes, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case with maturities within twenty-four (24) months after the date of creation or acquisition thereof; (g) readily marketable direct obligations issued by any state, province, commonwealth or territory of the United States of America, Canada, Switzerland, the United Kingdom, any member of the European Union as of the Closing Date, any other foreign government, or any political subdivision or taxing authority thereof, in each case, having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of twenty-four (24) months or less from the date of acquisition; (h) Indebtedness or preferred stock issued by Persons with a one of the three highest ratings from S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition; (i) bills of exchange issued in the United States, Canada or any province of Canada, Switzerland, the United Kingdom, a member state of the European Union or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); (j) interests in any investment company, money market or enhanced high yield fund investing at least 90% of its assets in instruments of the type specified in clauses (a) through (i) above; (k) instruments and investments of the type and maturity described in clause (i) through (j) above denominated in any foreign currency or of foreign obligors, which 14 #96352060v15 #96352060v15

slide33

investments or obligors are, in the reasonable judgment of Parent Borrower, comparable in investment quality to those referred to above; and (i) solely with respect to any Restricted Subsidiary that is a Foreign Subsidiary, investments of comparable tenor and credit quality to those described in the foregoing clauses (b) through (k) customarily utilized in countries in which such Foreign Subsidiary operates for short term cash management purposes. Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than set forth in clause (i) above; provided that such amounts are converted into currencies listed in clause (i) within 10 Business Days following receipt of such amounts. "Cash Management Agreement" means any agreement to provide Cash Management Services. "Cash Management Bank" means any Person that, is a Lender, an Arranger, an Agent or an Affiliate or branch of a Lender, Arranger, or an Agent (x) on the Closing Date, with respect to Cash Management Agreements existing on the Closing Date or (y) at the time it enters into a Cash Management Agreement, in each case, in its capacity as a party to such Cash Management Agreement (regardless of whether such Person subsequently ceases to be a Lender, Arranger or Agent or an Affiliate or branch of the foregoing). "Cash Management Obligations" means the obligations owed by Parent Borrower or any of its Restricted Subsidiaries to any Cash Management Bank under any Cash Management Agreement entered into by and between Parent Borrower or any of its Restricted Subsidiaries and any Cash Management Bank. "Cash Management Services" means any of the following: ACH transactions, treasury and/or cash management services, including, without limitation, controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements in the ordinary course of business or consistent with past practice. "Casualty Event" means any event that gives rise to the receipt by Parent Borrower or any Restricted Subsidiary of any insurance proceeds or condemnation or expropriation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property. "CDOR Rate" means, with respect to each day during an Interest Period pertaining to a Loan denominated in Canadian Dollars, the interest rate per annum which is the rate based on the average rate applicable to Canadian Dollar bankers' acceptances, for a term comparable to such Interest Period, appearing on the applicable Bloomberg screen page at approximately 10:00 a.m. (Toronto, Ontario time) on the first day of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as reasonably determined by the Administrative Agent), or if such date is not a Business Day, then on the immediately preceding Business Day, provided, that to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice. 15

#96352060v15 #96352060v15

slide34

provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent, in consultation with Parent Borrower, provided further that, in no event shall the CDOR Rate be less than 0.00%. "CFC" means a "controlled foreign corporation" within the meaning of Section 957 of the Code. "Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority, provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or CRD IV, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted, issued or implemented. "Change of Control" means (i) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as such term is used in Sections 13(d)(3) of the Exchange Act), becomes the "beneficial owner" (as defined in Rules 13(d)-3 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the total voting power of all shares of the capital stock of Parent Borrower entitled to vote generally in elections of directors, (ii) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Parent Borrower and its Restricted Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act); or (iii) a "Change of Control" (howsoever described) shall occur under the Existing Notes or any Permitted Refinancing thereof. "Charged Company" has the meaning specified in Section 4.01(a)(x). "CHI" has the meaning specified in the Recitals hereto. "Class" (a) when used with respect to Lenders, refers to whether such Lenders hold a particular Class of Commitments or Loans, (b) when used with respect to Commitments, refers to whether such Commitments are Revolving Credit Commitments, Extended Revolving Credit Commitments that are designated as an additional Class of Commitments, Additional Revolving Credit Commitments that are designated as an additional Class of Commitments or commitments in respect of any Incremental Term Loans and (c) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Revolving Credit Loans, Extended Term Loans that are designated as an additional Class of 16 #96352060v15 #96352060v15

Slide35

Term Loans, Incremental Term Loans and any Loans made pursuant to any other Class of Commitments. "Closing Date" means the date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01. "CME" means CME Group Benchmark Administration Limited. "Code" means the U.S. Internal Revenue Code of 1986, as amended. "Collateral" means all the "Collateral" (or similar term) as defined in the Collateral Documents and all other property of whatever kind and nature pledged, charged or in which a Lien is granted or purported to be granted under this Agreement or any Collateral Document, provided that, "Collateral" shall not include any Excluded Property. "Collateral Agent" means Bank of America, in its capacity as collateral agent and/or security trustee under any of the Loan Documents, or any successor collateral agent and/or security trustee appointed in accordance with Section 9.09. "Collateral and Guarantee Requirement" means, at any time, the requirement that: (a) the Collateral Agent shall have received each Collateral Document required to be delivered on the Closing Date pursuant to Section 4.01(a) or any time after the Closing Date pursuant to Section 6.10 or Section 6.12 duly executed by each Loan Party that is a party thereto; (b) all Obligations (other than, with respect to each Borrower, its own Obligations) shall have been unconditionally guaranteed (the "Guarantees"), jointly and severally, by (i) Parent Borrower and each Restricted Subsidiary of Parent Borrower (other than any Excluded Subsidiary) including as of the Closing Date those that are listed on Schedule 1.01A hereto and (ii) Carbon Netherlands (each, a "Guarantor"); (c) (i) the Obligations and the Guarantees shall have been secured pursuant to the Security Agreements or other applicable Collateral Document by a first-priority security interest in (x) all Capital Stock (other than Excluded Equity) that is held directly by any U.S. Loan Party and (y) all Capital Stock of Loan Parties (other than (i) Capital Stock of Parent Borrower or (ii) Excluded Equity) that is held directly by Parent Borrower or any other Foreign Loan Party, in each case, subject to no Liens other than Permitted Liens and the Collateral Agent shall have received, to the extent the relevant Capital Stock is certificated, certificates or other instruments representing all such Capital Stock, together with undated stock powers, stock transfer forms or other instruments of transfer with respect thereto endorsed in blank and (ii) all indebtedness owing to any U.S. Loan Party that is evidenced by a promissory note or other instrument with an individual outstanding principal amount in excess of \$20,000,000 shall have been delivered to the Collateral Agent pursuant to the U.S. Security Agreement or other applicable Collateral Documents (provided that any promissory notes issued to employees, officers and directors of any of Parent Borrower and its Restricted Subsidiaries shall not be required to be delivered) together with undated instruments of transfer with respect thereto endorsed in blank; and all 17 #96352060v15 #96352060v15



intercompany loans shall have been pledged to the Collateral Agent pursuant to the U.S. Security Agreement or other applicable Collateral Documents; (d) except to the extent otherwise provided hereunder or under any Collateral Document, the Obligations and the Guarantees shall have been secured by a perfected security interest in substantially all tangible and intangible assets of CHI and each Subsidiary Guarantor that is a U.S. Loan Party (including, without limitation, accounts receivable, inventory, equipment, investment property, United States intellectual property, intercompany receivables, other general intangibles (including contract rights) and proceeds of the foregoing), in each case, to the extent, and with the priority, required by the Collateral Documents, and other than Excluded Property; (e) none of the Collateral shall be subject to any Liens other than Permitted Liens; (f) no Loan Party (other than a U.S. Loan Party) shall be required to grant a Lien on any of its assets or property other than a Lien granted pursuant to Section 2.03(f) of this Agreement or to the extent required under clause (c)(i) above; and (g) except as otherwise contemplated by this Agreement or any Collateral Document, all certificates, agreements, documents and instruments, including Uniform Commercial Code financing statements and filings with the United States Patent and Trademark Office and United States Copyright Office, required by the Collateral Documents or applicable Law to create the Liens on the Collateral intended to be created by the Collateral Documents and perfect such Liens to the extent required by, and with the priority required by, the Collateral Documents and the other provisions of the term "Collateral and Guarantee Requirement," shall have been filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording. The foregoing definition shall not require the creation or perfection of pledges or security interests in particular assets if and for so long as the Administrative Agent and Parent Borrower agree in writing that the cost of creating or perfecting such pledges or security interests in such assets shall be excessive in view of the benefits to be obtained by the Lenders therefrom. The Administrative Agent may grant extensions of time for the perfection of security interests in particular assets (including extensions beyond the Closing Date for the perfection of security interests in the assets of the Loan Parties on such date) required by the Collateral and Guarantee Requirement where it reasonably determines, in consultation with Parent Borrower, that perfection cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents. Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, (A) Liens required to be granted from time to time pursuant to the Collateral and Guarantee Requirement shall be subject to exceptions and limitations set forth in this Agreement and the Collateral Documents and, to the extent appropriate in the applicable jurisdiction, as agreed between the Administrative Agent and Parent Borrower; 18 #96352060v15 #96352060v15





(B) the Collateral and Guarantee Requirement shall not apply to any Excluded Property; (C) no deposit account control agreement, securities account control agreement or other control agreements or control arrangements shall be required with respect to any deposit account, securities account or other asset specifically requiring perfection through control agreements; (D) with respect to the U.S. Loan Parties, no actions or filings in any jurisdiction other than the United States shall be required in order to create any security interests in IP Rights registered or applied-for in jurisdictions other than the United States, or to perfect or record such security interests, and no Loan Parties shall be required to reimburse any Lender for such actions or filings outside of the United States; (E) with respect to the U.S. Loan Parties, no actions or filings in any jurisdiction other than the United States that are required by the Laws of any jurisdiction other than the United States shall be required in order to create any security interests in assets located, titled, registered or filed outside of the United States, or to perfect or record such security interests (it being understood that there shall be no security agreements, pledge agreements, or share charge (or mortgage) agreements governed under the laws of any jurisdiction other than the United States with respect to U.S. Loan Parties), and no Loan Parties shall be required to reimburse any Lender for such actions or filings outside of the United States; (F) no stock certificates evidencing Excluded Equity shall be required to be delivered to the Collateral Agent; and (G) unless otherwise agreed by Parent Borrower and the Administrative Agent or required by applicable Law in order to perfect such security interests, with respect to security interests over Capital Stock (x) held directly by any U.S. Loan Party, such security interests shall be granted pursuant to the U.S. Security Agreement and (y) of any Loan Party (other than Parent Borrower) held directly by any Foreign Loan Party, such security interests shall be governed by the law of the place of incorporation of such Loan Party. "Collateral Documents" means, collectively, the Security Agreements, each of the collateral assignments, U.S. Security Agreement Supplements, security agreements, intellectual property security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent or the Collateral Agent pursuant to Section 4.01, Section 6.10 or Section 6.12, and each of the other agreements, instruments or documents that creates or purports to create a Lien or Guarantee in favor of the Collateral Agent for the benefit of the Secured Parties. "Commitment" means a Revolving Credit Commitment, an Extended Revolving Credit Commitment, an Incremental Revolving Credit Commitment, a Refinancing Revolving Credit Commitment, a commitment in respect of any Incremental Term Loans, or a commitment in respect of any Extended Term Loans or any combination thereof, as the context may require. "Commitment Fee" has the meaning provided in Section 2.09(a). 19 #96352060v15 #96352060v15

slide38

"Committed Loan Notice" means a notice of (a) a Term Borrowing, (b) a Revolving Credit Borrowing, (c) a conversion of Loans from one Type to the other, or (d) a continuation of Term SOFR Loans, Eurocurrency Rate Loans or Alternative Currency Term Rate Loans pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit B or-1 or, if in connection with a Borrowing or a continuation of Alternative Currency Loans, Exhibit B-2 or, in any case, such other form as may be reasonably approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of Parent Borrower. "Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute. "Compensation Period" has the meaning specified in Section 2.12(c)(i). "Competitor" means a competitor of Parent Borrower or any of its Subsidiaries. "Compliance Certificate" means a certificate substantially in the form of Exhibit C. "Conforming Changes" means, with respect to the use, administration of or any conventions associated with SOFR, Term SOFR, SONIA, EURIBOR or any proposed Successor Rate for any currency, any conforming changes to the definitions of "Base Rate", "SOFR", "Term SOFR", "SONIA", "EURIBOR" and "Interest Period", timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definition of "Business Day" and "U.S. Governmental Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice for such currency (or, if the Administrative Agent determine that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate for such currency exists, in such other manner of administration as the Administrative Agent determine is reasonably necessary in connection with the administration of this Agreement and any other Loan Document in consultation with the Parent Borrower). "Consolidated Cash Interest Expense" means, with respect to any Person for any period, without duplication: (a) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, which shall be determined on a cash basis only and solely in respect of the type of Indebtedness described in the definition of Consolidated Total Indebtedness (including the interest component of Capitalized Lease Obligations, but excluding (i) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances or any similar facilities or any financing agreements or any hedging agreements or derivative instruments, (iii) non-cash interest 20 #96352060v15 #96352060v15

slide39

payments (including any non-cash interest expense attributable to the movement in the mark to market valuation of any Swap Contract or other derivative instruments pursuant to GAAP), (iv) penalties and interest relating to Taxes, (v) accretion or accrual of discounted liabilities other than Indebtedness, (vi) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with any acquisition, (vii) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses and original issue discount with respect to the Indebtedness borrowed under this Agreement, (viii) any expensing of bridge, commitment, structuring, arrangement and any other financing fees, (ix) non-cash interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP, (x) any one-time cash costs associated with obtaining Swap Contracts for interest rates or breakage in respect of Swap Contracts for interest rates, (xi) any payments with respect to make-whole premiums or other breakage costs of any Indebtedness and (xii) all non-recurring interest expense consisting of liquidated damages for failure to comply with any registration rights obligations; less (b) cash interest income for such period. "Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including amortization of deferred financing fees of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP. "Consolidated EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period: (a) increased (without duplication) by the following: (i) provision for Taxes based on income or profits, revenue or capital, including, without limitation, federal, state, provincial, territorial, local, foreign, unitary, excise, property, franchise and similar Taxes and foreign withholding and similar Taxes (including penalties and interest (including any additions to such Taxes and any penalties and interest with respect thereto)) of such Person paid or accrued during such period deducted (and not added back) in computing Consolidated Net Income; plus (ii) consolidated interest expense of such Person for such period (including (x) net losses under any Swap Contracts or other derivative instruments entered into for the purpose of hedging interest rate, currency or commodities risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities), plus amounts excluded from the definition of "Consolidated Interest Expense" pursuant to clauses (iii), (iv) and (v) of clause (a) thereof, to the extent the same were deducted (and not added back) in calculating such Consolidated Net Income; plus 21 #96352060v15 #96352060v15



(iii) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent the same were deducted (and not added back) in computing Consolidated Net Income, plus (iv) any fees, costs, expenses or charges (other than depreciation or amortization expense) related to any actual, proposed or contemplated issuance or registration (actual or proposed) of an Equity Offering, any Investment, acquisition, disposition, recapitalization, Restricted Payment or the incurrence or registration (actual or proposed) of Indebtedness (including a refinancing thereof) (in each case, whether or not successful or consummated), including (i) such fees, expenses or charges (including rating agency fees and related expenses) related to this Agreement, the Existing Notes or any other Indebtedness, and (ii) any amendment or other modification of this Agreement, the Existing Notes or any other Indebtedness, in each case, whether or not consummated, deducted (and not added back) in computing Consolidated Net Income, plus (v) the amount of any restructuring charge, accrual or reserve (and adjustment to existing reserves), integration cost, or other business optimization expense or cost (including charges directly related to implementation of cost-savings initiatives), that is deducted (and not added back) in such period in computing Consolidated Net Income including, without limitation, those related to severance, retention, signing bonuses, relocation, recruiting and other employee related costs, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), systems development and establishment costs, future lease commitments and costs related to the opening and closure and/or consolidation of facilities and to existing lines of business and consulting fees incurred with any of the foregoing, plus (vi) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including any impairment charges or the impact of purchase accounting (excluding any such non-cash charge, write-down or item to the extent it represents an accrual or reserve for a cash expenditure for a future period) or other items classified by Parent Borrower as special items less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period), plus (vii) the amount of cost savings (including, without limitation, for the avoidance of doubt, cost savings with respect to salary, benefit and other direct savings resulting from workforce reductions and facility, benefit and insurance savings), operating expense reductions, other operating improvements and initiatives and synergies projected by Parent Borrower in good faith to be reasonably anticipated to be realizable in connection with any Specified Transaction (calculated on a Pro Forma Basis as though such cost savings had been realized on the first day of such period), net of the amount of actual benefits realized or expected to be realized prior to or during such period from such 22 #96352060v15 #96352060v15

slide41

actions; provided that (x) such cost savings are reasonably identifiable and factually supportable and (y) such actions have been taken or expected to be taken within 18 months of such Specified Transaction and (z) the aggregate amount of such cost savings, operating expense reductions, other operating improvements or synergies do not exceed 20% of Consolidated EBITDA in any four quarter period; plus (viii) (reserved); plus (ix) any costs or expense incurred by Parent Borrower or a Restricted Subsidiary pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of Parent Borrower or Net Cash Proceeds of an issuance of equity interest of Parent Borrower (other than Disqualified Stock) solely to the extent that such Net Cash Proceeds are excluded from the calculation of the Available Amount; plus (x) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing Consolidated EBITDA or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (b) below for any previous period and not added back; plus (xi) the amount of any minority interest expense consisting of Subsidiary income attributable to minority Capital Stock of third parties in any non-wholly owned Subsidiary deducted in calculating Consolidated Net Income (and not added back in such period to Consolidated Net Income); plus (xii) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (i) and (iii) above relating to such joint venture corresponding to Parent Borrower's and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent the same was deducted (and not added back) in calculating Consolidated Net Income; plus (xiii) earn-out and contingent consideration obligations (including to the extent accounted for as bonuses or otherwise) and adjustments thereof and purchase price adjustments; plus (xiv) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of the initial application of Accounting Standards Codification Topic 715, and any other items of a similar nature; plus 23 #96352060v15 #96352060v15

slide42

(xv) any non-cash losses realized in such period in connection with adjustments to any employee benefit plan due to changes in actuarial assumptions, valuation or studies; plus (xvi) Public Company Costs; (b) decreased (without duplication) by the following: (i) non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period and any non-cash gains with respect to cash actually received in a prior period so long as such cash did not increase Consolidated EBITDA in such prior period; plus (ii) all cash payments made during such period to the extent made on account of non-cash reserves and other non-cash charges added back to Consolidated Net Income pursuant to clause (vi) above in a previous period (it being understood that this clause (b)(ii) shall not be utilized in reversing any non-cash reserve or charge added to Consolidated Net Income); plus (iii) the amount of any minority interest income consisting of Subsidiary loss attributable to minority Capital Stock of third parties in any non-wholly owned Subsidiary added to Consolidated Net Income (and not deducted in such period from Consolidated Net Income); and (c) increased or decreased (without duplication) by, as applicable, any adjustments resulting from the application of Accounting Standards Codification Topic 460 or any comparable regulation. (d) There shall be included in determining Consolidated EBITDA for any period, without duplication, the Acquired EBITDA of any Person, property, business or asset acquired by Parent Borrower or any Restricted Subsidiary during such period (but not the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired), to the extent not subsequently sold, transferred or otherwise disposed of by Parent Borrower or such Restricted Subsidiary during such period (each such Person, property, business or asset acquired and not subsequently so disposed of, an "Acquired Entity or Business"); and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each a "Converted Restricted Subsidiary"), based on the actual Acquired EBITDA of such Acquired Entity or Business or Converted Restricted Subsidiary for such period (including the portion thereof occurring prior to such acquisition). For purposes of determining Consolidated EBITDA for any period, there shall be excluded the Disposed EBITDA of any Person, property, business or asset (other than an Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed or classified as discontinued operations by Parent Borrower or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a "Sold Entity or Business") and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each a "Converted Unrestricted Subsidiary"), based on the actual Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer or disposition). Notwithstanding the foregoing, Consolidated EBITDA shall be for the fiscal quarters ended March 31, 2019, \$63,400,000, June 30, 2019, \$88,000,000, September 30, 2019, \$102,100,000 and December 31, 2019, \$87,500,000, in each case, as adjusted on a Pro Forma Basis. Any adjustments in the calculation 24 #96352060v15 #96352060v15

slide43

of Consolidated Net Income shall be without duplication of any adjustment to Consolidated EBITDA, and any adjustments to Consolidated EBITDA shall be without duplication of any adjustments to Consolidated Net Income. Unless otherwise specified, all references herein to a "Consolidated EBITDA" shall refer to the Consolidated EBITDA of Parent Borrower and its Restricted Subsidiaries on a consolidated basis. "Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of: (a) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted (and not added back) in computing Consolidated Net Income (including (i) amortization of original issue discount or premium resulting from the issuance of Indebtedness at less than par, (ii) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances or any similar facilities or financing and hedging agreements, (iii) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of any Swap Contract or other derivative instruments pursuant to GAAP), (iv) the interest component of Capitalized Lease Obligations, and (v) net payments, if any, pursuant to interest rate Swap Contracts with respect to Indebtedness, and excluding (A) penalties and interest relating to Taxes, (U) accretion or accrual of discounted liabilities other than Indebtedness, (B) any expense resulting from the discounting of any Indebtedness in connection with the application of recapitalization accounting or purchase accounting in connection with any acquisition, (C) amortization or write-off of deferred financing fees, debt issuance costs, debt discount or premium, terminated hedging obligations and other commissions, financing fees and expenses and original issue discount with respect to the Indebtedness borrowed under this Agreement and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program, (D) any expensing of bridge, commitment and other financing fees and (E) interest with respect to Indebtedness of any parent of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under GAAP; plus (b) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; less (c) interest income for such period. For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Unless otherwise specified, all references to "Consolidated Interest Expense" shall refer to the Consolidated Interest Expense of Parent Borrower and its Restricted Subsidiaries on a consolidated basis. "Consolidated Net Income" means, with respect to any Person, for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a 25 #96352060v15 #96352060v15





consolidated basis on the basis of GAAP; provided, however, that there will not be included in such Consolidated Net Income: (a) subject to the limitations contained in clause (c) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from investments recorded in such Person under equity method accounting), except that any equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed during such period to Parent Borrower or a Restricted Subsidiary as a dividend or other distribution or return on investment (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (b) below); (b) solely for the purpose of determining the Growth Amount, any net income (loss) of any Restricted Subsidiary (other than the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to Parent Borrower or a Guarantor by operation of the terms of such Restricted Subsidiary's articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, and (b) restrictions pursuant to this Agreement, the Existing Notes or the indenture governing the Existing Notes, except that Parent Borrower's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to Parent Borrower or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause); (c) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed or discontinued operations of Parent Borrower or any Restricted Subsidiaries (including pursuant to any Sale and Leaseback Transaction) which is not sold or otherwise disposed of or discontinued in the ordinary course of business or consistent with past practices (as determined in good faith by an Officer or the Board of Directors of Parent Borrower); (d) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense or any charges, expenses or reserves in respect of any restructuring, redundancy or severance expense or relocation costs, one-time compensation charges, integration and facilities opening costs and other business optimization expenses and operating improvements (including related to new product introductions), restructuring charges, systems development and establishment costs, accruals or reserves (including restructuring and integration costs related to acquisitions after the Closing Date and adjustments to existing reserves), whether or not classified as restructuring expense on the consolidated financial statements, signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities, internal costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension 26 #96352060v15 #96352060v15

slide45

liabilities), contract terminations and professional and consulting fees incurred with any of the foregoing; (e) the cumulative effect of a change in accounting principles; (f) any (i) non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any pension liabilities or other provisions and (ii) income (loss) attributable to deferred compensation plans or trusts; (n) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness; (h) any unrealized gains or losses in respect of any Swap Contract or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of any Swap Contract; (i) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies; (j) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of Parent Borrower or any Restricted Subsidiary owing to Parent Borrower or any Restricted Subsidiary; (k) any recapitalization accounting or purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to Parent Borrower and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development); (l) any goodwill or other intangible asset impairment charge or write-off; (m) any after-tax effect of income (loss) from the early extinguishment or cancellation of Indebtedness or Swap Contracts or other derivative instruments; (n) accruals and reserves that are established within twelve months after the Closing Date that are so required to be established as a result of the Transactions in accordance with GAAP; (o) [reserved]; 27 #96352060v15 #96352060v15

slide46

(p) cash and non-cash charges, paid or accrued, and gains resulting from the application of Financial Accounting Standards No. 141R (Accounting Standards Codification Topic 805) (including with respect to earn-outs incurred by Parent Borrower or any of its Restricted Subsidiaries); (q) [reserved]; (r) the amount of any expense to the extent a corresponding amount is received in cash by Parent Borrower and the Restricted Subsidiaries from a Person other than Parent Borrower or any Restricted Subsidiaries (with no requirements to repay such amounts and no other encumbrances associated therewith), provided such payment has not been included in determining Consolidated Net Income (it being understood that if the amounts received in cash under any such agreement in any period exceed the amount of expense in respect of such period, such excess amounts received may be carried forward and applied against expense in future periods); and (s) any non-cash expenses, accruals or reserves related to adjustments to historical Tax exposures and any deferred Tax expense associated with Tax deductions or net operating losses arising as a result of the Transactions, or the release of any valuation allowances related to such item. In addition, to the extent not already included in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall, without duplication, (1) be increased by business interruption insurance in an amount representing the earnings for the applicable period that such proceeds are intended to replace (whether or not received so long as such Person in good faith expects to receive the same within the next four fiscal quarters (it being understood that to the extent not actually received within such fiscal quarters, such proceeds shall be deducted in calculating Consolidated Net Income for such fiscal quarters)) and (2) exclude (a) any expenses and charges that are reimbursed by indemnification or other reimbursement provisions, or so long as Parent Borrower has made a determination that there exists reasonable evidence that such amount will in fact be indemnified or reimbursed (and such amount is in fact reimbursed within 365 days of the date of such charge or payment (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days)), in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder, (b) to the extent covered by insurance and actually reimbursed, or, so long as Parent Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and such amount is (i) not denied by the applicable carrier in writing within 180 days and (ii) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption. "Consolidated Net Income" shall refer to the Consolidated Net Income of Parent Borrower and its Restricted Subsidiaries on a consolidated basis. "Consolidated Secured Indebtedness" means, as to Parent Borrower and its Restricted Subsidiaries on a consolidated basis at any date of determination, the aggregate principal amount 28 #96352060v15 #96352060v15

slide47

of Consolidated Total Indebtedness outstanding on such date that is secured by a Lien on property or assets of Parent Borrower or any Restricted Subsidiary. "Consolidated Secured Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Secured Indebtedness as of such date to (b) the aggregate amount of Consolidated EBITDA for the most recent Test Period on a Pro Forma Basis. "Consolidated Total Assets" mean, as of any date, the total consolidated assets of Parent Borrower and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of Parent Borrower and its Restricted Subsidiaries, determined on a Pro Forma Basis. "Consolidated Total Indebtedness" means, as of any date of determination, (a)(i) the aggregate principal amount of Indebtedness for borrowed money (other than Indebtedness with respect to Cash Management Services and intercompany Indebtedness) of Parent Borrower and its Restricted Subsidiaries, (ii) letters of credit (only in respect of any unreimbursed drawings thereunder), (iii) debt obligations evidenced by promissory notes and similar instruments and (iv) any Guarantees in respect of the foregoing or any Liens on the assets of Parent Borrower or any Restricted Subsidiary securing any of the foregoing outstanding on such date plus (b) except for purposes of calculating compliance or pro forma compliance with Section 7.08, the aggregate amount of all Disqualified Stock of Parent Borrower and all Disqualified Stock and Preferred Stock of any Restricted Subsidiary minus (c) the aggregate amount of (i) unrestricted cash and Cash Equivalents included in the consolidated balance sheet of Parent Borrower and its Restricted Subsidiaries as of the end of the most recent Test Period on a Pro Forma Basis plus, without duplication, (ii) the Cash and Cash Equivalents of such Person restricted in favor of the Facilities (which may also include Cash and Cash Equivalents securing other Indebtedness secured by a Lien on any Collateral along with the Facilities); provided that (except for purposes of calculating the Consolidated Total Leverage Ratio for determining the Applicable Rate) the aggregate amount included in this clause (c) shall not exceed \$175,000,000 for any Test Period. "Consolidated Total Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Indebtedness as of such date to (b) the aggregate amount of Consolidated EBITDA for the most recent Test Period on a Pro Forma Basis. "Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent: (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase of



"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Contribution Notice" means a contribution notice issued by the Pensions Regulator under section 38 or section 47 of the Pensions Act 2004. "Control" has the meaning specified in the definition of "Affiliate."

"Controlled Investment Affiliate" means, as to any Person, any other Person, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in Parent Borrower and/or other companies. "Converted Restricted Subsidiary" has the meaning specified in the definition of "Consolidated EBITDA."

"Converted Unrestricted Subsidiary" has the meaning specified in the definition of "Consolidated EBITDA."

"Covered Entity" has the meaning specified in Section 10.24(b)(i). "Covered Jurisdiction" means (i) the United States, any State thereof or the District of Columbia, (ii) Canada (including any province or territory thereof) and (iii) legal jurisdiction of the United Kingdom. "Covered Party" has the meaning specified in Section 10.24(a). "CRD IV" means (a) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and (b) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. "Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension. "Customary Term A Loans" means any term loans that contain provisions customary for "term A loans," as reasonably determined by Parent Borrower in consultation with the Administrative Agent, that are syndicated primarily to Persons regulated as banks in the primary syndication thereof and that do not mature prior to the Maturity Date of the Revolving Credit Facility. "Daily Simple SOFR" for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day "SOFR Determination Date") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding 30 #96352060v15 #96352060v15

slide49

such SOFR Rate Day, in each case, as such SOFR is published on the Federal Reserve Bank of New York's website (or any successor source). Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. "Debtor Relief Laws" means the Bankruptcy Code of the United States, the Dutch Bankruptcy Act (Faillissementswet), the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), the 2015 Insolvency Regulation, the UK Companies Act 2006, the Insolvency Act 1986 of the United Kingdom and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, arrangement, administration or similar debtor relief Laws of the United States, the Netherlands, Canada or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally. "Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default (other than any event or condition that, with the giving of any notice, the passage of time, or both, would become an Event of Default solely as a result of Section 8.01(e)). "Default Rate" means an interest rate equal to (a) with respect to any overdue principal for any Loan, the applicable interest rate for such Loan plus 2.00% per annum (provided that with respect to Term SOFR Loans, Eurocurrency Rate Loans or other Alternative Currency Loans, the determination of the applicable interest rate is subject to Section 2.02(c) to the extent that (i) Eurocurrency Rate Loans may not be converted to, or continued as, Eurocurrency Rate Loans, (ii) Term SOFR Loans may not be converted to, or continued as, Term SOFR Loans or (iii) Alternative Currency Loans may not be continued as such Alternative Currency Loans, in each case, pursuant thereto) and (b) with respect to any other overdue amount, including overdue interest, the interest rate applicable to Base Rate Loans that are Term Loans plus 2.00% per annum, in each case, to the fullest extent permitted by applicable Laws. "Default Right" has the meaning specified in Section 10.24(b)(iii). "Defaulting Lender" means, subject to Section 2.16(e), any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans required to be funded by it, (ii) fund any portion of its participations in Letters of Credit or Swing Line Loans required to be funded by it or (iii) pay over to the Administrative Agent, any L/C Issuer or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans), unless, in the case of clause (i) above, such Lender notifies the Administrative Agent, such L/C Issuer or the Swing Line Lender in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified Parent Borrower or the Administrative Agent, the L/C Issuer or any other Lender in writing that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent (specifically 31. #96352060v15 #96352060v15

slide50



identified and including the particular default, if any) to funding a Loan cannot be satisfied), (c) has failed, within three (3) Business Days after request by the Administrative Agent, any L/C Issuer or any other Lender, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Administrative Agent's, L/C Issuer's or Lender's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has a direct or indirect parent company that has, in any such case (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that, in the case of clause (d), a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Capital Stock in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Government Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.16(e)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to Parent Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination. "Designated Non-Cash Consideration" means the fair market value (as determined in good faith by Parent Borrower) of non-cash consideration received by Parent Borrower or one of its Restricted Subsidiaries in connection with a Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with Section 7.05. "Discount Range" has the meaning specified in Section 2.05(d)(i). "Discounted Prepayment Option Notice" has the meaning specified in Section 2.05(d)(ii). "Discounted Voluntary Prepayment" has the meaning specified in Section 2.05(d)(i). "Discounted Voluntary Prepayment Notice" has the meaning specified in Section 2.05(d)(v). 32 #96352060v15 #96352060v15

slide51

"Disinterested Director" means, with respect to any Affiliate Transaction, a member of the Board of Directors of Parent Borrower having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of Parent Borrower shall be deemed not to have such a financial interest by reason of such member's holding Capital Stock of Parent Borrower or any options, warrants or other rights in respect of such Capital Stock. "Disposed EBITDA" means, with respect to any Sold Entity or Business or any Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or such Converted Unrestricted Subsidiary, all as determined on a consolidated basis for such Sold Entity or Business or such Converted Unrestricted Subsidiary. "Disposition" or "Dispose" means the sale, conveyance, transfer, license or other disposition whether in a single transaction or a series of related transactions, of property or assets (including by way of a Sale and Leaseback Transaction) of Parent Borrower (other than Capital Stock of Parent Borrower) or any of its Restricted Subsidiaries (each referred to in this definition as a "disposition"), or the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the Section 7.03 or directors' qualifying shares and shares issued to foreign nationals as required under applicable Law), whether in a single transaction or a series of related transactions. 33 #96352060v15 #96352060v15



"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event (a) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or (b) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part, in each case on or prior to the date that is ninety-one (91) days after the Latest Maturity Date; provided, however, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require Parent Borrower to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with Section 7.02 or Section 7.06, provided, however, that if such Capital Stock is issued to any future, current or former employee, director, officer, contractor or consultant (or their respective Controlled Investment Affiliates) of Parent Borrower, any of its Subsidiaries, or any other entity in which Parent Borrower or a Restricted Subsidiary has an investment and is designated in good faith as an "affiliate" by the Board of Directors (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of Parent Borrower or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by Parent Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations. "Disqualified Lenders" means (i) such Persons (or related funds of such Persons) that have been specified by name in writing to the Administrative Agent prior to the Closing Date, (ii) Competitors that have been specified by name in writing to the Administrative Agent from time to time and (iii) in the case of clauses (i) and (ii), any of their Affiliates (other than, in the case of clause (ii), Affiliates that are Bona Fide Lending Affiliates) that are (A) specified by name in writing to the Administrative Agent from time to time or (B) reasonably identifiable on the basis of such Affiliate's name, it being understood that any subsequent designation of a Disqualified Lender shall not apply retroactively to disqualify any person that has been assigned any Loans or any participation therein. "Dollar" and "\$" mean lawful money of the United States. "Dollar Equivalent" means, on any date of determination, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency or any other currency, the equivalent in Dollars of such amount, determined at the Exchange Rate on the applicable Valuation Date. In making the determination of the Dollar Equivalent for purposes of determining the aggregate available Revolving Credit Commitments on any date of any Credit Extension, the Administrative Agent or a relevant L/C Issuer, as applicable, pursuant to Section 1.08 shall use the Exchange Rate in effect at the date 34 #96352060v15 #96352060v15

slide53

on which Parent Borrower requests the Credit Extension for such date or as otherwise provided pursuant to the provisions of such Section. "Dutch Collateral Documents" means the Dutch Share Pledges and any other Collateral Documents governed by Dutch law. "Dutch Loan Party" means Eden Springs, Carbon Netherlands and any other Loan Party that is incorporated or organized under the laws of the Netherlands. "Dutch Share Pledges" means (a) the Dutch law governed deed of share pledge dated as of the Closing Date by and among Parent Borrower, the Collateral Agent and Carbon Netherlands; and (b) the Dutch law governed deed of share pledge dated as of the Closing Date by and among Carbon Netherlands, the Collateral Agent and Eden Springs. "EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent. "EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway. "EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution. "Eligible Assignee" means any Assignee permitted by and consented to in accordance with Section 10.07(b) and/or Section 10.07(i) (subject to such consents, if any, as may be required under Section 10.07). For the avoidance of doubt, any Disqualified Lender is subject to Section 10.07(i). "Eligible Contract Participant" has the meaning specified in Section 8.04. "Environment" means air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and natural resources such as wetlands, flora and fauna. "Environmental Laws" means any and all applicable Laws relating to pollution, the protection of the Environment the generation, transport, storage, use, treatment, Release or threat of Release of any Hazardous Materials or, to the extent relating to exposure to Hazardous Materials, human health and safety. "Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities) directly or indirectly resulting from or based upon (a) actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage or treatment of any Hazardous Materials, (c) exposure of any Person to any Hazardous Materials or (d) the Release 35 #96352060v15 #96352060v15

slide54

or threatened Release of any Hazardous Materials into the Environment, including, in each case, any such liability which any Loan Party has retained or assumed either contractually or by operation of Law. "Equity Offering" means a sale of Capital Stock (other than Disqualified Stock) of Parent Borrower other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time. "ERISA Affiliate" means any trade or business (whether or not incorporated) that is under common control with any Loan Party or is treated as a single employer within the meaning of Section 414 of the Code or Section 4001 of ERISA. "ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a failure to satisfy the minimum funding standard under Section 412 of the Code or Section 302 of ERISA with respect to a Pension Plan, whether or not waived, or a failure to make any required contribution to a Multiemployer Plan; (d) a complete or partial withdrawal by any Loan Party or any ERISA Affiliate from a Multiemployer Plan, notification of any Loan Party or ERISA Affiliate concerning the imposition of Withdrawal Liability or notification that a Multiemployer Plan is insolvent within the meaning of Title IV of ERISA or in endangered or critical status, within the meaning of Section 305 of ERISA; (e) the filing of a notice of intent to terminate, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate; (h) a determination that any Pension Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 303(i)(4)(A) of ERISA or Section 430(i)(4)(A) of the Code); (i) the occurrence of a non-exempt prohibited transaction with respect to any Pension Plan maintained or contributed to by any Loan Party (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which would reasonably be expected to result in liability to any Loan Party; (j) the filing pursuant to Section 431 of the Code or Section 304 of ERISA of an application for the extension of any amortization period; or (k) the filing pursuant to Section 412(c) of the Code of an application for a waiver of the minimum funding standard with respect to any Plan. "Escrow" means an escrow, trust, collateral or similar account or arrangement holding proceeds of Indebtedness solely for the benefit of an unaffiliated third party. 36 #96352060v15 #96352060v15

slide55

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time. "EU Insolvency Regulation" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) as it may be amended, reenacted or supplemented. "EURIBOR" has the meaning assigned to such term in the definition of "Alternative Currency Term Rate". "Euro" or "€" means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the legislative measures of the European Union for the introduction of, changeover to or operation of the Euro in one or more member states, being in part legislative measures to implement the European and Monetary Union as contemplated in the Treaty on European Union. "Eurocurrency Rate" means, (i) for any Interest Period with respect to any Eurocurrency Rate Loan, (i) in relation to a Loan denominated in Canadian Dollars, the CDOR Rate, (ii) in relation to a Loan denominated in another LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate, as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period) ("LIBOR") or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for deposits in the relevant currency (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period (reserved) and (iii) in relation to an Alternative Currency that is not a LIBOR Quoted Currency, Canadian Dollars, Euro or Pounds Sterling, the rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the Lenders pursuant to Section 1.14(a); and (i) for any rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day, provided that to the extent a comparable or successor

rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent. Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 3.02, in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), or Parent Borrower or the Required Lenders in respect of the relevant Facility notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Parent Borrower) that Parent Borrower or Required Lenders (as applicable) have determined, that, 37 #96352060v15 #96352060v15

slide56



(a) adequate and reasonable means do not exist for ascertaining the Applicable Reference Rate for an Applicable Currency for any requested Interest Period, including, without limitation, because the Screen Rate for such Applicable Currency is not available or published on a current basis and such circumstances are unlikely to be temporary; or (b) the administrator of the Screen Rate for an Applicable Currency or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the Applicable Reference Rate for an Applicable Currency or the Screen Rate for an Applicable Currency shall no longer be made available, or used for determining the interest rate of loans denominated in such Applicable Currency; provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide LIBOR after such specific date (such specific date, the "Scheduled Unavailability Date"); or (c) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to the Applicable Reference Rate for an Applicable Currency, then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and Parent Borrower may amend this Agreement to replace the Applicable Reference Rate for the Applicable Currency with (x) in the case of Dollars, one or more SOFR-Based Rates or (y) another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar (or, with respect to the benchmark of another applicable currency, such applicable currency) denominated syndicated credit facilities syndicated in the U.S. and, in each case, including mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar (or, with respect to the benchmark for another applicable currency, such applicable currency) denominated syndicated credit facilities syndicated in the U.S., which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in consultation with Parent Borrower and may be periodically updated (the "Adjustment"); and any such proposed rate, a "Successor Rate"; and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and Parent Borrower unless, prior to such time, Lenders comprising the Required Lenders in respect of the relevant Facility have delivered to the Administrative Agent written notice that such Required Lenders (A) in the case of an amendment to replace the Applicable Reference Rate with respect to Eurocurrency Rate Loans denominated in Dollars with a rate described in clause (x), object to the Adjustment; or (B) in the case of an amendment to replace the Applicable Reference Rate with respect to Eurocurrency Rate Loans denominated in the Applicable Currency with a rate described in clause (y), object to such amendment; provided that for the avoidance of doubt, in the case of clause (A), the Required Lenders of the relevant Facility shall not be entitled to object to any SOFR-Based Rate contained in any such amendment. Such Successor Rate for the Applicable Currency shall be applied in a manner consistent with market practice; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate for such Applicable 38 #96352060v15 #96352060v15

slide57

Currency shall be applied in a manner as otherwise determined by the Administrative Agent in consultation with Parent Borrower. If no Successor Rate has been determined for the Applicable Currency and the circumstances under clause (a) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify Parent Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in each such Applicable Currency shall be suspended (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (y) the Eurocurrency Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, (i) Parent Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans in each such affected Applicable Currency (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted each such request into a request for a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount specified herein and (ii)(A) any outstanding affected Eurocurrency Rate Loans denominated in Dollars will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period and (B) any outstanding affected Eurocurrency Rate Loans denominated in an Alternative Currency, at the Company's election, shall either (1) be converted into a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount of such outstanding Eurocurrency Rate Loan at the end of the applicable Interest Period or (2) be prepaid at the end of the applicable Interest Period in full; provided that if no election is made by the Parent Borrower within five Business Days after receipt of such notice, Parent Borrower shall be deemed to have elected clause (i) above. Notwithstanding anything else herein, any definition of Successor Rate shall provide that in no event shall such Successor Rate be less than zero for purposes of this Agreement. In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Successor Conforming Changes to the Lenders reasonably promptly after such amendment becomes effective. As used above, "Screen Rate" means the Applicable Reference Rate quote for an Applicable Currency on the applicable screen page the Administrative Agent designates to determine such Applicable Reference Rate for such Applicable Currency (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time). "Successor Rate Conforming Changes" means, with respect to any proposed Successor Rate for an Applicable Currency, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other 39 #96352060v15 #96352060v15

slide58

technical, administrative or operational matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice of such Applicable Currency (or, if the Administrative Agent determines that adoption of any portion of such market practice for such Applicable Currency is not administratively feasible or that no market practice for the administration of such Successor Rate for such Applicable Currency exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement in consultation with Parent Borrower). Notwithstanding any provision to the contrary in this Agreement, if the Eurocurrency Rate at any date of determination is less than 0% then such rate shall be deemed to be 0.00% per annum. "EU Insolvency Regulation" means Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) as it may be amended, reenacted or supplemented. "Eurocurrency Rate Loan" means a Loan that bears interest at a rate based on the Eurocurrency Rate. Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency. All other than Euro or Pounds Sterling. Other than with respect to Loans denominated in Euro or Pounds Sterling, all Loans denominated in an Alternative Currency must be Eurocurrency Rate Loans. "Event of Default" has the meaning specified in Section 8.01. "Exchange Act" means the Securities Exchange Act of 1934. "Exchange Rate" means for any currency the rate determined by the Administrative Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the L/C Issuer may obtain such spot rate from another financial institution designated by the Administrative Agent or the L/C Issuer or may use the spot rate determined by Reuters or a similar service provider if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency or otherwise prefers to use the spot rate determined by Reuters or a similar service provider; and provided further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency. "Excluded Contributions" means Net Cash Proceeds or property or assets received by Parent Borrower as capital contributions to the equity (other than through the issuance of Disqualified Stock) of Parent Borrower after the Closing Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by Parent Borrower or any Subsidiary of Parent Borrower for the benefit of their employees to the extent funded by Parent Borrower or any Restricted Subsidiary) of Capital Stock (other than 40 #96352060v15 #96352060v15

Slide59

Disqualified Stock) of Parent Borrower, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of Parent Borrower. "Excluded Equity" means Capital Stock (i) of any Unrestricted Subsidiary, (ii) of a Foreign Subsidiary of a U.S. Subsidiary or a Subsidiary that is a U.S. Foreign Holding Company, in each case, other than 65% of the issued and outstanding voting (and 100% of the non-voting) Capital Stock of a First Tier Foreign

Subsidiary or U.S. Foreign Holding Company; provided that, for the avoidance of doubt, Excluded Equity shall not include any non-voting Capital Stock of any such Foreign Subsidiary or U.S. Foreign Holding Company, (iii) of a Subsidiary of any Person described in clause (i), (iv) of any Immaterial Subsidiary that is not a Borrower or Guarantor, (v) of any Subsidiary with respect to which the Administrative Agent and Parent Borrower have determined in their reasonable judgment and agreed in writing that the costs of providing a pledge of such Capital Stock or perfection thereof is excessive in view of the benefits to be obtained by the Secured Parties therefrom, (vi) Capital Stock in any Person other than Parent Borrower and wholly-owned Subsidiaries to the extent not permitted to be pledged by the terms of such Person's Organization Documents, shareholder agreement or joint venture documents after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable Law and other than proceeds thereof, (vii) of any captive insurance companies, not-for-profit Subsidiaries, special purpose entities, (viii) that constitute margin stock (within the meaning of Regulation U), (ix) of any Subsidiary of Parent Borrower or of any Subsidiary Guarantor, the pledge of which is prohibited by applicable Laws after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable Law, (x) of any Subsidiary of Parent Borrower or of any Subsidiary Guarantor acquired pursuant to a Permitted Acquisition or other Investment subject to assumed secured Indebtedness permitted hereunder not incurred in contemplation of such Permitted Acquisition or other Investment permitted hereunder if such Capital Stock is pledged as security for such Indebtedness pursuant to a Lien that is a permitted Lien and if and for so long as the terms of such Indebtedness (not entered into in contemplation of such Permitted Acquisition of Investment) prohibit the creation of any other Lien on such Capital Stock after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable Law and (xi) other than with respect to First Tier Foreign Subsidiaries of a U.S. Subsidiary, Capital Stock in any Person (including any Subsidiary) that is organized under the laws of a jurisdiction that is not a Covered Jurisdiction or, solely with respect to Carbon Netherlands and Eden Springs, the Netherlands; provided, however, that Excluded Equity shall not include any proceeds, substitutions or replacements of any Excluded Equity referred to in clauses (i) through (xi) (unless such proceeds, substitutions or replacements would constitute Excluded Equity referred to in clauses (i) through (xi)). "Excluded Property" means (i) any (x) fee-owned real property and (y) all leasehold interests in real property, including the requirement to deliver landlord waivers, estoppels or collateral access letters, (ii) motor vehicles and other assets subject to certificates of title, (iii) letter of credit rights to the extent a Lien thereon cannot be perfected by the filing of a UCC financing statement, (iv) commercial tort claims with a value of less than \$20,000,000, (v) assets for which a pledge thereof or a security interest therein is prohibited by applicable Laws after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code and other applicable Law, (vi) any cash and Cash Equivalents, deposit accounts and securities accounts (including securities entitlements and related assets held in a securities account) (it 41 #96352060v15 #96352060v15

slide60

being understood that this exclusion shall not affect the grant of the Lien on proceeds of Collateral and all proceeds of Collateral shall be Collateral), (vii) any lease, license or other agreements, or any property subject to a purchase money security interest, Capitalized Lease Obligation or similar arrangements, in each case to the extent permitted under the Loan Documents, to the extent that a pledge thereof or a security interest therein would violate or invalidate such lease, license or agreement, purchase money, Capitalized Lease or similar arrangement, or create a right of termination in favor of any other party thereto (other than Parent Borrower and its Subsidiaries) after giving effect to the applicable anti-assignment clauses of the Uniform Commercial Code and applicable Laws, other than the proceeds and receivables thereof the assignment of which is expressly deemed effective under applicable Laws notwithstanding such prohibition, (viii) any assets to the extent a security interest in such assets would result in material adverse tax consequences to Parent Borrower or its Subsidiaries (other than on account of any non-income taxes payable in connection with filings, recordings, registrations, stampings and any similar actions in connection with the creation or perfection of Liens), as reasonably determined by Parent Borrower in consultation with (but without the consent of) the Administrative Agent, but for the avoidance of doubt, including the assets and properties of any U.S. Foreign Holding Company or any Foreign Subsidiary of a U.S. Subsidiary, (x) any intent-to-use trademark application in the United States prior to the filing and acceptance of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which, the grant, attachment, or enforcement of a security interest therein would impair the validity or enforceability, or result in the voiding, of such intent-to-use trademark application or any registration issuing therefrom under applicable Federal law, (x) (reserved), (xi) any segregated funds held in escrow for a the benefit of an unaffiliated third party (including such funds in Escrow), (xii) Excluded Equity and Capital Stock of any Excluded Subsidiary (other than a Borrower or a Guarantor) or Capital Stock in any Person other than a Wholly Owned Subsidiary of Parent Borrower or of any Subsidiary Guarantor (in each case, other than 65% of the issued and outstanding voting (and 100% of the non-voting) Capital Stock of any First Tier Foreign Subsidiary or a Subsidiary that is a U.S. Foreign Holding Company) to the extent not permitted to be pledged by the terms of such Person's Organization Documents, shareholder agreement or joint venture documents after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code or other applicable Law and other than proceeds thereof, and (xiii) those assets as to which the Administrative Agent and Parent Borrower reasonably agree that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby; provided, however, that Excluded Property shall not include any proceeds, substitutions or replacements of any Excluded Property referred to in clauses (i) through (xiii) (unless such proceeds, substitutions or replacements would constitute Excluded Property referred to in clauses (i) through (xiii)). "Excluded Subsidiary" means (a) each Subsidiary of Parent Borrower listed on Schedule 1.01B hereto, (b) any Subsidiary that is prohibited by applicable Law or by any contractual obligation existing on the Closing Date or at the time such Subsidiary is acquired and not incurred in contemplation of such acquisition, as applicable, from guaranteeing the Obligations or which would require governmental (including regulatory) consent, approval, license or authorization to provide a Guarantee unless such consent, approval, license or authorization has been received, or any Subsidiary of Parent Borrower for which the provision of a guarantee would result in a material adverse tax consequence to Parent Borrower or its subsidiaries or 42 #96352060v15 #96352060v15

slide61

direct or indirect Parent Borrower companies (as reasonably determined by Parent Borrower in consultation with the Administrative Agent), (c) any Foreign Subsidiary of a U.S. Subsidiary, (d) any U.S. Subsidiary of a Foreign Subsidiary of a U.S. Subsidiary that is a CFC, (e) any U.S. Foreign Holding Company, (f) any Immaterial Subsidiary, (g) captive insurance companies, (h) not-for-profit Subsidiaries, (i) special purpose entities, (j) any Unrestricted Subsidiary, (k) any non-Wholly-Owned joint venture, (l) any non-Wholly-Owned Subsidiary, (m) any Subsidiary of Parent Borrower acquired pursuant to a Permitted Acquisition or other Investment permitted hereunder that, at the time of such Permitted Acquisition or other Investment, has assumed secured Indebtedness permitted hereunder not incurred in contemplation of such Permitted Acquisition or other Investment, and each Restricted Subsidiary that is a Subsidiary thereof that guarantees such Indebtedness at the time of such Permitted Acquisition, in each case, to the extent such secured Indebtedness prohibits such Subsidiary from becoming a Guarantor (provided that such prohibition was not entered into in contemplation of such Permitted Acquisition or Investment, and each such Subsidiary shall cease to be an Excluded Subsidiary under this clause (m) if such secured Indebtedness is repaid or becomes unsecured, if such Restricted Subsidiary ceases to be an obligor with respect to such secured Indebtedness or such prohibition no longer exists, as applicable), (n) any Subsidiary that is (or, if it were a Loan Party, would be) an "investment company" under the Investment Company Act of 1940, as amended, (o) any Subsidiary whose capital requirements are subject to regulation by a Governmental Authority in respect of which the guaranteeing by such Subsidiary of the Loan Obligations would, as reasonably determined by Parent Borrower, result in adverse regulatory consequences to Parent Borrower or such Subsidiary or impair the conduct of the business of such Subsidiary and any Subsidiary of such Subsidiary, (p) any Subsidiary organized under the laws of a jurisdiction other than a Covered Jurisdiction and (q) any other Subsidiary in circumstances where Parent Borrower and the Administrative Agent reasonably agree that the cost or burden of providing a Guaranty outweighs the benefit afforded thereby; provided that, notwithstanding anything to the contrary herein, in no event shall any Borrower be deemed to constitute an Excluded Subsidiary. "Excluded Swap Obligation" means, with respect to any Guarantor, any Swap Obligation if, and solely to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest pursuant to the Collateral Documents to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" (determined after giving effect to any applicable keep well, support or other agreement for the benefit of such Guarantor and any and all Guarantees of such Guarantor's Swap Obligations by other Loan Parties) as defined in the Commodity Exchange Act at the time the Guarantee of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such related Swap Obligation but for such Guarantor's failure to constitute an "eligible contract participant" at such time. If a Swap Obligation arises under a Master Agreement governing more than one Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guarantee or security interest is or becomes excluded in accordance with the first sentence of this definition. 43 #96352060v15 #96352060v15

slide62

"Excluded Taxes" means, with respect to any Agent, any Lender, or any L/C Issuer (each, a "Recipient"), (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, that are Other Connection Taxes or otherwise imposed by any jurisdiction as a result of such Recipient being organized under the laws of, or having its principal office in or maintaining an Applicable Lending Office in such jurisdiction (or any political subdivision thereof), (b) any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of a Recipient pursuant to a law in effect at the time such Recipient acquires an interest in the applicable obligation of any Loan Party or becomes a party to this Agreement (other than pursuant to an assignment request by Parent Borrower under Section 3.06) or changes its Applicable Lending Office; provided that, this clause (b) shall not apply to the extent that (x) the indemnity payments or additional amounts any Recipient would be entitled to receive (without regard to this clause (b)) do not exceed the indemnity payment or additional amounts that the Recipient's assignor (if any) was entitled to receive immediately prior to the assignment to such Recipient, or that such Recipient was entitled to receive immediately prior to its change in Applicable Lending Office, as applicable, (c) any Taxes resulting from a failure of such Recipient to comply with Section 3.01(f) or Section 3.01(g), as applicable, (d) any withholding Tax imposed pursuant to FATCA and (e) withholding Taxes payable under Part XIII of the Canadian Tax Act that are imposed on amounts payable to or for the account of a Recipient as a consequence of (i) the Recipient not dealing at arm's length (within the meaning of the Canadian Tax Act) with a Loan Party at the time of such payment, or (ii) the Recipient being a "specified shareholder" (within the meaning of subsection 18(5) of the Canadian Tax Act) of a Loan Party, or not dealing at arm's length (within the meaning of the Canadian Tax Act) with a "specified shareholder" (within the meaning of subsection 18(5) of the Canadian Tax Act) of a Loan Party. "Existing ABL Credit Agreement" has the meaning specified in the Recitals hereto. "Existing Letters of Credit" has the meaning specified in Section 2.03(a)(i). "Existing Notes" means, collectively, the 2024 Notes and the 2025 Notes. "Extended Revolving Credit Commitment" has the meaning specified in Section 2.15(a)(i). "Extended Term Loans" has the meaning specified in Section 2.15(a)(i). "Extension" has the meaning specified in Section 2.15(a). "Extension Offer" has the meaning specified in Section 2.15(a). "Facility" means a Class of Term Loans or the Revolving Credit Facility, as the context may require. "FATCA" means Sections 1471 through 1474 of the Code, as of the



slide63

amended or successor version described above) and any intergovernmental agreements (and any related laws, regulations or official administrative guidance) implementing the foregoing. "FCPA" has the meaning specified in Section 5.20. "Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent; provided that if the Federal Funds Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement. "Financial Covenants" means the covenants set forth in Section 7.08 and Section 7.09. "Financial Support Direction" means a financial support direction issued by the Pensions Regulator under section 43 of the Pensions Act 2004. "First Lien Intercreditor Agreement" means the Intercreditor Agreement, substantially in the form of Exhibit D-1, with any changes thereto implemented in accordance with the definition of "Acceptable Intercreditor Agreement". "First Tier Foreign Subsidiary" means a Foreign Subsidiary of a U.S. Subsidiary whose Capital Stock is directly owned by a U.S. Subsidiary. "Fixed Amounts" has the meaning specified in Section 1.13. "Fixed Incremental Amount" means (a) the greater of \$350,000,000 and 100% of Consolidated EBITDA for the most recent Test Period minus (b) the aggregate outstanding principal amount of all Incremental Facilities, Incremental Equivalent Debt and/or Indebtedness incurred pursuant to Section 7.03(e)(ii)(A), in each case incurred or issued in reliance on this definition. "Foreign Loan Party" means any Loan Party that is not a U.S. Loan Party. "Foreign Loan Party Secured Ratio Debt" has the meaning specified in Section 7.03(e). "Foreign Plan" means any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by, or entered into with, any Loan Party or any Restricted Subsidiary with respect to employees outside the United States. "Foreign Subsidiary" means any direct or indirect Subsidiary of Parent Borrower that is not a U.S. Subsidiary. 45 #96352060v15 #96352060v15

slide64

"FRB" means the Board of Governors of the Federal Reserve System of the United States. "Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the Outstanding Amount of all outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof. "Fronting Fee" has the meaning specified in Section 2.03(h). "Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities. "Funded Debt" means all indebtedness of Parent Borrower and its Restricted Subsidiaries for borrowed money that matures more than one year from the date of its creation or matures within one year from such date that is renewable or extendable, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including indebtedness in respect of the Loans. "GAAP" means generally accepted accounting principles in the United States, as in effect from time to time, provided that (A) if Parent Borrower notifies the Administrative Agent that it requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies Parent Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective, until such notice shall have been withdrawn or such provision amended in accordance herewith, (B) at any time after the Closing Date, Parent Borrower may elect, upon notice to the Administrative Agent, to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided herein), including as to the ability of Parent Borrower or the Required Lenders to make an election pursuant to clause (A) of this proviso, (C) any election made pursuant to clause (B) of this proviso, once made, shall be irrevocable, (D) any calculation or determination in this Agreement that requires the application of GAAP for periods that include fiscal quarters ended prior to Parent Borrower's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP and (E) Parent Borrower may only make an election pursuant to clause (B) of this proviso if it also elects to report any subsequent financial reports required to be made by Parent Borrower, including pursuant to Sections 6.01(a) and (b), in IFRS. 46 #96352060v15 #96352060v15

slide65

"Governmental Authority" means any nation or government, any state, provincial, country, territorial or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank). "Granting Lender" has the meaning specified in Section 10.07(b). "Growth Amount" has the meaning specified in the definition of "Available Amount." "Guarantee Obligations" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or (ii) entered into primarily for purposes of assuring in any other manner the obligee of such indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided, however, that the term "Guarantee" will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and provided further that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person's maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. "Guarantees" has the meaning specified in the definition of "Collateral and Guarantee Requirement." "Guarantors" has the meaning specified in the definition of "Collateral and Guarantee Requirement." For avoidance of doubt, Parent Borrower in its sole discretion may cause any Restricted Subsidiary that is not a Guarantor to Guarantee the Obligations by causing such Restricted Subsidiary to execute and deliver to the Administrative Agent a Guaranty Supplement (as defined in the Guaranty), and any such Restricted Subsidiary shall thereafter be a Guarantor, Loan Party and Subsidiary Guarantor hereunder for all purposes and shall comply with the Collateral and Guarantee Requirement; provided that with respect to any Restricted Subsidiary that is a Foreign Subsidiary, the jurisdiction of such Restricted Subsidiary shall be reasonably satisfactory to the Administrative Agent; if being understood and agreed that any Covered Jurisdiction, and in each case any jurisdiction, state or subdivision of any Covered Jurisdiction, shall be deemed reasonably satisfactory to the Administrative Agent. 47 #96352060v15 #96352060v15

slide66

"Guaranty" means, collectively, (a) the Guaranty substantially in the form of Exhibit E and (b) each other guaranty and guaranty supplement delivered pursuant to Section 6.10. "Hazardous Materials" means all explosive or radioactive substances or wastes, and all other chemicals, pollutants, contaminants, substances or wastes of any nature regulated pursuant to any Environmental Law due to their hazardous, toxic, dangerous or deleterious characteristics, including petroleum or petroleum distillates, friable asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas and toxic mold. "Hedge Bank" means any Person that is a Lender, Arranger or Agent or an Affiliate of the foregoing (x) at the time it enters into (including by way of novation) a Swap Contract (regardless of whether such Person subsequently ceases to be a Lender, Arranger or Agent or an Affiliate of the foregoing) or (y) as of the Closing Date (regardless of whether such Person subsequently ceases to be a Lender, Arranger or Agent or an Affiliate of the foregoing) and that is a party to a Swap Contract in existence on the Closing Date with Parent Borrower, a Loan Party or any Restricted Subsidiary (and, with respect to any Swap Contract with Parent Borrower, as such Swap Contract is novated to a Loan Party or any Restricted Subsidiary), in its capacity as a counterparty to such Swap Contract. "Honor Date" has the meaning specified in Section 2.03(c)(i). "IFRS" means International Financial Reporting Standards as adopted in the European Union. "Immaterial Subsidiary" means, at any date of determination, each Restricted Subsidiary of Parent Borrower (other than a Borrower) that has been designated by Parent Borrower in writing to the Administrative Agent as an "Immaterial Subsidiary" for purposes of this Agreement (and not redesignated as a Material Subsidiary as provided below); provided that (a) for purposes of this Agreement, at the time of such designation (i) the Consolidated Total Assets of all Immaterial Subsidiaries at the last day of the most recent Test Period shall not equal or exceed 5.0% of the Consolidated Total Assets of Parent Borrower and its Restricted Subsidiaries at such date and (ii) the consolidated revenues of all Immaterial Subsidiaries at the last day of the most recent Test Period shall not equal or exceed 5.0% of the

consolidated revenues of Parent Borrower and its Restricted Subsidiaries on a consolidated basis at such date, (b) Parent Borrower shall not designate any new Immaterial Subsidiary if such designation would not comply with the provisions set forth in clause (a) above, and (c) if either the Consolidated Total Assets or consolidated revenues of all Restricted Subsidiaries so designated by Parent Borrower as "Immaterial Subsidiaries" (and not redesignated as "Material Subsidiaries") shall at any time exceed the limits set forth in clause (a) above, then all such Restricted Subsidiaries shall be deemed to be Material Subsidiaries unless and until Parent Borrower shall redesignate one or more Immaterial Subsidiaries as Material Subsidiaries, in each case in a written notice to the Administrative Agent, and, as a result thereof, the Consolidated Total Assets of all Restricted Subsidiaries still designated as "Immaterial Subsidiaries" do not exceed such limits; and provided further that Parent Borrower may designate and re-designate a Restricted Subsidiary as an Immaterial Subsidiary at any time, subject to the terms set forth in this definition. 48 #96352060v15 #96352060v15

---

 slide67

"Immediate Family Members" means, with respect to any individual, such individual's child, stepchild, grandchild or more remote descendant, parent, step-parent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor. "Impacted Loans" has the meaning specified in Section 3.02. "Incremental Cap" means (a) the Fixed Incremental Amount, plus (b) (i) the amount of any optional prepayment of any Term Loan in accordance with Section 2.05(a) and/or the amount of any permanent reduction of any Initial Revolving Credit Commitment and (ii) the amount paid in Cash in respect of any reduction in the outstanding amount of any Term Loan resulting from any assignment of such Term Loan to (and/or purchase of such Term Loan by) Parent Borrower and/or any of its Restricted Subsidiaries, and/or application of any "yank-a-bank" provisions, so long as, in the case of any such optional prepayment, assignment and/or purchase, the relevant prepayment or assignment and/or purchase was not funded with the proceeds of any long-term indebtedness, plus (c) an unlimited amount so long as, in the case of this clause (c), after giving effect to the relevant Incremental Facility, (i) if such Incremental Facility is secured, the Consolidated Secured Leverage Ratio does not exceed 3.50:1.00 (or, to the extent such Incremental Facility is incurred in connection with any acquisition or similar investment not prohibited by this Agreement, the greater of 3.50:1.00 and the Consolidated Secured Leverage Ratio at the end of the most recently ended Test Period) or (ii) if such Incremental Facility is unsecured, the Consolidated Total Leverage Ratio does not exceed 5.50:1.00 (or, to the extent such Incremental Facility is incurred in connection with any acquisition or similar investment not prohibited by this Agreement, the greater of 5.50:1.00 and the Consolidated Total Leverage Ratio at the end of the most recently ended Test Period), in each case described in this clause (c), calculated on a Pro Forma Basis, including the application of the proceeds thereof (without "netting" the cash proceeds of the applicable Incremental Facility on the consolidated statement of financial position of Parent Borrower and its Restricted Subsidiaries), and in the case of any Incremental Revolving Credit Commitments, assuming a full drawing of such Incremental Revolving Commitments; provided that: (x) Incremental Facilities and Incremental Equivalent Debt may be incurred under one or more of clauses (a) through (c) of this definition as selected by Parent Borrower in its sole discretion, 49 #96352060v15 #96352060v15

slide68

(y) If Incremental Facilities or Incremental Equivalent Debt are intended to be incurred under clause (c) of this definition and any other clause of this definition in a single transaction or series of related transactions, (A) incurrence of the portion of such Incremental Facilities or Incremental Equivalent Debt to be incurred under clause (c) of this definition shall first be calculated without giving effect to any Incremental Facilities or Incremental Equivalent Debt to be incurred under all other clauses of this definition, but giving full pro forma effect to the use of proceeds of all such Incremental Facilities or Incremental Equivalent Debt and related transactions, and (B) thereafter, incurrence of the portion of such Incremental Facilities or Incremental Equivalent Debt to be incurred under such other applicable clauses of this definition shall be calculated, and (z) any portion of Incremental Facilities or Incremental Equivalent Debt incurred under clauses (a) and (b) of this definition may be reclassified, as Parent Borrower elects from time to time, as incurred under clause (c) of this definition if such portion of Incremental Facilities or Incremental Equivalent Debt could at such time be incurred under clause (c) of this definition on a pro forma basis; provided, that upon delivery of any financial statements pursuant to Section 6.01 following the initial incurrence of such Incremental Facilities or Incremental Equivalent Debt under clauses (a) and (b) of this definition, if such Incremental Facilities or Incremental Equivalent Debt could, based on any such financial statements, have been incurred under clause (c) of this definition, then such Incremental Facilities or Incremental Equivalent Debt shall automatically be reclassified as incurred under the applicable provision of clause (c) above. Once such Incremental Facilities or Incremental Equivalent Debt is reclassified in accordance with the preceding sentence, it shall not further be reclassified as incurred under the original basket pursuant to which such item was originally incurred. "Incremental Equivalent Debt" means indebtedness incurred by the Loan Parties in the form of senior secured or unsecured notes or loans or junior secured or unsecured notes or loans and/or commitments in respect of any of the foregoing issued, incurred or implemented in lieu of loans under an Incremental Facility, provided, that: (a) the aggregate outstanding amount thereof shall not exceed the Incremental Cap (as in effect at the time of determination, including giving effect to any reclassification on or prior to such date of determination), (b) except as otherwise agreed by the lenders or holders providing such notes or loans, no Event of Default exists immediately prior to or after giving effect to such notes or loans, (c) the Weighted Average Life to Maturity applicable to such notes or loans (other than Inside Maturity Loans and/or Customary Term A Loans) is no shorter than the Weighted Average Life to Maturity of the Revolving Credit Commitments or any then outstanding Term Loans (without giving effect to any prepayments thereof), (d) the final maturity date with respect to such notes or loans (other than Inside Maturity Loans) is no earlier than the Latest Maturity Date on the date of the issuance or incurrence, as applicable, thereof, 50 #96352060v15 #96352060v15

slide69



(e) subject to clauses (c) and (d), may otherwise have an amortization schedule as determined by Parent Borrower and the lenders providing such Incremental Equivalent Debt, (f) [reserved], (g) if such Incremental Equivalent Debt is secured, such Incremental Equivalent Debt shall be subject to an Acceptable Intercreditor Agreement, (h) such Indebtedness shall be in compliance with Section 2.14(b)(v) as if such Indebtedness were incurred thereunder and (i) no such Indebtedness may be (x) guaranteed by any Person which is not a Loan Party or (y) secured by any assets other than the Collateral (provided that, in the case of any Incremental Equivalent Debt that is funded into Escrow, such Incremental Equivalent Debt may be secured by the applicable funds and related assets held in Escrow (and the proceeds thereof until such Incremental Equivalent Debt is released from Escrow)). "Incremental Facilities" has the meaning specified in Section 2.14(a). "Incremental Facility Amendment" has the meaning specified in Section 2.14(e). "Incremental Facility Closing Date" has the meaning specified in Section 2.14(e). "Incremental Revolving Credit Commitments" has the meaning specified in Section 2.14(a). "Incremental Revolving Increase Lender" has the meaning specified in Section 2.14(e). "Incremental Term Loans" has the meaning specified in Section 2.14(a). "Incur" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for, provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder. "Incurrence Based Amounts" has the meaning specified in Section 1.10(b). 51 #96352060v15 #96352060v15

Slide70

"Indebtedness" means, with respect to any Person on any date of determination (without duplication) (i) the principal of indebtedness of such Person for borrowed money; (ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence); (iv) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or other obligations, including accrued expenses owed, to a trade creditor), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto; (v) Capitalized Lease Obligations of such Person; (vi) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends); (vii) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by Parent Borrower) and (b) the amount of such Indebtedness of such other Persons; (viii) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and (ix) to the extent not otherwise included in this definition, net obligations of such Person under Swap Contracts (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement); and to the extent that any of the foregoing Indebtedness (other than clause (ii), (vi), (vii) or (ix)) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP. The term "Indebtedness" shall not include any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practices, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred prior to the Closing Date or in the ordinary course of business or consistent with past practice. The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar

facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness. Notwithstanding the above provisions, in no event shall the following constitute Indebtedness: (i) Contingent Obligations incurred in the ordinary course of business or consistent with past practices; (ii) Cash Management Services; (iii) in connection with the purchase by Parent Borrower or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing, provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner; (iv) for the avoidance of doubt, any 52 #96352060v15 #96352060v15

Slide71

obligations in respect of operating leases, workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes; (v) Capital Stock (other than Disqualified Stock and Preferred Stock of Restricted Subsidiaries) and (vi) amounts owed to dissenting stockholders in connection with, or as a result, of their exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential) with respect thereto (including any accrued interest) and (vii) (1) trade accounts payable in the ordinary course of business, (2) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and if not paid within thirty (30) days after becoming due and payable, (3) any other obligation that appears in the liabilities section of the balance sheet of such Person, to the extent (A) such Person is indemnified for the payment thereof by a solvent Person reasonably acceptable to the Administrative Agent or (B) amounts to be applied to the payment therefor are in escrow and (4) liabilities associated with customer prepayments and deposits); provided that (f) in no event shall any obligations under any Swap Contracts be deemed "Indebtedness" for any calculation of the Total Leverage Ratio, the Secured Leverage Ratio, the Interest Coverage Ratio or any other financial ratio under this Agreement and (ii) the Indebtedness of any person shall, except for purposes of calculating the Interest Coverage Ratio to the extent the interest expense in respect thereof is not covered by proceeds held in Escrow or in connection with any test date of any Limited Condition Transaction or any test related to a subsequent transaction, exclude Indebtedness incurred in advance of, and the proceeds of which are to be applied in connection with, the consummation of a transaction solely to the extent the proceeds thereof are and continue to be held in an Escrow and are not otherwise made available to such person. For all purposes hereof, the Indebtedness of any Person shall (A) include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation, company, or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent such Person's liability for such Indebtedness is otherwise limited and only to the extent such Indebtedness would be included in the calculation of Consolidated Total Debt, (B) in the case of Parent Borrower and its Restricted Subsidiaries, exclude intercompany liabilities arising from their cash management, tax, and accounting operations and intercompany loans, advances or Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business or consistent with past practice and (C) exclude (i) deferred or prepaid revenue, (ii) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller and (iii) Indebtedness of Parent Borrower company appearing on the balance sheet of Parent Borrower solely by reason of push down accounting under GAAP. "Indemnified Liabilities" has the meaning specified in Section 10.05. "Indemnified Taxes" means (a) all Taxes, other than Excluded Taxes, imposed on or in respect of any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise included in (a), Other Taxes. "Indemnitees" has the meaning specified in Section 10.05. 53 #96352060v15 #96352060v15

slide72

"Information" has the meaning specified in Section 10.08. "Initial Revolving Borrowing" means one or more borrowings of Revolving Credit Loans and/or deemed issuances of Letters of Credit on the Closing Date. "Inside Maturity Loans" means any customary bridge facility, so long as the long-term debt into which any customary bridge facility is to be converted satisfies any maturity and weighted average life limitations. "Interest Coverage Ratio" means, with respect to any Person on any determination date, the ratio of (a) Consolidated EBITDA of such Person to (b) the Consolidated Cash Interest Expense of such Person for such Test Period calculated on a Pro Forma Basis. "Interest Coverage Ratio Financial Covenant" has the meaning specified in Section 7.09. "Interest Payment Date" means, (a) as to any Alternative Currency Daily Rate Loan, (i) the date that is on the numerically corresponding day in each calendar month on a monthly basis following the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such effected month) and (ii) the applicable maturity date set forth in the Credit Agreement; (b) as to any Alternative Currency Term Rate Loan, any Eurocurrency Rate Loan or any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for an Alternative Currency Term Rate Loan, a Eurocurrency Rate Loan or a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (bc) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date of the Facility under which such Loan was made. "Interest Period" means, as to each (a) Eurocurrency Rate Loan, the period commencing on the date such Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability) as selected by Parent Borrower in its Committed Loan Notice, or (b) Term SOFR Loan, the period commencing on the date such Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter (in each case, subject to availability) as selected by Parent Borrower in its Committed Loan Notice; (c) Alternative Currency Term Rate Loan, the period commencing on the date such Alternative Currency Term Rate Loan is disbursed or converted to or continued as an Alternative Currency Term Rate Loan and ending on the date one, three or six months thereafter (in each case, subject to availability for the interest rate applicable to the relevant currency), as selected by the Parent Borrower in its Committed Loan Notice, or (d) such other period that is twelve months, less than one month or such other period as may be requested by Parent Borrower and in each case, consented to by all the Lenders of such Eurocurrency Rate Loan, Term SOFR Loan or Alternative Currency Term Rate Loan; provided that: (a) (a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Rate 54 #96352060v15 #96352060v15

slide73

Loan, a Term SOFR Loan or an Alternative Currency Term Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day; (b) (b) any Interest Period pertaining to a Eurocurrency Rate Loan, a Term SOFR Loan or an Alternative Currency Term Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and (c) (c) no Interest Period shall extend beyond the Maturity Date of the Facility under which such Loan was made. "Independent Financial Advisor" means an investment banking or accounting firm of international standing or any third party appraiser of international standing; provided, however, that such firm or appraiser is not an Affiliate of Parent Borrower. "Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business or consistent with past practices, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; provided, however, that (a) endorsements of negotiable instruments and documents in the ordinary course of business or consistent with past practices will not be deemed to be an Investment and (b) intercompany liabilities arising from cash management, tax and accounting operations and/or intercompany loans, advances or Indebtedness having a term not exceeding 364 days (including of any roll-over or extension of terms) and made in the ordinary course of business or consistent with past practice will not be deemed to be an Investment. If Parent Borrower or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by Parent Borrower or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, but in each case, without duplication of any adjustments to the amount of Investments permitted under Section 7.02, net of any return in respect thereof, including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts. "IP Rights" has the meaning specified in Section 5.14. 55 #96352060v15 #96352060v15

Slide74

"ISP" means with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).  
"Judgment Currency" has the meaning specified in Section 1.08(f). "Junior Lien Intercreditor Agreement" means the Intercreditor Agreement, substantially in the form of Exhibit D-2, with any changes thereto implemented in accordance with

the definition of an Acceptable Intercreditor Agreement. "L/C Advance" means, with respect to each Revolving Credit Lender under the Revolving Credit Facility, such Lender's funding of its participation in any relevant L/C Borrowing in accordance with its Applicable Percentage. "L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the applicable Honor Date or refinanced as a Revolving Credit Borrowing under the Revolving Credit Facility. All L/C Borrowings shall be denominated in Dollars in the amount of the Dollar Equivalent of the applicable drawing on the date of such drawing. "L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof. "L/C Commitment" means, as to any L/C Issuer, its commitment to issue Letters of Credit, and to amend or extend Letters of Credit previously issued by it, pursuant to Section 2.03, in an aggregate amount at any time outstanding not to exceed (a) in the case of any L/C Issuer party hereto as of the Closing Date, the amount set forth opposite such L/C Issuer's name on Schedule 2.01 under the heading "Letter of Credit Commitments" and (b) in the case of any Revolving Lender that becomes an L/C Issuer hereunder thereafter, that amount which shall be set forth in the written agreement by which such Lender shall become an L/C Issuer, in each case as the maximum outstanding amount of Letters of Credit to be issued by such L/C Issuer, as such commitment may be changed from time to time pursuant to the terms hereof or with the agreement in writing of such Lender, Parent Borrower and the Administrative Agent and, in the event such commitment is decreased, the other L/C Issuers. The aggregate L/C Commitments of all the L/C Issuers shall be less than or equal to the Letter of Credit Sublimit at all times. "L/C Exposure" means, at any time, the sum of (a) the undrawn portion of the Outstanding Amount of all Letters of Credit at such time and (b) the Outstanding Amount of all L/C Borrowings in respect of Letters of Credit that have not yet been reimbursed by or on behalf of the Borrowers at such time. The L/C Exposure of (i) any L/C Issuer under the Revolving Credit Facility shall be the aggregate L/C Exposure in respect of all Letters of Credit issued by that L/C Issuer (other than for purposes of determining such aggregate L/C Exposure for purposes of determining such L/C Issuer's unused L/C Commitment, net of any participations by other Revolving Credit Lenders in such Letters of Credit) and (ii) any Revolving Credit Lender under the Revolving Credit Facility at any time shall be the aggregate amount of all participations by that Lender in the aggregate L/C Exposure at such time which shall be in an amount equal to its Applicable Percentage of the aggregate L/C Exposure at such time. 56 #96352060v15 #96352060v15

slide75



"L/C Issuer" means, initially, Bank of America and JPMorgan Chase Bank, N.A., each in its capacity as issuer of Letters of Credit hereunder and each other Revolving Credit Lender reasonably acceptable to each of the Administrative Agent and Parent Borrower that has entered into a letter of credit issuer agreement in form and substance reasonably satisfactory to the Administrative Agent and Parent Borrower, in each case, in its capacity as an issuer of Letters of Credit hereunder, together with their respective permitted successors and assigns in such capacity. Each L/C Issuer may arrange for one or more Letters of Credit to be issued by Affiliates or branches of such L/C Issuer, in which case the L/C Issuer shall include any such Affiliate or branch with respect to Letters of Credit issued by such Affiliate or branch. In the event that there is more than one L/C Issuer at any time, references herein and in the other Loan Documents to the L/C Issuer shall be deemed to refer to the L/C Issuer in respect of the applicable Letter of Credit or to all L/C Issuers, as the context requires. "L/C Obligations" means, as at any date of determination, the aggregate maximum amount then available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts in respect of Letters of Credit, including all L/C Borrowings in respect thereof. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.09. For all purposes under this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.13 or 3.14 of the ISP, article 29 of the UCP, or any similar provision under the applicable Law or the express terms of the Letter of Credit, the "Outstanding Amount" of such Letter of Credit shall be deemed to be the amount so remaining available to be drawn. "Latest Maturity Date" means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest maturity date of any Extended Revolving Credit Commitment, Additional Revolving Credit Commitment, Extended Term Loan or Incremental Term Loan, in each case as extended in accordance with this Agreement from time to time. "Laws" means, collectively, all international, foreign, federal, state, provincial, territorial, municipal and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority. "LCT Election" has the meaning specified in Section 1.10(a). "LCT Provisions" means the provisions of Section 1.10. "LCT Test Date" has the meaning specified in Section 1.10(a). "Lead Arranger" means Bank of America, N.A. in its capacity as Lead Arranger under this Agreement. 57 #96352060v15 #96352060v15

slide76

"Lender" has the meaning specified in the introductory paragraph to this Agreement and, as the context requires (including, without limitation, for purposes of Sections 3.03 and 10.22), includes any L/C Issuer and any Swing Line Lender, and their successors and assigns as permitted hereunder, each of which is referred to herein as a "Lender." "Lender Participation Notice" has the meaning specified in Section 2.05(d)(iii). "Letter of Credit" means any letter of credit issued hereunder (including, in the case of any Existing Letter of Credit, deemed to be issued hereunder). Each Letter of Credit shall be a standby letter of credit. Letters of Credit may be issued in Dollars or in an Alternative Currency. "Letter of Credit Application" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the relevant L/C Issuer. "Letter of Credit Facility Expiration Date" means, for Letters of Credit under the Revolving Credit Facility, the day that is five (5) Business Days prior to the scheduled Maturity Date then in effect for the Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day). "Letter of Credit Sublimit" means an amount equal to the lesser of (a) \$100,000,000 and (b) the Aggregate Revolving Credit Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facilities. "Leverage Ratio Financial Covenant" has the meaning specified in Section 7.08. "LIBOR" has the meaning assigned to it in the definition of "Eurocurrency Rate". "LIBOR Quoted Currency" means each of the following currencies: Dollars, Euro, and Pounds Sterling; in each case as long as there is a published LIBOR rate with respect thereto. "Lien" means any mortgage, pledge, security interest, hypothecation, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof); provided, that, for the avoidance of doubt, in no event shall an operating lease be deemed to constitute a Lien. "Limited Condition Acquisition" means any acquisition, including by way of merger, amalgamation or consolidation, by one or more of Parent Borrower and its Restricted Subsidiaries of any assets, business or Person, the consummation of which is not conditioned on the availability of, or on obtaining, third party acquisition financing. "Limited Condition Transaction" means (i) a Limited Condition Acquisition or (ii) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of indebtedness requiring irrevocable notice in advance of such redemption, repurchase, defeasance, satisfaction and discharge or repayment. "Loan" means an extension of credit by a Lender to a Borrower under Article II in the form of a Term Loan, a Revolving Credit Loan or a Swing Line Loan (including any Incremental 58 #96352060v15 #96352060v15

slide77

Term Loans, any Extended Term Loans, loans made pursuant to any Additional Revolving Credit Commitment, loans made pursuant to Extended Revolving Credit Commitments). "Loan Documents" means, collectively, (i) this Agreement, (ii) the Notes, (iii) each Guaranty, (iv) the Collateral Documents and (v) any Acceptable Intercreditor Agreement that is entered into, in each case as amended. "Loan Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party or other Subsidiary arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees and other amounts that accrue after the commencement by or against any Loan Party or any other Subsidiary of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees and other amounts are allowed or allowable in such proceeding. Without limiting the generality of the foregoing, the Loan Obligations of the Loan Parties under the Loan Documents (and of any of their Subsidiaries to the extent they have obligations under the Loan Documents) include (a) the obligation (including guarantee obligations) to pay principal, interest, Letter of Credit commissions, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities and other amounts, in each case, payable by any Loan Party or any other Subsidiary under any Loan Document and (b) the obligation of any Loan Party or any other Subsidiary to reimburse any amount in respect of any of the foregoing that any Agent or Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party or such Subsidiary. "Loan Parties" means, collectively, Parent Borrower and each Subsidiary Guarantor. "Local Time" means local time in New York City. "London Banking Day" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market. "Losses" has the meaning specified in Section 10.05. "Management Advances" means loans or advances made in the ordinary course of business or consistent with past practices to, or Guarantees with respect to loans or advances made to, directors, officers, employees, contractors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of Parent Borrower or any Restricted Subsidiary (1) in respect of travel, entertainment or moving related expenses (a) incurred in the ordinary course of business or consistent with past practices or (b) for purposes of funding any such person's purchase of Capital Stock (or similar obligations) of Parent Borrower or its Subsidiaries with (in the case of this sub-clause (b)) the approval of the Board of Directors of Parent Borrower; and (2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office. "Master Agreement" has the meaning specified in the definition of "Swap Contract." "Material Acquisition" means any acquisition involving the payment of consideration (including non-cash, contingent and deferred consideration (including obligations under any 59 #96352060v15 #96352060v15

 slide78



purchase price adjustment but excluding earn-out or similar payments) by Parent Borrower or any of its Subsidiaries with a fair market value in excess of \$125,000,000 (as determined by Parent Borrower upon consummation thereof). "Material Adverse Effect" means a material adverse effect on the (a) business, result of operations or financial condition of Parent Borrower and its Restricted Subsidiaries, taken as a whole, (b) ability of the Loan Parties (taken as a whole) to perform their payment obligations under any Loan Document to which any of the Loan Parties is a party or (c) rights and remedies of the Agents (acting on behalf of the Lenders) under any Loan Document. "Material Subsidiary" means, at any date of determination, each Restricted Subsidiary of Parent Borrower that is not an Immaterial Subsidiary (but including, in any case, any Restricted Subsidiary that has been designated as a Material Subsidiary as provided in, or has been designated as an Immaterial Subsidiary in a manner that does not comply with, the definition of "Immaterial Subsidiary"). "Maturity Date" means (a)(x) with respect to the Revolving Credit Facility, the fifth anniversary of the Closing Date and (y) with respect to any Additional Revolving Credit Commitments or Extended Revolving Credit Commitments, the maturity date applicable to such Additional Revolving Credit Commitments or Extended Revolving Credit Commitments in accordance with the terms hereof and (b) with respect to any (i) Extended Term Loan, the maturity date applicable to such Extended Term Loan in accordance with the terms hereof or (ii) Incremental Term Loan, the maturity date applicable to such Incremental Term Loan in accordance with the terms hereof, provided that if any such day is not a Business Day, the Maturity Date shall be the Business Day immediately preceding such day. "Maximum Tender Condition" has the meaning specified in Section 2.17(b). "Minimum Extension Condition" has the meaning specified in Section 2.15(b). "Minimum Tender Condition" has the meaning specified in Section 2.17(b). "Moody's" means Moody's Investors Service, Inc. and any successor thereto. "Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the immediately preceding six (6) years, has made or been obligated to make contributions. "Net Cash Proceeds" means: (a) with respect to a Disposition or a Casualty Event, the cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Disposition or Casualty Event received in any other non-cash form) therefrom, in each case net of (i) all legal, 60 #96352060v15 #96352060v15

slide79

accounting, investment banking, title and recording Tax expenses, commissions and other fees and expenses incurred, and all Taxes paid or reasonably estimated to be required to be paid or accrued as a liability under GAAP (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the applicable Borrower and after taking into account any otherwise available Tax credits or deductions and any Tax sharing agreements), as a consequence of such Disposition or such Casualty Event; (ii) all payments made on any Indebtedness which is secured by any assets subject to such Disposition or Casualty Event, in accordance with the terms of such Indebtedness, or which by applicable Law be repaid out of the proceeds from such Disposition; (iii) all distributions and other payments required to be made to minority interest holders (other than Parent Borrower or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Disposition; (iv) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Disposition and retained by Parent Borrower or any Restricted Subsidiary after such Disposition; and (iv) any funded escrow established pursuant to the documents evidencing such sale or disposition to secure any indemnification obligations or adjustments to top the purchase price associated with any such sale or disposition. (b) with respect to the incurrence or issuance of any Indebtedness by Parent Borrower or any Restricted Subsidiary, the excess, if any, of (x) the sum of the cash received in connection with such incurrence or issuance over (y) the investment banking fees, underwriting discounts, commissions, costs and other out-of-pocket expenses and other customary expenses incurred by Parent Borrower or such Restricted Subsidiary (or, in the case of Taxes, any member thereof) in connection with such incurrence or issuance and, in the case of Indebtedness of any Foreign Subsidiary of Parent Borrower other than any Foreign Subsidiary in a Covered Jurisdiction, deductions in respect of withholding Taxes that are or would otherwise be payable in cash if such funds were repatriated to the United States or such Covered Jurisdiction. (c) with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to Parent Borrower and after taking into account any available Tax credit or deductions and any Tax sharing agreements). "Non-Consenting Lender" has the meaning specified in Section 3.06(d). "Non-Extending Lender" has the meaning specified in Section 3.06(d). "Non-Loan Party" means any Restricted Subsidiary of Parent Borrower that is not a Loan Party. "Non-extension Notice Date" has the meaning specified in Section 2.03(b)(iii). "Non-SOFR Successor Rate" has the meaning specified in Section 3.02(c). 61 #96352060v15 #96352060v15

slide80

"Note" means a Term Note or a Revolving Credit Note as the context may require. "Obligations" means all (x) Loan Obligations, (y) obligations of any Loan Party or any Restricted Subsidiary arising under any Secured Hedge Agreement and (z) Cash Management Obligations, provided that the "Obligations" shall exclude any Excluded Swap Obligations. "OFAC" has the meaning specified in Section 5.19. "Offered Loans" has the meaning specified in Section 2.05(d)(iii). "Officer's Certificate" means, with respect to any Person, a certificate signed by one Officer of such Person. "Organization Documents" means (a) with respect to any corporation or company, the certificate or articles of incorporation, the memorandum and articles of association, any certificates of change of name and/or the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction) and any agreement, declaration, instrument, filing, or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity. "Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document). "Other Taxes" means all present or future stamp, court or documentary Taxes and any other property, intangible, recording or similar Taxes which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, excluding, in each case, any such Tax that is an Other Connection Tax resulting from an Assignment and Assumption or transfer or assignment (other than an assignment pursuant to a request by Parent Borrower under Section 3.06). "Outstanding Amount" means (a) with respect to any Loan on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments thereof (including any refinancing of outstanding Unreimbursed Amounts under Letters of Credit or L/C Borrowings as a Revolving Credit Borrowing) occurring on such date; and (b) with respect to any Letter of Credit, Unreimbursed Amount, L/C Borrowing or L/C Obligations on any date, the Dollar Equivalent 62 #96352060v15 #96352060v15

Slide81

amount of the aggregate outstanding amount thereof on such date after giving effect to any related L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding Unreimbursed Amounts under related Letters of Credit (including any refinancing of outstanding Unreimbursed Amounts under related Letters of Credit or related L/C Credit Extensions as a Revolving Credit Borrowing) or any reductions in the maximum amount available for drawing under related Letters of Credit taking effect on such date. "Overnight Rate" means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate reasonably determined in good faith by the Administrative Agent, the Swing Line Lender or the applicable L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the rate of interest per annum at which overnight deposits in the applicable Alternative Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market. "Parallel Debt Obligation" has the meaning specified in Section 9.19. "Parent Borrower" has the meaning specified in the introductory paragraph of this Agreement. "Parent Borrower Materials" has the meaning specified in Section 6.02. "Participant" has the meaning specified in Section 10.07(e). "Participant Register" has the meaning specified in Section 10.07(e). "PBGC" means the Pension Benefit Guaranty Corporation. "Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA) other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by any Loan Party or any ERISA Affiliate or to which any Loan Party or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding six (6) years. "Pensions Regulator" means the body corporate called the Pensions Regulator established under Part I of the Pensions Act 2004.] "Permitted Acquisition" has the meaning specified in Section 7.02(a). "Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents between Parent Borrower or any of its Restricted Subsidiaries and another Person. 63 #96352060v15 #96352060v15





"Permitted Debt Exchange" has the meaning specified in Section 2.17(a). "Permitted Debt Exchange Securities" has the meaning specified in Section 2.17(a). "Permitted Debt Exchange Offer" has the meaning specified in Section 2.17(a). "Permitted Equity Issuance" means any sale or issuance of any Qualified Capital Stock. "Permitted Liens" means any Liens permitted by Section 7.01. "Permitted Investments" means any Investments permitted by Section 7.02. "Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity. "Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) other than a Foreign Plan, established, maintained or contributed to by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate. "Plan of Reorganization" has the meaning specified in Section 10.07(l)(iii). "Platform" has the meaning specified in Section 6.02. "Pounds Sterling" means the lawful currency of the United Kingdom. "Preferred Stock," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person. "Principal Office" means, for each of the Administrative Agent and each L/C Issuer, such Person's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as such Person may from time to time notify in writing to Parent Borrower, the Administrative Agent and the L/C Issuers. "Proceeding" has the meaning specified in Section 10.05. "Pro Forma Basis" and "Pro Forma Effect" mean, with respect to compliance with any test hereunder for an applicable period of measurement, that all Specified Transactions and the following transactions in connection therewith that have been made during the applicable period of measurement or subsequent to such period and prior to or simultaneously with the event for which the calculation is made shall be deemed to have occurred as of the first day of the applicable period of measurement (as of the last date in the case of a balance sheet item) in such test: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of a Disposition of all or substantially all Capital Stock in any Restricted Subsidiary of Parent Borrower or any division, 64 #96352060v15 #96352060v15

slide83

product line, or facility used for operations of Parent Borrower or any of its Restricted Subsidiaries, shall be excluded, and (i) in the case of a Permitted Acquisition or Investment described in the definition of "Specified Transaction," shall be included, (b) any retirement of Indebtedness, and (c) any Indebtedness incurred or assumed by Parent Borrower or any of its Restricted Subsidiaries in connection therewith and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination, provided that, notwithstanding anything set forth herein to the contrary, (1) the foregoing pro forma adjustments may be applied to any such test solely to the extent that such adjustments are consistent with the definition of "Consolidated EBITDA" and give effect to events (including cost savings, synergies and operating expense reductions) that are (as determined by Parent Borrower in good faith) (x) directly attributable to such transaction, (y) expected to have a continuing impact on Parent Borrower and its Restricted Subsidiaries and (z) factually supportable and (2) in connection with any Specified Transaction that is the incurrence of Indebtedness in respect of which compliance with any specified leverage ratio test is by the terms of this Agreement required to be calculated on a Pro Forma Basis, the proceeds of such Indebtedness shall not be netted from Indebtedness in the calculation of the applicable leverage ratio test. "Proposed Discounted Prepayment Amount" has the meaning specified in Section 2.05(d)(i). "PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time. "Public Company Costs" means, as to Parent Borrower and its Subsidiaries, costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and costs relating to compliance with the provisions of the Securities Act and the Exchange Act or any other comparable body of laws, rules or regulations, as companies with listed equity, directors' compensation, fees and expense reimbursement, costs relating to investor relations, shareholder meetings and reports to shareholders, directors' and officers' insurance and other executive costs, legal and other professional fees, and listing fees, in each case to the extent arising by virtue of the listing of Parent Borrower's equity or issuance by Parent Borrower or its Subsidiaries of public debt securities. "Public Lender" has the meaning specified in Section 6.02. "Public Offer" has the meaning specified in Section 1.10(a). "Purchase Money Obligations" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise. "QFC" has the meaning specified in Section 10.24(b)(v). 65 #96352060v15 #96352060v15

slide84



"QFC Credit Support" has the meaning specified in Section 10.24. "Qualified Capital Stock" means any Capital Stock of Parent Borrower that is not Disqualified Stock. "Qualified Professional Asset Manager" has the meaning specified in Section 9.17(a)(ii). "Qualifying Lenders" has the meaning specified in Section 2.05(d)(iv). "Qualifying Loans" has the meaning specified in Section 2.05(d)(iv). "Reference Rate Replacement Date" has the meaning specified in Section 3.02(b). "Refinancing Indebtedness" means Indebtedness that is Incurred to refinance (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Closing Date or Incurred in compliance with this Agreement (including Indebtedness of a Borrower that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of a Borrower or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided, however, that: (a) (i) such Refinancing Indebtedness has a final maturity date not earlier than the final maturity date of, and a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the remaining Weighted Average Life to Maturity of, in each case, the Indebtedness, Disqualified Stock or Preferred Stock being Refinanced, and (ii) to the extent such Refinancing Indebtedness refinances Subordinated Indebtedness, such Refinancing Indebtedness is Subordinated Indebtedness that is subordinate on terms that are at least as favorable to the Lenders as the Indebtedness being refinanced; (b) Refinancing Indebtedness shall not include: (i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of Parent Borrower that is not a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of Parent Borrower or a Guarantor; or (ii) Indebtedness, Disqualified Stock or Preferred Stock of Parent Borrower or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and (c) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including premiums, accrued and unpaid interest and defeasance costs) under the Indebtedness being Refinanced; (d) to the extent such Indebtedness being so modified, refinanced, refunded, renewed or extended is secured by a Lien on the Collateral, the Lien securing such Indebtedness as modified, refinanced, refunded, renewed or extended shall not be senior in priority to the Lien 66 #96352060v15 #96352060v15

slide85

on the Collateral securing the Indebtedness being modified, refinanced, refunded, renewed or extended unless (i) such Lien is junior to the Liens securing the Loan Obligations or (ii) such Lien is otherwise permitted hereunder to have such priority and, in the case of the foregoing clauses (i) and (ii), an Acceptable Intercreditor Agreement is entered into; and (e) if such Indebtedness being modified, refinanced, refunded, renewed or extended is Indebtedness permitted pursuant to Section 7.03(d), the terms and conditions of such Indebtedness (excluding pricing, call protection, premiums and prepayment or redemption terms or "most favored nations" provisions or covenants or other provisions applicable only to periods after the maturity date of the Loans being refinanced) shall be either, (i) taken as a whole, no more favorable to the lenders providing such Indebtedness, in their capacity as such, or (i) on market terms at the time of the establishment of such Indebtedness; in each case, as determined by Parent Borrower in good faith (except for (x) covenants or other provisions applicable only to periods after the latest maturity date of the relevant Loans being refinanced or (y) to the extent any more restrictive covenant or provision is added for the benefit of (A) with respect to any such Indebtedness incurred as term B loans, such covenant or provision is also added for the benefit of each Facility remaining outstanding after the incurrence or issuance of such Indebtedness or (B) with respect to any revolving facility or Customary Term A Loans, such covenant or provision (except to the extent only applicable after the maturity date of the Revolving Credit Facility) is also added for the benefit of the Revolving Credit Facility to the extent it remains outstanding after the incurrence of such Indebtedness; it being understood and agreed that in each such case, no consent of the Administrative Agent and/or any Lender shall be required in connection with adding such covenant or provision). "Refinancing Revolving Credit Commitments" means Incremental Revolving Credit Commitments that are designated by a Responsible Officer of Parent Borrower as "Refinancing Revolving Credit Commitments" in a certificate of a Responsible Officer of Parent Borrower delivered to the Administrative Agent on or prior to the date of incurrence. "Refinancing Term Loans" means Incremental Term Loans that are designated by a Responsible Officer of Parent Borrower as "Refinancing Term Loans" in a certificate of a Responsible Officer of Parent Borrower delivered to the Administrative Agent on or prior to the date of incurrence. "Register" has the meaning specified in Section 10.07(d). "Rejection Notice" has the meaning specified in Section 2.05(b)(v). "Release" means any release, spill, emission, discharge, disposal, leaking, pumping, pouring, dumping, emptying, injection or leaching of Hazardous Materials into or through the Environment or into, from or through any building, structure or facility. "Relevant Governmental Body" means the Board of Governors of the Federal Reserve Board System and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve Board System and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement, or any successor thereto. 67 #96352060v15 #96352060v15



"Reorganization" means any reorganization of any of Parent Borrower and/or its Subsidiaries implemented in order to optimize the tax position of such entities or Parent Borrower thereof (as reasonably determined by Parent Borrower in good faith) so long as such reorganization does not materially impair any Guarantee or security interests of the Lenders and is otherwise not materially adverse to the Lenders in their capacity as such, taken as a whole, and after giving effect to such re-structuring, the Loan Parties and their Restricted Subsidiaries otherwise comply with the definition of "Collateral and Guarantee Requirement" and Section 6.10. "Reportable Event" means, with respect to any Pension Plan, any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived. "Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Term Loans or Revolving Credit Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice. "Required Debt Terms" shall mean in respect of any Indebtedness, compliance with Section 2.14(b)(v) (or incurrence on then current market terms (as reasonably determined by Parent Borrower in good faith)) and Sections 2.14(b)(iii) and (iv), in each case, as if such Indebtedness were incurred thereunder. "Required Lenders" means, as of any date of determination, Lenders holding more than 50% of the sum of the (a) Total Outstandings (with the aggregate Outstanding Amount of each Lender's Revolving Credit Exposure being deemed "held" by such Lender for purposes of this definition), (b) aggregate unused Term Commitments and (c) aggregate unused Revolving Credit Commitments; provided that the unused Term Commitment and unused Revolving Credit Commitment of, and the portion of the Total Outstandings held or deemed held by any Defaulting Lender shall be excluded for all purposes of making a determination of Required Lenders. "Required Revolving Credit Lenders" means, as of any date of determination, Lenders having more than 50.0% in the aggregate of the Revolving Credit Commitments plus after the termination of the Revolving Credit Commitments under any Revolving Credit Facility, the Revolving Credit Exposure under such Revolving Credit Facility of all Lenders; provided that the Revolving Credit Commitment and the Revolving Credit Exposure of any Defaulting Lender shall be excluded for all purposes of making a determination of Required Revolving Credit Lenders. "Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority. "Responsible Officer" means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer, controller or other similar officer of a Loan Party and, as to any document delivered on the Closing Date, any secretary or assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to Article II, any other officer of the 68 #96352060v15 #96352060v15

slide87

applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party. "Restricted Group" means, collectively, Parent Borrower and its Restricted Subsidiaries. "Restricted Payment" means (a) any dividend or any distribution on or in respect of Parent Borrower's or any Restricted Subsidiary's Capital Stock (including, without limitation, any payment in connection with any merger or consolidation involving Parent Borrower or any of its Restricted Subsidiaries); (b) any purchase, redemption, retirement or other acquisition for value of any Capital Stock of Parent Borrower held by Persons other than Parent Borrower or a Restricted Subsidiary or (c) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement). "Restricted Subsidiary" means any Subsidiary of Parent Borrower other than an Unrestricted Subsidiary. "Revolver Refinancing" has the meaning specified in the Recitals hereto. "Revolving Credit Borrowing" means a borrowing consisting of Revolving Credit Loans of the same Class, Type and currency, made, converted or continued on the same date and, in the case of Term SOFR Loans, Eurocurrency Rate Loans or Alternative Currency Term Rate Loans, as to which a single Interest Period is in effect. "Revolving Credit Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Credit Loans and to acquire participations in Letters of Credit and Swing Line Loans, expressed as an amount representing the maximum possible aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) increased from time to time pursuant to Section 2.14. The initial amount of each Lender's Revolving Credit Commitment on the Closing Date is set forth on Schedule 2.01 under the caption "Revolving Credit Commitment", or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Credit Commitment, as the case may be. The initial aggregate amount of the Lenders' Revolving Credit Commitments on the Closing Date is \$350,000,000.00. "Revolving Credit Commitment Increase" has the meaning specified in 2.14(a). "Revolving Credit Exposure" means, at any time for any Lender, the sum of (a) the Outstanding Amount of the Revolving Credit Loans of such Lender outstanding at such time; (b) 69 #96352060v15 #96352060v15

slide88



the L/C Exposure of such Lender at such time and (c) the Outstanding Amount of such Lender's participation in Swing Line Loans at such time. "Revolving Credit Facility" means the Revolving Credit Commitments and the extension of credit made thereunder. "Revolving Credit Lender" means a Lender with a Revolving Credit Commitment or, if the Revolving Credit Commitments have terminated or expired, a Lender with Revolving Credit Exposure. "Revolving Credit Loan" means a Loan made pursuant to Section 2.01(b). "Revolving Credit Note" means a promissory note of any Borrower payable to any Revolving Credit Lender or its registered assigns, in substantially the form of Exhibit F-1 hereto with appropriate insertions, evidencing the aggregate Indebtedness of such Borrower to such Revolving Credit Lender resulting from the Revolving Credit Loans made by such Revolving Credit Lender under the Revolving Credit Facility. "S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto. "Sale and Leaseback Transaction" means any arrangement providing for the leasing by Parent Borrower or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by Parent Borrower or such Restricted Subsidiary to a third Person in contemplation of such leasing. "Same Day Funds" means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency. "Sanctions" has the meaning specified in Section 5.19. "Screen RateScheduled Unavailability Date" has the meaning assigned to it in the definition of "Eurocurrency Rate" specified in Section 3.02(c). "Screen Rate" means the Applicable Reference Rate quote for an Applicable Currency on the applicable screen page the Administrative Agent designates to determine such Applicable Reference Rate for such Applicable Currency (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time). "SEC" means the Securities and Exchange Commission or any Governmental Authority succeeding to, or in Canada exercising, any of its principal functions. 70

slide89

"Secured Cash Management Agreement" means any Cash Management Agreement that is entered into by and between any Loan Party or any Restricted Subsidiary and any Cash Management Bank designated as such by Parent Borrower to the Administrative Agent. "Secured Hedge Agreement" means any Swap Contract permitted hereunder that is entered into by and between (a) any Loan Party or any Restricted Subsidiary (or any Person that merges into or becomes a Restricted Subsidiary) designated as such by Parent Borrower to the Administrative Agent, and (b) any Hedge Bank; provided that a single notice of a specified Master Agreement shall be deemed to designate all swaps under such Master Agreement as a "Secured Hedge Agreement". "Secured Parties" means, collectively, the Administrative Agent, the Collateral Agent, the Arranger, the Lenders, L/C Issuers, the Hedge Banks, the Cash Management Banks, the Supplemental Administrative Agent and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.01(c). "Securities Act" means the Securities Act of 1933. "Security Agreements" means, collectively, the U.S. Security Agreement, the UK Security Agreement, the Canadian Pledge Agreement and the Dutch Collateral Documents. "Similar Business" means (a) any businesses, services or activities engaged in by Parent Borrower or any of its Subsidiaries or any Associates on the Closing Date and (b) any businesses, services and activities engaged in by Parent Borrower or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing, which shall include, but not be limited to, businesses, services or activities related to beverages, food and the packing, co-packing and shipping of the foregoing or are extensions or developments of any thereof. "SOFR" with respect to any day means the secured overnight financing rate published for such day means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's website (or any successor source) and, in each case, that has been selected or recommended by the Relevant Governmental Body. "SOFR-Based Rate SOFR Adjustment" means SOFR or Term SOFR 0.10%. "SOFR Determination Date" has the meaning specified in the definition of the term "Daily Simple SOFR". "SOFR Rate Day" has the meaning specified in the definition of the term "Daily Simple SOFR". "Sold Entity or Business" has the meaning specified in the definition of the term "Consolidated EBITDA". "Solvent" and "Solvency" mean, with respect to any Person on any date of determination, that on such date (i) the fair value of the property of such Person is greater than 71 #96352060v15 #96352060v15



the total amount of debts and liabilities, contingent, subordinated or otherwise, of such Person, (ii) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the liability of such Person on its debts as they become absolute and matured, (iii) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as they become absolute and matured, (iv) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital; provided that the amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability, and (v) as regards any such Person formed, organized or incorporated in Canada, such Person is not an "insolvent person" within the meaning of the Bankruptcy and Insolvency Act (Canada). "SONIA" means, with respect to any applicable determination date, the Sterling Overnight Index Average Reference Rate published on the fifth Business Day preceding such date on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time); provided however that if such determination date is not a Business Day, SONIA means such rate that applied on the first Business Day immediately prior thereto. "SONIA Adjustment" means, with respect to SONIA, 0.0326% per annum. "SPC" has the meaning specified in Section 10.07(h). "Special Notice Currency" means at any time an Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe. "Specified Event of Default" means any Event of Default under Section 8.01(a), Section 8.01(f) or Section 8.01(g). "Specified Loan Party" means any Loan Party that is not an "eligible contract participant" as defined in the Commodity Exchange Act (determined prior to giving effect to any applicable keep well, support or other agreement for the benefit of such Guarantor and any and all Guarantees of such Guarantor's Swap Obligations by other Loan Parties). "Specified Transaction" means any Investment, Disposition (including any Disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary of Parent Borrower or, any asset sale of a business unit, line of business or division), incurrence or repayment of Indebtedness, Restricted Payment, Subsidiary designation, Incremental Term Loan or Incremental Revolving Credit Commitments that by the terms of this Agreement requires such test to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect." "Stated Maturity" means, with respect to any loan or security, the date specified in such loan or security as the fixed date on which the payment of principal of such loan or security is due and payable, including pursuant to any mandatory redemption provision in respect of a 72 #96352060v15 #96352060v15

slide91

security, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof. "Subordinated Indebtedness" means, with respect to any person, any indebtedness (whether outstanding on the Closing Date or thereafter Incurred) that is expressly subordinated in right of payment to the Obligations pursuant to a written agreement. "Subordinated Indebtedness Documents" means the agreements governing any Subordinated Indebtedness. "Subsidiary" means, with respect to any Person, (i) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) any partnership, joint venture, limited liability company or similar entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Parent Borrower. "Subsidiary Borrower" has the meaning specified in the introductory paragraph of this Agreement. "Subsidiary Borrower Notice" has the meaning specified in Section 2.18(a). "Subsidiary Borrower Request and Assumption Agreement" has the meaning specified in Section 2.18(a). "Subsidiary Guarantor" means, collectively, the Subsidiaries of Parent Borrower that are Guarantors. "Successor Company" has the meaning specified in Section 7.04(d). "Successor Rate" has the meaning assigned to it in the definition of "Eurocurrency Rate" specified in Section 3.02(c). "Successor Rate Conforming Changes" has the meaning assigned to it in the definition of "Eurocurrency Rate". "Supplemental Administrative Agent" has the meaning specified in Section 9.13(a) and "Supplemental Administrative Agents" shall have the corresponding meaning. 73 #96352060v15 #96352060v15

slide92

"Supported QFC" has the meaning specified in Section 10.24. "Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement. "Swap Obligation" means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act. "Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark to market value(s) for such Swap Contracts, as determined by the Hedge Bank (or Parent Borrower, if no Hedge Bank is party to such Swap Contract) in accordance with the terms thereof and in accordance with customary methods for calculating mark-to-market values under similar arrangements by the Hedge Bank (or Parent Borrower, if no Hedge Bank is party to such Swap Contract). "Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04. "Swing Line Commitment" means as to any Lender (a) the amount set forth opposite such Lender's name on Schedule 2.01 hereof or (b) if such Lender has entered into an Assignment and Assumption or has otherwise assumed a Swing Line Commitment after the Closing Date, the amount set forth for such Lender as its Swing Line Commitment in the Register maintained by the Administrative Agent pursuant to Section 10.07(d). "Swing Line Lender" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder. "Swing Line Loan" has the meaning specified in Section 2.04(a). 74 #96352060v15 #96352060v15

slide93

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which shall be substantially in the form of Exhibit O or such other form as approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of Parent Borrower. "Swing Line Sublimit" means an amount equal to the lesser of (a) \$20,000,000.00 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments. "TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007. "TARGET Day" means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro. "Taxes" means all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges imposed by a Governmental Authority in the nature of a tax, including any additions to tax, penalties and interest applicable with respect thereto. "Term Borrowing" means a Borrowing in respect of a Class of Term Loans. "Term Commitments" means a commitment in respect of any Incremental Term Loans. "Term Lenders" means the Lenders with Incremental Term Loans and the Lenders with Extended Term Loans. "Term Loans" means the Incremental Term Loans and the Extended Term Loans. "Term Note" means a promissory note of a Borrower payable to any Term Lender or its registered assigns, in substantially the form of Exhibit F-2 hereto with appropriate insertions evidencing the aggregate Indebtedness of such Borrower to such Term Lender resulting from any Class of Term Loans made by such Term Lender. "Term SOFR" means: (a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment; and 75

#96352060v15 #96352060v15

slide94





(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate with a term of one month commencing that day, plus the SOFR Adjustment; provided that if the Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement. "Term SOFR Loan" means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR. "Term SOFR Scheduled Unavailability Date" has the meaning specified in Section 3.02(b). "Term SOFR Screen Rate" means the forward-looking SOFR term rate for any period that is approximately (as determined by administered by CME (or any successor administrator satisfactory to the Administrative Agent) as long as any of the Interest Period options set forth in the definition of "Interest Period" and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time with the consent of Parent Borrower). "Term SOFR Successor Rate" has the meaning specified in Section 3.02(b). "Test Period" means, at any date of determination, the most recently completed four consecutive fiscal quarters of Parent Borrower ending on or prior to such date for which financial statements have been or are required to be delivered pursuant to Section 6.01(a) or 6.01(b). "Threshold Amount" means \$50,000,000. "Total Outstandings" means the aggregate Outstanding Amount of all Loans and all L/C Obligations. "Total Revolving Outstandings" means, as at any date of determination, the Dollar Equivalent, as applicable, of the sum of the aggregate Outstanding Amount of Revolving Credit Loans and L/C Obligations. "Trade Date" has the meaning specified in Section 10.07(i). "Transaction Expenses" means any fees or expenses incurred or paid by Parent Borrower or any Restricted Subsidiary in connection with the Transactions, this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby in connection therewith. "Transactions" means (a) the Revolver Refinancing, (b) the deemed issuance of Existing Letters of Credit, (c) any Credit Extension made on the Closing Date under the Revolving Credit 76 #96352060v15 #96352060v15

slide95

Facility, (d) the consummation of any other transactions in connection with the foregoing and (5) the payment of Transaction Expenses in connection therewith. "Type" means, with respect to a Loan denominated in Dollars, its character as a Base Rate Loan or, a Term SOFR Loan, a Eurocurrency Rate Loan, an Alternative Currency Daily Rate Loan or an Alternative Currency Term Rate Loan. "UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the time of issuance). "UK" or "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland. "UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms. "UK Loan Party" means any Loan Party incorporated in any legal jurisdiction of the United Kingdom. "UK Pension Schemes" means the Cott Beverages Limited Retirement & Death Benefits Scheme and the Cooke Bros (Tattenhall) Limited 1982 Retirement Benefits Scheme. "UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution. "UK Security Agreement" means any Security Agreement governed by the laws of any legal jurisdiction of the UK. "Unaudited Financial Statements" means unaudited interim consolidated financial statements for the fiscal quarter ending September 30, 2019. "Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction (including a Personal Property Security Act applicable in Canada or the Civil Code of Quebec), to the extent it may be required to apply to any item or items of Collateral. "United States" and "U.S." mean the United States of America. "United States Tax Compliance Certificate" has the meaning specified in Section 3.01. "Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i). 77 #96352060v15 #96352060v15

slide96

"Unrestricted Subsidiary" means (i) each Subsidiary of Parent Borrower listed on Schedule 1.01C, (ii) any Subsidiary of Parent Borrower designated by Parent Borrower as an Unrestricted Subsidiary pursuant to Section 6.13 subsequent to the date hereof and (iii) any Subsidiary of an Unrestricted Subsidiary, provided that, notwithstanding anything to the contrary herein, in no event shall any Borrower be deemed to be an Unrestricted Subsidiary. "USA PATRIOT Act" means The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended or modified from time to time. "U.S. Foreign Holding Company" means any U.S. Subsidiary of Parent Borrower that owns no material assets (held directly or indirectly through one or more disregarded entities) other than Capital Stock (or Capital Stock and/or debt) of one or more Foreign Subsidiaries that are CFCs and/or U.S. Foreign Holding Companies. "U.S. Government Securities Business Day" means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable. "U.S. Loan Party" means any Loan Party that is organized under the laws of the United States, any State thereof or the District of Columbia. "U.S. Security Agreement" means, collectively, the Security Agreement executed by Cott UK Acquisition Limited, CHI, the Subsidiary Guarantors that are U.S. Loan Parties and the Collateral Agent on the Closing Date substantially in the form of Exhibit G, as supplemented by any U.S. Security Agreement Supplement executed and delivered pursuant to Section 6.10. "U.S. Security Agreement Supplement" has the meaning specified in the U.S. Security Agreement. "U.S. Special Resolution Regimes" has the meaning specified in Section 10.24. "U.S. Subsidiary" means any Subsidiary that is organized under the laws of the United States, any State thereof or the District of Columbia. "Valuation Date" means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in an Alternative Currency Loan, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in an Alternative Currency Loan, in each case, pursuant to Section 2.02, and (iii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof, (iii) each date of any payment by an L/C Issuer under any Letter of Credit denominated in an Alternative Currency, (iv) (reserved), 78 #96352060v15 #96352060v15

slide97

and (v) such additional dates as the Administrative Agent or an L/C Issuer shall determine or the Required Lenders shall require. "Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors. "Weighted Average Life to Maturity" means, when applied to any Indebtedness, Disqualified Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the then outstanding principal amount of such Indebtedness. "Wholly-Owned" means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Capital Stock of which (other than (x) director's qualifying shares and (y) shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly-owned Subsidiaries of such Person. "Withdrawal Liability" means the liability to a Multiemployer Plan, as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA. "Write-Down and Conversion Powers" means: (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers. Section 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. (b) (i) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof. (c) Article, Section, Exhibit and Schedule references are to the Loan Document in which such reference appears. 79 #96352060v15 #96352060v15

slide98

(d) The term "including" is by way of example and not limitation. (e) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form. (f) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding"; and the word "through" means "to and including." (g) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document. (h) Any

reference herein to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, as applicable, to, or with, or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity). (i) In connection with any reference herein to "fair market value", such fair market value may be conclusively established by means of an Officer's Certificate or resolutions of the Board of Directors of Parent Borrower setting out such fair market value as determined by such Officer or such Board of Directors in good faith. Section 1.03 Accounting Terms. (a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. (b) Notwithstanding anything to the contrary herein, for purposes of determining compliance with any test contained in this Agreement with respect to any period during which any Specified Transactions occur or subsequent to such period and prior to or simultaneously with the event for which the calculation is made, the Consolidated Total Leverage Ratio, the Consolidated Secured Leverage Ratio, the Interest Coverage Ratio and Consolidated EBITDA shall be calculated with respect to such period and such Specified Transactions on a Pro Forma Basis and shall be calculated for the applicable period of measurement (which may, at Parent Borrower's election, be the most recently ended twelve months) for which quarterly or fiscal year-end financial statements are internally available, as determined by Parent Borrower, immediately preceding the date of such event. 80 #96352060v15 #96352060v15

slide99

(c) Where reference is made to "Parent Borrower and its Restricted Subsidiaries on a consolidated basis" or similar language, such consolidation shall not include any Subsidiaries of Parent Borrower other than Restricted Subsidiaries. (d) In the event that Parent Borrower elects to prepare its financial statements in accordance with IFRS and such election results in a change in the method of calculation of financial covenants, standards or terms (collectively, the "Accounting Changes") in this Agreement, Parent Borrower, the Lenders and the Administrative Agent agree to enter into good faith negotiations in order to amend such provisions of this Agreement (including the levels applicable herein to any computation of the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio and the Interest Coverage Ratio), so as to reflect equitably the Accounting Changes with the desired result that the criteria for evaluating Parent Borrower's financial condition shall be substantially the same after such change as if such change had not been made. Until such time as such an amendment shall have been executed and delivered by Parent Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed in accordance with GAAP (as determined in good faith by a Responsible Officer of Parent Borrower) (it being agreed that the reconciliation between GAAP and IFRS used in such determination shall be made available to Lenders) as if such change had not occurred. (e) All leases of any Person that are or would have been characterized as operating leases in accordance with GAAP immediately prior to December 15, 2018 (whether or not such leases were in effect on such date) shall be accounted for as operating leases (and not as Capitalized Lease Obligations) for purposes of this Agreement regardless of any change in GAAP following December 15, 2018 that would otherwise require such leases to be re-characterized as Capitalized Lease Obligations to the extent that financial reporting shall not be affected hereby; provided that any obligations relating to a lease that was accounted for by Parent Borrower and/or its Subsidiaries as an operating lease as of December 15, 2018 and any similar lease assumed or entered into after December 15, 2018 shall be accounted for as an operating lease and not a Capitalized Lease Obligation for all purposes thereunder; provided, further, that notwithstanding any other provision contained herein, any lease that is or would be characterized as an operating lease for purposes of GAAP prior to the issuance of FASB ASU No. 2016-02 shall continue to be accounted for as an operating lease for purposes of this Agreement (whether or not such operating lease was in effect on such date) notwithstanding the fact that such lease is required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as a Capitalized Lease Obligation in the financial statements to be delivered pursuant to Section 6.01. Section 1.04 Rounding. Any financial ratios required to be satisfied in order for a specific action to be permitted under this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number). Section 1.05 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent 81 #96352060v15 #96352060v15

slide100

amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law. Section 1.06 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). Section 1.07 Timing of Payment or Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day. Section 1.08 Exchange Rates; Currency Equivalents Generally. (a) The Administrative Agent or each relevant L/C Issuer, as applicable, shall determine the Exchange Rates as of each Valuation Date to be used for calculating Alternative Currency Equivalent and Dollar Equivalent amounts of Credit Extensions and amounts outstanding hereunder denominated in Alternative Currencies. Such Exchange Rates shall become effective as of such Valuation Date and shall be the Exchange Rates employed in converting any amounts between the applicable currencies until the next Valuation Date to occur. Except for purposes of financial statements delivered by Parent Borrower hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be the Dollar Equivalent of such currency as so determined by the Administrative Agent (or, where applicable, each relevant L/C Issuer) at the Exchange Rate as of any Valuation Date. (b) Notwithstanding the foregoing, in the case of Loans and Letters of Credit denominated in an Alternative Currency, the Administrative Agent and each relevant L/C Issuer may at periodic intervals (no more frequently than monthly (for both the Administrative Agent and such relevant L/C Issuer), or more frequently during the continuance of an Event of Default) recalculate the aggregate exposure under such Loans and Letters of Credit to account for fluctuations in the Exchange Rate affecting the Alternative Currency in which any such Loans and/or Letters of Credit are denominated. If, as a result of such recalculation (i) the Total Revolving Outstandings exceed an amount equal to 103% of the Revolving Credit Commitments then in effect, the Borrowers will prepay Revolving Credit Loans and, if necessary, Cash Collateralize the outstanding amount of Letters of Credit in the amount necessary to eliminate the excess over the Revolving Credit Commitments then in effect or (ii) the aggregate L/C Obligations exceeds an amount equal to 103% of the Letter of Credit Sublimit, the Borrowers will repay Revolving Credit Loans and, if necessary, Cash Collateralize the outstanding amount of Letters of Credit in the amount necessary to eliminate such excess over the Letter of Credit Sublimit. (c) Whenever in this Agreement in connection with a borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or any other Alternative Currency 82 #96352060v15 #96352060v15

slide101





Loan, or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such borrowing, Eurocurrency Rate Loan, other Alternative Currency Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or each relevant L/C issuer, as the case may be. (d) For the avoidance of doubt, in the case of a Loan denominated in an Alternative Currency, except as expressly provided herein, all interest and fees shall accrue and be payable thereon based on the actual amount outstanding in such Alternative Currency (without any translation into the Dollar Equivalent thereof). (e) If at any time on or following the Closing Date all of the Participating Member States that had adopted the Euro as their lawful currency on or prior to the Closing Date cease to have the Euro as their lawful national currency unit, then Parent Borrower, the Administrative Agent, and the Lenders will negotiate in good faith to amend the Loan Documents to (a) follow any generally accepted conventions and market practice with respect to redenomination of obligations originally denominated in Euro and (b) otherwise appropriately reflect the change in currency. (f) If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from such Loan Party in the Agreement Currency, such Loan Party each agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable Law). (g) Notwithstanding the foregoing, for purposes of determining compliance with Sections 7.01, 7.02 and 7.03 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Lien, Indebtedness or Investment is 83 #96352060v15 #96352060v15



incurred, provided that, for the avoidance of doubt, the foregoing provisions of this Section 1.08 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred at any time under such Sections. (b) For purposes of determining compliance under the covenants herein, any amount in a currency other than Dollars will be converted to Dollars in a manner consistent with that used in calculating net income in Parent Borrower's annual financial statements delivered pursuant to Section 6.01(a); provided, however, that the foregoing shall not be deemed to apply to the determination of whether Indebtedness is permitted to be incurred hereunder, which shall be subject to clause (i) below. (i) For purposes of determining compliance with any restriction on the incurrence of Indebtedness, the Dollar Equivalent of the principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed, in the case of revolving credit debt; provided that if such Indebtedness is incurred to extend, replace, refund, refinance, renew or defease other Indebtedness denominated in a foreign currency, and such extension, replacement, refunding, refinancing, renewal or defeasance would cause the applicable restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such extension, replacement, refunding, refinancing, renewal or defeasance, such restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being extended, replaced, refunded, refinanced, renewed or defeased plus accrued amounts, and any costs, fees and premiums paid in connection therewith. (j) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Rate" any Applicable Reference Rate or with respect to any comparable or successor rate thereto, rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any Applicable Reference Rate, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to any Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Applicable Reference Rate or any alternative, successor or replacement rate (including, without limitation, any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to any Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service. 84 #96352060v15 #96352060v15

slide103

Section 1.09 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the amount available to be drawn under such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Application related thereto, provides for one or more automatic increases in the amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum amount available to be drawn under such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is in effect at such time.

Section 1.10 Limited Condition Transactions. (a) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of (i) determining compliance with any provision of this Agreement which requires the calculation of the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio, the Interest Coverage Ratio or any other financial ratio, or (ii) testing availability under baskets set forth in this Agreement (including baskets measured as a percentage of Consolidated Total Assets or Consolidated EBITDA, if any), in each case, at the option of Parent Borrower (Parent Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), the date of determination of whether any such transaction is permitted hereunder shall be deemed to be the date (the "LCT Test Date"), (x) the definitive agreement for such Limited Condition Transaction is entered into (or, in respect of any transaction described in clause (ii) of the definition of "Limited Condition Transaction," delivery of irrevocable notice, declaration of dividend or similar event), and not at the time of consummation of such Limited Condition Transaction or (y) solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies (or similar law in another jurisdiction), the date on which a "Rule 2.7 announcement" of a firm intention to make an offer (or equivalent announcement in another jurisdiction) (a "Public Offer") in respect of a target of such acquisition, and if, after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recent test period ending prior to the LCT Test Date, Parent Borrower could have taken such action on the relevant LCT Test Date in compliance with such ratio or basket, such ratio or basket shall be deemed to have been complied with. (b) For the avoidance of doubt, if Parent Borrower has made an LCT Election and any of the ratios or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio or basket, including due to fluctuations in Consolidated Total Assets or Consolidated EBITDA on a consolidated basis or the Person subject to such Limited Condition Transaction, at or prior to the consummation of the relevant transaction or action, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the relevant transaction or action is permitted to be consummated or taken, provided that if such ratios or baskets improve as a result of such fluctuations, such improved ratios and/or baskets may be utilized. If Parent Borrower has made an LCT Election for any Limited Condition Transaction, then in connection with any subsequent calculation of any ratio or basket availability with respect to the incurrence of Indebtedness or Liens, or the making of Restricted Payments, mergers, the conveyance, lease or other transfer of all or substantially all of the assets of Parent 85 #96352060v15 #96352060v15

 slide104

Borrower, the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement for such Limited Condition Transaction is terminated or expires (or, if applicable, the irrevocable notice, declaration of dividend or similar event is terminated or expires or, as applicable, the offer in respect of a Public Offer for, such acquisition is terminated) without consummation of such Limited Condition Acquisition, any such ratio or basket shall be tested by calculating the availability under such ratio or basket on a Pro Forma Basis assuming such Limited Condition Transaction and other transactions in connection therewith have been consummated (including any incurrence of Indebtedness and any associated Lien and the use of proceeds thereof, provided that Consolidated Cash Interest Expense for purposes of the Interest Coverage Ratio will be calculated using an assumed interest rate based on the indicative interest margin contained in any financing commitment documentation with respect to such Indebtedness or, if no such indicative interest margin exists, as reasonably determined by Parent Borrower in good faith). (c) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default, Event of Default or Specified Event of Default, as applicable, has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of Parent Borrower, be deemed satisfied, so long as no Default, Event of Default or Specified Event of Default, as applicable, exists on the date the definitive agreements for such Limited Condition Transaction are entered into. For the avoidance of doubt, if Parent Borrower has exercised its option under this Section 1.10, and any Default, Event of Default or Specified Event of Default occurs following the date the definitive agreements for the applicable Limited Condition Transaction were entered into and prior to the consummation of such Limited Condition Transaction, any such Default, Event of Default or Specified Event of Default shall be deemed to not have occurred or be continuing for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder. Section 1.11 Leverage Ratios. Notwithstanding anything to the contrary contained herein, for purposes of calculating any leverage ratio herein in connection with the incurrence of any Indebtedness, (a) there shall be no netting of the cash proceeds proposed to be received in connection with the incurrence of such Indebtedness and (b) to the extent the Indebtedness to be incurred is revolving Indebtedness, such incurred revolving Indebtedness (or if applicable, the portion (and only such portion) of the increased commitments thereunder) shall be treated as fully drawn. Section 1.12 Cashless Rolls. Notwithstanding anything to the contrary contained in this Agreement or in any other Loan Document, to the extent that any Lender extends the maturity date of, or replaces, renews or refinances, any of its then-existing Loans with Incremental Term Loans, any Extended Term Loans, loans made pursuant to any Additional Revolving Credit Commitment, loans made pursuant to Extended Revolving Credit Commitments or loans incurred under a new credit facility, in each case, to the extent such extension, replacement, renewal or refinancing is effected by means of a "cashless roll" (or other cashless settlement mechanism approved by the applicable Borrower, the Administrative Agent and such Lender) by 86 #96352060v15 #96352060v15

slide105

such Lender, such extension, replacement, renewal or refinancing shall be deemed to comply with any requirement hereunder or any other Loan Document that such payment be made "in Dollars," "in immediately available funds," "in cash" or any other similar requirement. Section 1.13 Certain Calculations and Tests. Notwithstanding anything to the contrary herein, with respect to any amounts incurred or transactions entered into (or consummated) in reliance on a provision of the same section of any Loan Document that does not require compliance with a financial ratio or test (including, without limitation, pro forma compliance with Section 7.08 or Section 7.09 hereof (but not actual compliance therewith), any Consolidated Secured Leverage Ratio test, any Consolidated Total Leverage Ratio test and/or any Interest Coverage Ratio test) (any such amounts, the "Fixed Amounts") substantially concurrently with any amounts incurred or transactions entered into (or consummated) in reliance on a provision of the same section of any Loan Document that requires compliance with any such financial ratio or test (any such amounts, the "Incurrence Based Amounts"), it is understood and agreed that, for purposes of this Agreement, the Fixed Amounts under such section shall be disregarded in the calculation of the financial ratio or test applicable to the Incurrence Based Amounts in connection with such substantially concurrent incurrence. Section 1.14 Additional Alternative Currencies. (a) Parent Borrower may from time to time request that Eurocurrency Rate Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency," provided that such requested currency is a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars. In the case of any such request with

respect to the making of Eurocurrency Rate Loans, such request shall be subject to the approval of the Administrative Agent and the Revolving Credit Lenders; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the L/C Issuers. (i) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such request pertaining to Letters of Credit, each L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Eurocurrency Rate Loans, the Administrative Agent shall promptly notify each Revolving Credit Lender thereof, and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify each L/C Issuer thereof. Each Revolving Credit Lender (in the case of any such request pertaining to Eurocurrency Rate Loans) or each L/C Issuer (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Rate Loans or the issuance of Letters of Credit, as the case may be, in such requested currency. 87 #96352060v15 #96352060v15

---

 slide106

(ii) Any failure by a Revolving Credit Lender or L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Revolving Credit Lender or L/C Issuer, as the case may be, to permit Eurocurrency Rate Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Revolving Credit Lenders consent to making Eurocurrency Rate Loans in such requested currency, the Administrative Agent shall so notify Parent Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Borrowings of Eurocurrency Rate Loans; and if the Administrative Agent and the L/C Issuers consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify Parent Borrower and such currency shall thereupon be deemed for all purposes to be an Alternative Currency hereunder for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.14, the Administrative Agent shall promptly so notify Parent Borrower. Section 1.15 Change of Currency. Each obligation of the Borrowers to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the Londonapplicable offshore interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency, provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period. Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro. Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency. Section 1.16 Dutch Terms. Where it relates to a Dutch Loan Party, a reference to: (a) "administrator" includes a bewindvoerder; (b) "dissolve" includes ontbonden worden; (c) "liquidator" includes a vereffenaar; 88 #96352060v15 #96352060v15

slide107



(d) "merger" includes a legal merger (juridische fusie), demerger (splittings or afsplitsing) and any asset merger (active-passiva transactie) and "merger" includes effecting such merger; (e) "necessary corporate or other organizational action" includes obtaining an unconditional positive advice from any works council (ondernemingsraad) having jurisdiction in respect of such Dutch Loan Party and complying with any other requirements of the Dutch Works Councils Act (Wet op de ondernemingsraden); (f) "trustee" includes a curator and any other insolvency practitioner within the meaning of the EU Insolvency Regulation; and (g) "writ or warrant of attachment or execution" includes any beslagexploot for a conservatory attachment (conservatoir beslag) or executory attachment (executoir beslag). ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS Section 2.01 The Loans. Subject to the terms and conditions set forth herein: (a) [Reserved]. (b) The Revolving Credit Borrowings. Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make (or cause its Applicable Lending Office to make) Revolving Credit Loans from time to time during the Availability Period for the Revolving Credit Facility in Dollars or in an Approved Currency in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Credit Commitment; provided that, after giving effect to the making of any Revolving Credit Loans, in no event shall the Total Revolving Outstandings exceed the Revolving Credit Commitments then in effect. Within the limits of each Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, any Borrower may borrow under this Section 2.01(b), prepay under Section 2.05, and reborrow under this Section 2.01(b). Revolving Credit Loans may be Base Rate Loans or Eurocurrency Rate Loans, Term SOFR Loans, Alternative Currency Term Rate Loans or Alternative Currency Daily Rate Loans, Borrowings, Conversions and Continuances of Loans. Section 2.02 Borrowings, Conversions and Continuation of Loans. (a) Each Term Borrowing, each Revolving Credit Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurocurrency Rate Loans, Term SOFR Loans or Alternative Currency Term Rate Loans shall be made upon Parent Borrower's irrevocable notice (which notice may be telephonic if promptly followed by a written notice signed by a Responsible Officer), to the Administrative Agent. Each such notice must be received by the Administrative Agent not later than (i) 12:00 noon Local Time (A) threetwo (32) Business Days prior to the requested date of any Dollar-denominated Borrowing, of conversion to or continuation of Eurocurrency RateTerm SOFR Loans or any conversion of Eurocurrency RateTerm SOFR Loans to Base Rate Loans and, (B) four (4) Business Days prior to the requested date of any Borrowing of Eurocurrency Rate Loans denominated in an, (C) three (3) 89 #96352060v15 #96352060v15

slide108

Business Days (or five (5) Business Days in the case of a Special Notice Currency) prior to the requested date of any Borrowing or continuation of Alternative Currency, Term Rate Loans and (D) five (5) Business Days prior to the requested date of any Borrowing of Alternative Currency Daily Rate Loans; (i) 1:00 p.m. Local Time on the requested date of any Borrowing of Base Rate Loans; provided, however, that if the Parent Borrower wishes to request Alternative Currency Term Rate Loans having an Interest Period other than one, three or six months in duration as provided in the definition of "Interest Period", the applicable notice must be received by the Administrative Agent not later than 12:00 noon five (5) Business Days (or six (6) Business Days in the case of a Special Notice Currency) prior to the requested date of such Borrowing or continuation of Alternative Currency Term Rate Loans, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Each Borrowing of, conversion to or continuation of Eurocurrency Rate Loans or Term SOFR Loans, as applicable, shall be in a principal amount of the Borrowing Minimum or a whole multiple of the Borrowing Multiple in excess thereof. Except as provided in Section 2.03(c), each Each Borrowing or continuation of Alternative Currency Loans, other than with respect to a Eurocurrency Rate Loans, shall be in a principal amount of the Dollar Equivalent of \$5,000,000 or a whole multiple of the Dollar Equivalent of \$1,000,000 in excess thereof. Each Borrowing of, or conversion to, Base Rate Loans shall be in a principal amount of the Borrowing Minimum or a whole multiple of the Borrowing Multiple in excess thereof. Each Committed Loan Notice shall specify (i) whether the applicable Borrower is requesting a Term Borrowing, a Revolving Credit Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurocurrency Rate Loans, Term SOFR Loans or Alternative Currency Term Rate Loans, (ii) in the case of any Revolving Credit Borrowing, the Approved Currency for the requested Borrowing, (iii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iv) the Class, currency and principal amount of Loans to be borrowed, converted or continued, (v) in the case of Loans in Dollars, the Type of Loans to be borrowed or to which existing Loans are to be converted, (vi) if applicable, the duration of the Interest Period with respect thereto, (vii) the applicable Borrower and (viii) the account of the applicable Borrower to be credited with the proceeds of such Borrowing. If Parent Borrower fails to specify a currency in a Committed Loan Notice requesting a Borrowing, then the applicable Loans shall be made in Dollars. If With respect to Loans denominated in Dollars, if Parent Borrower fails to specify a Type of Loan in a Committed Loan Notice with respect to a Borrowing in Dollars or fails to give a timely notice requesting a conversion or continuation with respect to a Borrowing in Dollars, then the applicable Loans shall be made or continued as, or converted to, Base Rate Loans denominated in Dollars; provided, however, that in the case of a failure to timely request a continuation of Alternative Currency Term Rate Loans, Term SOFR Loans or Eurocurrency Rate Loans, such Loans shall be continued as Alternative Currency Term Rate Loans, Term SOFR Loans or Eurocurrency Rate Loans in their original currency, as applicable, with an Interest Period of one (1) month (subject to the definition of "Interest Period"). Any such automatic conversion or continuation shall be effective as of the last day of the applicable Interest Period then in effect with respect to the applicable Alternative Currency Term Rate Loans, Term SOFR Loans or Eurocurrency Rate Loans. If Parent Borrower fails to give a timely notice requesting a conversion or continuation with respect to a Borrowing in an Alternative Currency, then it will be deemed to have requested a conversion or continuation for an Interest Period of one (1) month, in each case, as applicable. If Parent Borrower requests a Borrowing 90 #96352060v15 #96352060v15

 slide109



of, conversion to, or continuation of Eurocurrency Rate Loans, Term SOFR Loans or Alternative Currency Term Rate Loans, as applicable, in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month. For the avoidance of doubt, the Borrowers and Lenders acknowledge and agree that any conversion or continuation of an existing Loan shall be deemed to be a continuation of that Loan with a converted interest rate methodology and not a new Loan. No Loan may be converted into or continued as a Loan denominated in a different currency, but instead must be prepaid in the original currency of such Loan and reborrowed in the other currency. (b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Appropriate Lender of the amount of its Applicable Percentage of the applicable Class of Loans, and if no timely notice of a conversion or continuation is provided by Parent Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans or continuation described in Section 2.02(a). In the case of each Borrowing, each Appropriate Lender shall make (or cause its Applicable Lending Office to make) the amount of its Loan available to the Administrative Agent by wire transfer in Same Day Funds at the Administrative Agent's Principal Office for the applicable currency not later than 1:00 p.m. Local Time in the case of any Dollar-denominated Loan, and the Applicable Time specified by the Administrative Agent in the case of any Loan in an Alternative Currency, for Eurocurrency Rate Loans or other Alternative Currency Loans and 3:00 p.m. Local Time for Base Rate Loans on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.01 and, in the case of a Credit Extension under the Revolving Facility after the Closing Date, Section 4.03, the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower maintained with the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the applicable Borrower; provided that if, on the date the Committed Loan Notice with respect to such Dollar-denominated Borrowing is given by Parent Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing shall be applied first, to the payment in full of any such L/C Borrowings and second, to the applicable Borrower as provided above. (c) Except as otherwise provided herein, a Term SOFR Loan, Eurocurrency Rate Loan or other Alternative Currency Loan, to the extent applicable, may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan, Eurocurrency Rate Loan or other Alternative Currency Loan, respectively, unless the applicable Borrower pays the amount due, if any, under Section 3.04 in connection therewith. During the existence of an Event of Default, the Administrative Agent or the Required Lenders may require that (A)(i) no Loans may be converted to or continued as Term SOFR Loans, Eurocurrency Rate Loans (whether in Dollars or any Alternative Currency) Term Rate Loans or Alternative Currency Daily Rate Loans, in each case, as applicable, (ii) any or all of the then outstanding Eurocurrency Rate Loans denominated in and other Alternative Currency Loans be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto, and shall bear interest at the Base Rate, and 91 #96352060v15 #96352060v15

slide110

(iii) unless repaid, each Eurocurrency RateTerm SOFR Loan denominated in Dollars shall be converted to a Base Rate Loan at the end of the Interest Period applicable thereto. (d) The Administrative Agent shall promptly notify Parent Borrower and the Appropriate Lenders of the interest rate applicable to any Interest Period for Eurocurrency RateTerm SOFR Loans or Alternative Currency Loans upon determination of such interest rate. The determination of the EurocurrencyTerm SOFR or the Alternative Currency Rate by the Administrative Agent shall be conclusive in the absence of manifest error. (e) Anything in clauses (a) through (de) above to the contrary notwithstanding, after giving effect to all Term Borrowings and Revolving Credit Borrowings, all conversions of Term Loans and Revolving Credit Loans from one Type to the other, and all continuations of Term Loans and Revolving Credit Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect at any time for all Borrowings of Eurocurrency RateTerm SOFR Loans and Alternative Currency Loans plus up to three (3) additional Interest Periods in respect of each Incremental Facility. (f) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing. (g) For the avoidance of doubt, no conversion or continuation of any Loan pursuant to this Section shall affect the currency in which such Loan is denominated prior to any such conversion or continuation and each such Loan shall remain outstanding denominated in the currency originally issued. (h) With respect to SOFR, Term SOFR or any Alternative Currency Daily Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Parent Borrower and the Lenders reasonably promptly after such amendment becomes effective. Section 2.03 Letters of Credit. (a) The Letter of Credit Commitments. (i) Subject to the terms and conditions set forth herein, (1) each L/C Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders under the Revolving Credit Facility set forth in this Section 2.03, (x) from time to time on any Business Day following the Closing Date during the Availability Period for the Revolving Credit Facility, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies for the account of any Borrower (provided that any Letter of Credit may be for the account of any Subsidiary of Parent Borrower; provided, further that Parent Borrower hereby acknowledges 92 #96352060v15 #96352060v15

slide111

that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of Parent Borrower, and that Parent Borrower's business derives substantial benefits from the businesses of such Subsidiaries, and Parent Borrower hereby irrevocably agrees to be bound jointly and severally to reimburse the applicable L/C Issuer for amounts drawn on any Letter of Credit issued for the account of any Subsidiary) and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b), and (y) to honor drafts under the Letters of Credit and (z) the Revolving Credit Lenders under the Revolving Credit Facility severally agree to participate in Letters of Credit issued pursuant to this Section 2.03; provided that no L/C Issuer shall be obligated to make any L/C Credit Extension with respect to any Letter of Credit and no Revolving Credit Lender shall be obligated to participate in any Letter of Credit if immediately after giving effect to such L/C Credit Extension, (w) the Total Revolving Outstandings would exceed the Revolving Credit Commitments then in effect, (x) the sum of the aggregate Outstanding Amount of the Revolving Credit Loans of any Revolving Credit Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, would exceed such Lender's Revolving Credit Commitment, (y) the aggregate L/C Exposure would exceed the Letter of Credit Sublimit or (z) the aggregate L/C Exposure in respect of Letters of Credit issued by such L/C Issuer would exceed such L/C Issuer's L/C Commitment. Letters of Credit shall constitute utilization of the Revolving Credit Commitments. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly any Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. It is hereby acknowledged and agreed that each of the letters of credit described on Schedule 2.03(a) (the "Existing Letters of Credit") shall constitute a "Letter of Credit" for all purposes of this Agreement and shall be deemed issued under this Agreement on the Closing Date. (ii) An L/C Issuer shall be under no obligation to issue any Letter of Credit if: (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or direct that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it: 93 #96352060v15 #96352060v15

slide112

(B) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the relevant L/C Issuer has approved such expiry date; (C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Facility Expiration Date, unless the relevant L/C Issuer has approved such expiry date (it being understood that the participations of the Revolving Credit Lenders under the Revolving Credit Facility in any undrawn Letter of Credit shall in any event terminate on the Letter of Credit Facility Expiration Date); (D) in the case of Letters of Credit, if such Letter of Credit is to be denominated in a currency other than Dollars or an Approved Currency; or (E) the L/C Issuer does not as of the issuance date of the requested Letter of Credit issue Letters of Credit in the requested currency; or (F) any Revolving Lender of the applicable Class is at such time a Defaulting Lender, nor shall any L/C Issuer be under any obligation to extend or amend existing Letters of Credit, unless such L/C Issuer has entered into arrangements, including reallocation of such Lender's Applicable Percentage of the applicable outstanding L/C Obligations pursuant to Section 2.16 or the delivery of Cash Collateral, with the applicable Borrower or such Lender to eliminate such L/C Issuer's actual or potential L/C Exposure (after giving effect to Section 2.16) with respect to such Lender arising from either the Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential L/C Exposure; or (G) the issuance of such Letter of Credit would violate any Laws binding upon such L/C Issuer or one or more policies of such L/C Issuer applicable to letters of credit in general; (H) such Letter of Credit is not a standby letter of credit; or (I) such Letter of Credit is in an initial amount less than \$10,000, in the case of a commercial Letter of Credit, or \$500,000, in the case of a standby Letter of Credit. (ii) An L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit. 94 #96352060v15 #96352060v15

slide113





(iv) The aggregate L/C Commitments of all the L/C Issuers shall be less than or equal to the Letter of Credit Sublimit at all times. (b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit. (i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of Parent Borrower hand delivered or facsimiled (or transmitted by electronic communication, if arrangements for doing so have been approved by the L/C Issuer) to the L/C Issuer in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of Parent Borrower. Such Letter of Credit Application must be received by the relevant L/C Issuer not later than 1:00 p.m., Local Time, at least three (3) Business Days prior to the proposed issuance date or date of amendment, as the case may be; or, in each case, such later date and time as the relevant L/C Issuer may agree in a particular instance in its sole discretion. In the case of a request for the issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer: (a) the proposed issuance date 4.375% Senior Notes due 2029 of the requested Letter of Credit (which shall be a Business Day) Issuer (the "Notes"); (b)

WHEREAS, the amount thereof in Dollars and, in Indenture provides that under certain circumstances the case of Letters of Credit denominated in an Alternative Currency, the Approved Currency thereof; (c) the expiry date thereof; (d) the name and address of the beneficiary thereof; (e) the documents to be presented by such beneficiary in case of any drawing thereunder; (f) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (g) the applicable Borrower and (h) such other matters as the relevant L/C Issuer may reasonably request. If requested by the L/C Issuer, Parent Borrower also shall submit a letter of credit application on the L/C Issuer's standard form in connection with any request for a Letter of Credit. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the relevant L/C Issuer may reasonably request. (ii) Parent Borrower shall provide the Administrative Agent with a copy of any Letter of Credit Application. Upon receipt by the relevant L/C Issuer of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower or enter into the applicable amendment, as the case may be. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, acquire from the relevant L/C Issuer a risk participation in such Letter of Credit in an amount equal to the 95 #96352060v15 #96352060v15

Slide114

product of such Revolving Credit Lender's Applicable Percentage of the Revolving Credit Facility times the amount of such Letter of Credit. (iii) If Parent Borrower so requests in any applicable Letter of Credit Application, the relevant L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the relevant L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the relevant L/C Issuer, Parent Borrower shall not be required to make a specific request to the relevant L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the applicable Lenders shall be deemed to have authorized (but may not require) the relevant L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Facility Expiration Date; provided that the relevant L/C Issuer shall not permit any such extension if (A) the relevant L/C Issuer has determined that it would have no obligation at such time to issue such Letter of Credit in its extended form under the terms hereof (by reason of the provisions of Section 2.03(a)(ii) or otherwise), or (B) it has received notice on or before the day that is seven (7) Business Days before the Non-extension Notice Date from the Administrative Agent or any Revolving Credit Lender under the Revolving Credit Facility, as applicable, or Parent Borrower that one or more of the applicable conditions specified in Section 4.03 is not then satisfied. (iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the relevant L/C Issuer will also deliver to Parent Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment. (c) Drawings and Reimbursements; Funding of Participations. (i) Upon receipt from the beneficiary of any Letter of Credit of any compliant drawing under such Letter of Credit, the relevant L/C Issuer shall notify promptly the applicable Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the applicable Borrower shall reimburse the L/C Issuer in such Alternative Currency, unless (A) the L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, such Borrower shall have notified the L/C Issuer promptly following receipt of the notice of drawing that such Borrower will reimburse the L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the L/C Issuer shall notify such Borrower of the Dollar 96 #96352060v15 #96352060v15

slide115

Equivalent of the amount of the drawing promptly following the determination thereof. On the Business Day immediately following the Business Day on which such Borrower shall have received notice of any payment by an L/C Issuer under a Letter of Credit (such date of payment, an "Honor Date"), such Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing (which reimbursement, in the case of a Letter of Credit denominated in an Alternative Currency, shall be in such Alternative Currency). In the event that (A) a drawing denominated in an Alternative Currency is to be reimbursed in Dollars pursuant to the second sentence in this Section 2.03(c)(i) and (B) the Dollar amount paid by such Borrower, whether on or after the Honor Date, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in the Alternative Currency equal to the drawing, such Borrower agrees, as a separate and independent obligation, to indemnify the L/C Issuer for the loss resulting from its inability on that date to purchase the Alternative Currency in the full amount of the drawing. If such Borrower fails to so reimburse such L/C Issuer on the Honor Date (or if any such reimbursement payment is required to be refunded to such Borrower for any reason), then the Administrative Agent shall promptly notify the applicable L/C Issuer and each Appropriate Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Appropriate Lender's Applicable Percentage thereof. In the event that such Borrower does not reimburse the L/C Issuer on the Business Day following the date it receives notice of the Honor Date, such Borrower shall be deemed to have requested, for its own account, a Revolving Credit Borrowing of (x) Base Rate Loans (in the case of any Unreimbursed Amount in respect of a Letter of Credit denominated in Dollars) or (y)(i) Alternative Currency Term Rate Loans with an Interest Period of one month, (ii) Eurocurrency Rate Loans with a periodan Interest Period of one month or (iii) Alternative Currency Daily Rate Loans, in each case, as applicable (each in the case of any Unreimbursed Amount in respect of a Letter of Credit denominated in an Alternative Currency which Eurocurrency RateAlternative Currency Loans shall be denominated in the same Alternative Currency in which the relevant Letter of Credit is denominated), in each case, to be disbursed on such date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans or Eurocurrency Ratesuch Alternative Currency Loans, as applicable, nor the conditions set forth in Section 4.03, but subject to the amount of the unutilized portion of the relevant Revolving Credit Commitments in respect of the Revolving Credit Facility. For the avoidance of doubt, if any drawing occurs under a Letter of Credit and such drawing is not reimbursed on the same day as the day on which it is paid, such drawing shall, without duplication, accrue interest at the rate applicable to Base Rate Loans or Eurocurrency Ratesuch Alternative Currency Loans, as applicable, under the Revolving Credit Facility until the date of reimbursement. (ii) Each Revolving Credit Lender of the applicable Class (including any such Lender acting as an L/C Issuer) shall upon any notice pursuant to 97 #96352060v15 #96352060v15

slide116

Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the relevant L/C Issuer, in Dollars, at the Administrative Agent's Principal Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Dollar Equivalent of any Unreimbursed Amount in respect of a relevant Letter of Credit not later than 1:00 p.m., Local Time, on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made (x) a Base Rate Loan (or, in the case of any Unreimbursed Amount in respect of a Letter of Credit denominated

in Dollars) or (v)(i) an Alternative Currency Term Rate Loans with an Interest Period of one month, (ii) a Eurocurrency Rate Loans with an Interest Period of one month or (iii) an Alternative Currency Daily Rate Loans, in each case, as applicable (each in the case of any Unreimbursed Amount in respect of a Letter of Credit denominated in an Alternative Currency, a Eurocurrency Rate Loan with an interest period of one month denominated in such which Alternative Currency) Loans shall be denominated in the same Alternative Currency in which the relevant Letter of Credit is denominated), to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the relevant L/C Issuer in Dollars in accordance with the instructions provided to the Administrative Agent by such L/C Issuer (which instructions may include standing payment instructions, which may be updated from time to time by such L/C Issuer, provided that, unless the Administrative Agent shall otherwise agree, any such update shall not take effect until the Business Day immediately following the date on which such update is provided to the Administrative Agent). (ii) With respect to any Unreimbursed Amount in respect of a Letter of Credit that is not fully refinanced by a Revolving Credit Borrowing for any reason, the applicable Borrower shall be deemed to have incurred from the relevant L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate then applicable to Base Rate Loans under the Revolving Credit Facility or, Eurocurrency Rate Loans with an interest period of one month under the Revolving Credit Facility, Alternative Currency Term Rate Loans with an interest period of one month under the Revolving Credit Facility or Alternative Currency Daily Rate Loans under the Revolving Credit Facility, in each case, as applicable. In such event, each Revolving Credit Lender's payment under the Revolving Credit Facility to the Administrative Agent for the account of the relevant L/C Issuer pursuant to Section 2.03(c)(i) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03. (iv) Until each Revolving Credit Lender under the Revolving Credit Facility funds its Revolving Credit Loan under the Revolving Credit Facility or relevant L/C Advance pursuant to this Section 2.03(c) to reimburse the relevant L/C Issuer for any amount drawn under any relevant Letter of Credit, interest in 98 #96352060v15 #96352060v15

slide117

respect of such Revolving Credit Lender's Applicable Percentage of such amount shall be solely for the account of the relevant L/C Issuer. (v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or relevant L/C Advances to reimburse an L/C Issuer for amounts drawn under relevant Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant L/C Issuer, the applicable Borrower, any **Guaranteeing** or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing, and shall survive the payment in full of the Obligations and the termination of this Agreement. No such making of an L/C Advance shall relieve or otherwise impair the obligation of such Borrower to reimburse the relevant L/C Issuer for the amount of any payment made by such L/C Issuer under any relevant Letter of Credit, together with interest as provided herein. (vi) If any Revolving Credit Lender under the Revolving Credit Facility fails to make available to the Administrative Agent for the account of the relevant L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at the Overnight Rate. A certificate of the relevant L/C Issuer submitted to any Revolving Credit Lender under the Revolving Credit Facility (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c) shall be conclusive absent demonstrable error. (vi) If, at any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender under the Revolving Credit Facility such Lender's L/C Advance in respect of such payment in accordance with this Section 2.03(c), the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from a Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to each Revolving Credit Lender under the Revolving Credit Facility its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent. (viii) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.06 (including pursuant to 99 #96352060v15 #96352060v15

 slide118

any settlement entered into by such L/C Issuer in its discretion), each Revolving Credit Lender of the applicable Class shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate. (d) Obligations Absolute. The obligation of each Borrower to reimburse the relevant L/C Issuer for each drawing under each Letter of Credit issued by it and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following: (i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other agreement or instrument relating thereto; (ii) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction; (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect, or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit; (iv) any payment by the relevant L/C Issuer under such Letter of Credit against presentation of a document that does not strictly comply with the terms of such Letter of Credit; or any payment made by the relevant L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; (v) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to departure from the Guaranty or any other guarantee, for all or any of the Loan Obligations of any Loan Party in respect of such Letter of Credit; (vi) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to such Borrower or any Subsidiary or in the relevant currency markets generally; or 100. #96352060v15 #96352060v15

slide119

(vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party; provided that the foregoing shall not excuse any L/C Issuer from liability to such Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are waived by such Borrower to the extent permitted by applicable Law) suffered by such Borrower that are caused by such L/C Issuer's gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision) when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. (e) Role of L/C Issuers. Each Lender and each Borrower agrees that, in paying any drawing under a Letter of Credit, the relevant L/C Issuer shall not have any responsibility to obtain any document (other than any documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, any Agent-Related Person nor any of the respective correspondents, participants or assignees of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Required Lenders or the Required Revolving Credit Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable decision); or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application. Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided that this assumption is not intended to, and shall not, preclude such Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, any Agent-Related Person, nor any of the respective correspondents, participants or assignees of any L/C Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (iii) of this Section 2.03(e); provided that anything in such clauses to the contrary notwithstanding, such Borrower may have a claim against an L/C Issuer, and such L/C Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower caused by such L/C Issuer's willful misconduct or gross negligence or such L/C Issuer's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of documents strictly complying with the terms and conditions of a Letter of Credit (in each case, as determined by a court of competent jurisdiction in a final non-appealable decision). In furtherance and not in limitation of the foregoing, each L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no L/C Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. (f) Cash Collateral. In addition to any other provision under this Agreement requiring Cash Collateral to be provided, (i) if the relevant L/C Issuer has honored any full or 101 #96352060v15 #96352060v15

slide120





partial drawing under any Letter of Credit and such drawing has resulted in an L/C Borrowing for reasons other than the failure of a Revolving Credit Lender to fulfill its obligations under clause (c)(i) above, (i) if, as of the Letter of Credit Facility Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) if any Event of Default occurs and is continuing and the Administrative Agent or the Required Revolving Credit Lenders or the Required Lenders, as applicable, require the Borrowers to Cash Collateralize the L/C Obligations pursuant to Section 8.02(c) or (iv) an Event of Default set forth under Section 8.01(f) or (g) occurs and is continuing, then the Borrowers shall Cash Collateralize the then Outstanding Amount of all L/C Obligations (in an amount equal to such Outstanding Amount plus any accrued or unpaid fees thereon determined as of the date such Cash Collateral is provided). Each Borrower hereby grants to the Administrative Agent, for the benefit of the L/C Issuers and the Revolving Credit Lenders under the Revolving Credit Facility, a security interest in all such cash, deposit accounts, Cash Collateral Account and all balances therein and all proceeds of the foregoing that secure any of its L/C Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Interest or profits, if any, on such investments shall accumulate in such account for the benefit of each Borrower. Cash Collateral shall be maintained in accounts satisfactory to the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Credit Lenders under the Revolving Credit Facility and may be invested in readily available Cash Equivalents at its sole discretion. If at any time the Administrative Agent determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent (on behalf of the Secured Parties) or that the total amount of such funds is less than the L/C Exposure, the Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the deposit accounts specified by the Administrative Agent, an amount equal to the excess of (a) such L/C Exposure over (b) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Law, to reimburse the relevant L/C Issuer. To the extent the amount of any Cash Collateral exceeds the L/C Exposure plus costs incidental thereto and so long as no other Event of Default has occurred and is continuing, the excess shall be refunded to the Borrowers. If such Event of Default is cured or waived and no other Event of Default is then occurring and continuing, the amount of any Cash Collateral (including any accrued interest thereon) shall be refunded to the Borrowers. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.03, 2.05, 2.16 or 8.02 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific L/C Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the 102 #96352060v15 #96352060v15

slide121

termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.07)) or (i) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral, provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations. (g) Letter of Credit Fees. Each Borrower shall pay to the Administrative Agent in Dollars for the account of each Revolving Credit Lender under the Revolving Credit Facility in accordance with its Applicable Percentage, a relevant Letter of Credit fee for each relevant Letter of Credit issued on its behalf pursuant to this Agreement equal to the product of (i) the Applicable Rate for relevant Letter of Credit fees and (ii) the Dollar Equivalent of the daily maximum amount then available to be drawn under such Letter of Credit. Such letter of credit fees shall be computed on a quarterly basis in arrears. Such Letter of Credit fees shall be due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Facility Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. (h) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers. Each Borrower shall pay directly to each L/C Issuer for its own account a fronting fee (a "Fronting Fee") in Dollars with respect to each Letter of Credit issued by such L/C Issuer in an amount to be agreed between such Borrower and such L/C Issuer (but in any case, not to exceed 0.125% per annum) of the Dollar Equivalent of the daily maximum amount then available to be drawn under such Letter of Credit. Such Fronting Fees shall be computed on a quarterly basis in arrears. Such Fronting Fees shall be due and payable on the tenth Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Facility Expiration Date and thereafter on demand. In addition, each Borrower shall pay directly to each L/C Issuer for its own account, in Dollars, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within ten (10) Business Days of demand and are nonrefundable. (i) Conflict with Letter of Credit Application. Notwithstanding anything else to the contrary in any Letter of Credit Application, in the event of any conflict between the terms hereof and the terms of any Letter of Credit Application, the terms hereof shall control. (j) Addition of an L/C Issuer. A Revolving Credit Lender (or any of its Subsidiaries or affiliates) under the Revolving Credit Facility may become an additional L/C Issuer hereunder pursuant to a written agreement among Parent Borrower, the Administrative 103 #96352060v15 #96352060v15

slide122

Agent and such Revolving Credit Lender. The Administrative Agent shall notify the Revolving Credit Lenders of any such additional L/C Issuer. (k) Applicability of ISP and UCP. Unless otherwise expressly agreed by the L/C Issuer and a Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit) the rules of the ISP shall be stated therein and apply to each Letter of Credit. (l) Indemnification of L/C Issuers. To the extent not indemnified by Parent Borrower or any other Loan Party pursuant to Section 10.05, the Revolving Credit Lenders hereby agree to indemnify each L/C Issuer for all Indemnified Liabilities, subject to the terms and limitations set forth in Section 10.05. Notwithstanding the foregoing, no L/C Issuer shall be responsible to any Borrower for, and no L/C Issuer's rights and remedies against any Borrower shall be impaired by, any action or inaction of such L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the applicable L/C Issuer or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade (BAFT), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice. Section 2.04 Swing Line Loans. (a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, may in its sole discretion make loans in Dollars (each such loan, a "Swing Line Loan") to any Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, provided, however, that (x) after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the Aggregate Commitments, and (ii) the Revolving Credit Exposure of any Revolving Credit Lender shall not exceed such Lender's Revolving Credit Commitment, (y) such Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, any Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Credit Lender's Applicable Percentage times the amount of such Swing Line Loan. (b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon Parent Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, 104 #96352060v15 #96352060v15

slide123

which may be given by (A) telephone or (B) by a Swing Line Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such Swing Line Loan Notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, (ii) the applicable Borrower and (iii) the requested borrowing date, which shall be a Business Day. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the applicable Borrower at its office by crediting the account of such Borrower on the books of the Swing Line Lender in Same Day Funds. (c) Refinancing of Swing Line Loans. (i) The Swing Line Lender at any time in its sole discretion may request, on behalf of Parent Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02. Without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 4.03, the Swing Line Lender shall furnish Parent Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in Same Day Funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office for Dollar-denominated payments not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each

slide124

(i) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation. (ii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (ii) shall be conclusive absent manifest error. (iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the applicable Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.03. No such funding of risk participations shall relieve or otherwise impair the obligation of the applicable Borrower to repay Swing Line Loans, together with interest as provided herein. (d) Repayment of Participations. (i) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line 106 #96352060v15 #96352060v15

slide125

Lender will distribute to such Revolving Credit Lender its Applicable Percentage thereof in the same funds as those received by the Swing Line Lender. (ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the applicable Overnight Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement. (e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the applicable Borrower for interest on the Swing Line Loans. Until each Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender. (f) Payments Directly to Swing Line Lender. The applicable Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender. Section 2.05 Prepayments. (a) Optional Prepayments. (i) Any Borrower may, upon notice from such Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay any Borrowing of any Class in whole or in part without premium or penalty, provided that (1) such notice must be received by the Administrative Agent not later than 1:00 p.m., Local Time (A) three (3) Business Days prior to any date of prepayment of Eurocurrency RateTerm SOFR Loans denominated in Dollars, (B) four (4) Business Days (or five (5), in the case of prepayment of Loans denominated in Special Notice Currencies) prior to any date of prepayment of Eurocurrency Rate Loans denominated in Alternative Currencies/Alternative Currency Loans, and (C) on the date of prepayment of Base Rate Loans and (2) any prepayment of Loans shall be in a principal amount of the Borrowing Minimum or a whole multiple of the Borrowing Multiple in excess thereof or, in each case, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given 107 #96352060v15 #96352060v15

Slide126



by any Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Term SOFR Loan, a Eurocurrency Rate Loan or other Alternative Currency Loan, in each case, shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.04. Each prepayment of the Loans pursuant to this Section 2.05(a) shall be applied as directed by the applicable Borrower (it being understood and agreed that if such Borrower does not so direct at the time of such prepayment, such prepayment shall be applied to prepay the Term Loans on a pro rata basis across Classes and pro rata among Lenders within each Class in accordance with the respective outstanding principal amounts thereof (which prepayments shall be applied to against the scheduled repayments of Term Loans of the relevant Class under Section 2.07 in direct order of maturity)) and shall be paid to the Appropriate Lenders in accordance with their respective Applicable Percentages. (i) Notwithstanding anything to the contrary contained in this Agreement, a Borrower may rescind any notice of prepayment under Section 2.05(a) if such prepayment would have resulted from a refinancing of all of the Facilities, which refinancing shall not be consummated or shall otherwise be delayed. (ii) [Reserved]. (iv) Any Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty, provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000. Each such notice shall specify the date and amount of such prepayment. If such notice is given by any Borrower, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. (b) Mandatory Prepayments. (i) [Reserved]. (ii) [Reserved]. (iii) If Parent Borrower or any of its Restricted Subsidiaries incurs or issues any Refinancing Term Loans or Indebtedness not expressly permitted to be incurred or issued pursuant to Section 7.03, Parent Borrower shall cause to be prepaid an aggregate principal amount of Term Loans and Revolving Loans (together with a corresponding permanent reduction in the Revolving Credit Commitments) in an amount equal to 100% of all Net Cash Proceeds received therefrom on or prior to the date which is five (5) Business Days after the receipt 108 #96352060v15 #96352060v15

slide127

of such Net Cash Proceeds. If Parent Borrower obtains any Refinancing Revolving Credit Commitments, Parent Borrower shall, concurrently with the receipt thereof, terminate Revolving Credit Commitments in an equivalent amount pursuant to Section 2.06. (v) Each such prepayment of any Class of Term Loans shall be paid to the Lenders in accordance with their respective Applicable Percentages subject to clause (v) of this Section 2.05(b). (v) [Reserved]. (vi) [Reserved]. (vii) If for any reason the aggregate Revolving Credit Exposure of all Lenders under any Revolving Credit Facility at any time exceeds the aggregate Revolving Credit Commitments under such Revolving Credit Facility then in effect, Parent Borrower shall promptly prepay or cause to be promptly prepaid Revolving Credit Loans under such Revolving Credit Facility and/or Cash Collateralize the L/C Obligations under such Revolving Credit Facility in an aggregate amount equal to such excess; provided that Parent Borrower shall not be required to Cash Collateralize the L/C Obligations under such Revolving Credit Facility pursuant to this Section 2.05(b)(vi) unless after the prepayment in full of the Revolving Credit Loans under such Revolving Credit Facility the aggregate Revolving Credit Exposures under such Revolving Credit Facility exceed the aggregate Revolving Credit Commitments under such Revolving Credit Facility. (c) Interest, Funding, Losses, Etc. All prepayments under this Section 2.05 shall be accompanied by all accrued interest thereon in the currency in which such Loan is denominated, together with, in the case of any such prepayment of a Term SOFR Loan, a Eurocurrency Rate Loan or an Alternative Currency Term Rate Loan on a date other than the last day of an Interest Period therefor, any amounts owing in respect of such Term SOFR Loan, Eurocurrency Rate Loan or other Alternative Currency Loan, in each case, pursuant to Section 3.04. Notwithstanding any of the other provisions of this Section 2.05, so long as no Event of Default shall have occurred and be continuing, if any prepayment of Term SOFR Loans, Eurocurrency Rate Loans or Alternative Currency Term Rate Loans is required to be made under this Section 2.05, prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Term SOFR Loan, Eurocurrency Rate Loan or Alternative Currency Term Rate Loan prior to the last day of the Interest Period therefor, any Borrower may, in its sole discretion, deposit with the Administrative Agent in the currency in which such Loan is denominated the amount of any such prepayment otherwise required to be made thereunder into a Cash Collateral Account hereunder until the last day of such Interest Period, at which time the Administrative Agent shall

slide128

constitute cash collateral for the Term SOFR Loans, Eurocurrency Rate Loans or Alternative Currency Term Rate Loans to be so prepaid, provided that such Borrower may at any time direct that such deposit be applied to make the applicable payment required pursuant to this Section 2.05. (d) Discounted Voluntary Prepayments. (i) Notwithstanding anything to the contrary set forth in this Agreement (including Section 2.13) or any other Loan Document, Parent Borrower shall have the right at any time and from time to time to prepay one or more Classes of Term Loans to the Lenders at a discount to the par value of such Loans and on a non pro rata basis (each, a "Discounted Voluntary Prepayment") pursuant to the procedures described in this Section 2.05(d), provided that (A) no proceeds from Revolving Credit Loans shall be used to consummate any such Discounted Voluntary Prepayment, (B) any Discounted Voluntary Prepayment shall be offered to all Term Lenders of such Class on a pro rata basis, and (C) Parent Borrower shall deliver to the Administrative Agent, together with each Discounted Prepayment Option Notice, a certificate of a Responsible Officer of Parent Borrower (1) stating that no Event of Default has occurred and is continuing or would result from the Discounted Voluntary Prepayment, (2) stating that each of the conditions to such Discounted Voluntary Prepayment contained in this Section 2.05(d) has been satisfied and (3) specifying the aggregate principal amount of Term Loans of any Class offered to be prepaid pursuant to such Discounted Voluntary Prepayment. (ii) To the extent Parent Borrower seeks to make a Discounted Voluntary Prepayment, Parent Borrower will provide written notice to the Administrative Agent substantially in the form of Exhibit H hereto (each, a "Discounted Prepayment Option Notice") that Parent Borrower desires to prepay Term Loans of one or more specified Classes in an aggregate principal amount specified therein by Parent Borrower (each, a "Proposed Discounted Prepayment Amount"), in each case at a discount to the par value of such Loans as specified below. The Proposed Discounted Prepayment Amount of any Loans shall not be less than \$5,000,000. The Discounted Prepayment Option Notice shall further specify with respect to the proposed Discounted Voluntary Prepayment (A) the Proposed Discounted Prepayment Amount for Loans to be prepaid, (B) a discount range (which may be a single percentage) selected by Parent Borrower with respect to such proposed Discounted Voluntary Prepayment equal to a percentage of par of the principal amount of the Loans to be prepaid (the "Discount Range"), and (C) the date by which Lenders are required to indicate their election to participate in such proposed Discounted Voluntary Prepayment, which shall be at least five Business Days from and including the date of the Discounted Prepayment Option Notice (the "Acceptance Date"). (iii) Upon receipt of a Discounted Prepayment Option Notice, the Administrative Agent shall promptly notify each applicable Lender thereof. On or prior to the Acceptance Date, each such Lender may specify by written notice 110 #96352060v15 #96352060v15

 slide129

substantially in the form of Exhibit I hereto (each, a "Lender Participation Notice") to the Administrative Agent (A) a maximum discount to par (the "Acceptable Discount") within the Discount Range (for example, a Lender specifying a discount to par of 20% would accept a purchase price of 80% of the par value of the Loans to be prepaid) and (B) a maximum principal amount (subject to rounding requirements specified by the Administrative Agent) of the Term Loans to be prepaid held by such Lender with respect to which such Lender is willing to permit a Discounted Voluntary Prepayment at the Acceptable Discount ("Offered Loans"). Based on the Acceptable Discounts and principal amounts of the Term Loans to be prepaid specified by the Lenders in the applicable Lender Participation Notice, the Administrative Agent, in consultation with Parent Borrower, shall determine the applicable discount for such Term Loans to be prepaid (the "Applicable Discount"), which Applicable Discount shall be (A) the percentage specified by Parent Borrower if Parent Borrower has selected a single percentage pursuant to Section 2.05(d)(ii) for the Discounted Voluntary Prepayment or (B) otherwise, the highest Acceptable Discount at which Parent Borrower can pay the Proposed Discounted Prepayment Amount in full (determined by adding the Outstanding Amount of Offered Loans commencing with the Offered Loans with the highest Acceptable Discount); provided, however, that in the event that such Proposed Discounted Prepayment Amount cannot be repaid in full at any Acceptable Discount, the Applicable Discount shall be the lowest Acceptable Discount specified by the Lenders that is within the Discount Range. The Applicable Discount shall be applicable for all Lenders who have offered to participate in the Discounted Voluntary Prepayment and have Qualifying Loans. Any Lender with outstanding Term Loans to be prepaid whose Lender Participation Notice is not received by the Administrative Agent by the Acceptance Date shall be deemed to have declined to accept a Discounted Voluntary Prepayment of any of its Loans at any discount to their par value within the Applicable Discount. (iv) Parent Borrower shall make a Discounted Voluntary Prepayment by prepaying those Term Loans to be prepaid (or the respective portions thereof) offered by the Lenders ("Qualifying Lenders") that specify an Acceptable Discount that is equal to or greater than the Applicable Discount ("Qualifying Loans") at the Applicable Discount, provided that if the aggregate proceeds required to prepay all Qualifying Loans (disregarding any interest payable at such time) would exceed the amount of aggregate proceeds required to prepay the Proposed Discounted Prepayment Amount, such amounts in each case calculated by applying the Applicable Discount, Parent Borrower shall prepay such Qualifying Loans ratably among the Qualifying Lenders based on their respective principal amounts of such Qualifying Loans (subject to rounding requirements specified by the Administrative Agent). If the aggregate proceeds required to prepay all Qualifying Loans (disregarding any interest payable at such time) would be less than the amount of aggregate proceeds required to prepay the Proposed Discounted Prepayment Amount, such amounts in each case calculated 111 #96352060v15 #96352060v15

slide130

by applying the Applicable Discount. Parent Borrower shall prepay all Qualifying Loans. (v) Each Discounted Voluntary Prepayment shall be made within five (5) Business Days of the Acceptance Date (or such later date as the Administrative Agent shall reasonably agree, given the time required to calculate the Applicable Discount and determine the amount and holders of Qualifying Loans), without premium or penalty (but subject to Section 3.04), upon irrevocable notice substantially in the form of Exhibit J hereto (each a "Discounted Voluntary Prepayment Notice"), delivered to the Administrative Agent no later than 1.00 p.m., Local Time, three (3) Business Days prior to the date of such Discounted Voluntary Prepayment, which notice shall specify the date and amount of the Discounted Voluntary Prepayment and the Applicable Discount determined by the Administrative Agent. Upon receipt of any Discounted Voluntary Prepayment Notice, the Administrative Agent shall promptly notify each relevant Lender thereof. If any Discounted Voluntary Prepayment Notice is given, the amount specified in such notice shall be due and payable to the applicable Lenders, subject to the Applicable Discount on the applicable Loans, on the date specified therein together with accrued interest (on the par principal amount) to but not including such date on the amount prepaid. The par principal amount of each Discounted Voluntary Prepayment of a Term Loan shall be applied ratably to reduce the remaining installments of such Class of Term Loans (as applicable). (vi) To the extent not expressly provided for herein, each Discounted Voluntary Prepayment shall be consummated pursuant to procedures (including as to timing, rounding, minimum amounts, Type and Interest Periods and calculation of Applicable Discount in accordance with Section 2.05(d)(i) above) established by the Administrative Agent and Parent Borrower, each acting reasonably. (vii) Prior to the delivery of a Discounted Voluntary Prepayment Notice, (A) upon written notice to the Administrative Agent, Parent Borrower may withdraw or modify its offer to make a Discounted Voluntary Prepayment pursuant to any Discounted Prepayment Option Notice and (B) no Lender may withdraw its offer to participate in a Discounted Voluntary Prepayment pursuant to any Lender Participation Notice unless the terms of such proposed Discounted Voluntary Prepayment have been modified by Parent Borrower after the date of such Lender Participation Notice. (viii) Nothing in this Section 2.05(d) shall require Parent Borrower to undertake any Discounted Voluntary Prepayment. (ix) Notwithstanding anything herein to the contrary, the Administrative Agent shall be under no obligation to act as manager for any Discounted Voluntary Prepayment and to the extent the Administrative Agent shall choose not to act as manager for any Discounted Voluntary Prepayment. 112 #96352060v15 #96352060v15

slide131

each reference in this Section 2.05(d) to "Administrative Agent" shall be deemed to mean and be a reference to the Person that has been appointed by Parent Borrower and has agreed to act as the manager for such Discounted Voluntary Prepayment. Section 2.06 Termination or Reduction of Commitments. (a) Optional. Parent Borrower may, upon written notice to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class; provided that (i) any such notice shall be received by the Administrative Agent five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) Parent Borrower shall not terminate or reduce, (A) the Revolving Credit Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Credit Commitments, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of all L/C Obligations would exceed the Letter of Credit Sublimit or (C) the Swing Line Sublimit if, after giving effect thereto, the Outstanding Amount of all Swing Line Loans would exceed the Swing Line Sublimit; provided, further, that, upon any such partial reduction of the Letter of Credit Sublimit, unless Parent Borrower, the Administrative Agent and the relevant L/C Issuer otherwise agree, the commitment of each L/C Issuer to issue Letters of Credit will be reduced proportionately by the amount of such reduction. The amount of any such Commitment reduction shall not be applied to the Letter of Credit Sublimit or the Swing Line Sublimit unless, after giving effect to any reduction of the Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Revolving Credit Facility, in which case such sublimit shall be automatically reduced by the amount of such excess. Notwithstanding the foregoing, Parent Borrower may rescind or postpone any notice of termination of the Commitments if such termination would have resulted from a refinancing, which refinancing shall not be consummated or otherwise shall be delayed. (b) Mandatory. The Revolving Credit Commitments shall

terminate on the Maturity Date therefor. The Extended Revolving Credit Commitments and any Additional Revolving Credit Commitments shall terminate on the respective maturity dates applicable thereto. (c) Application of Commitment Reductions; Payment of Fees. The Administrative Agent will promptly notify the Lenders of any termination or reduction of unused Commitments of any Class under this Section 2.06. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Applicable Percentage of the amount by which such Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.06). All Commitment Fees accrued until the effective date of any termination of the Revolving Credit Commitments shall be paid on the effective date of such termination. Section 2.07 Repayment of Loans. 113 #96352060v15 #96352060v15

slide132



(a) [Reserved]. (b) Revolving Credit Loans. The Borrowers shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for each Revolving Credit Facility the principal amount of each of its Revolving Credit Loans outstanding on such date under such Revolving Credit Facility. (c) Swing Line Loans. The Borrowers shall repay each Swing Line Loan on the Maturity Date. At any time that there shall exist a Defaulting Lender immediately upon the request of the Swing Line Lender, the Borrowers shall repay the outstanding Swing Line Loans made by the Swing Line Lender in an amount sufficient to eliminate any Fronting Exposure in respect of such Swing Line Loans. Section 2.08 Interest. (a) Subject to the provisions of Section 2.08(b), (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Rate, (ii) each Term SOFR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Term SOFR for such Interest Period plus the Applicable Rate, (iii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate and, (iv) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate., (v) each Alternative Currency Daily Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Alternative Currency Daily Rate plus the Applicable Rate and (vi) each Alternative Currency Term Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Alternative Currency Term Rate for such Interest Period plus the Applicable Rate. (b) The Borrowers shall pay interest on past due amounts under this Agreement at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand to the fullest extent permitted by and subject to applicable Laws, including in relation to any required additional agreements. (c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law. Section 2.09 Fees. In addition to certain fees described in Sections 2.03(g) and (h): (a) Commitment Fee. Parent Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender under the Revolving Credit Facility in 114 #96352060v15 #96352060v15

slide133

accordance with its Applicable Percentage, a commitment fee (the "Commitment Fee") in Dollars equal to the percentage per annum set forth in the definition of "Applicable Rate" on the actual daily amount by which the Revolving Credit Commitment of such Revolving Credit Lender under the Revolving Credit Facility exceeds the sum of (a) the Outstanding Amount of the Revolving Credit Loans of such Lender outstanding at such time and (b) the L/C Exposure of such Lender at such time. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Aggregate Commitments for purposes of determining the commitment fee. The Commitment Fee for the Revolving Credit Facility shall accrue at all times from the Closing Date until the Maturity Date for the Revolving Credit Facility, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur for the first full fiscal quarter after the Closing Date, and on the Maturity Date for the Revolving Credit Facility. The Commitment Fee shall be calculated quarterly in arrears. (b) Other Fees. Parent Borrower shall pay to the Agents such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between Parent Borrower and the applicable Agent). Section 2.10 Computation of Interest and Fees. All computations of interest for Base Rate Loans shall be made on the basis of a year of three hundred sixty-five (365) days or three hundred sixty-six (366) days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a three hundred sixty (360) day year and actual days elapsed, or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice. All computations of interest for Alternative Currency Loans, other than Eurocurrency Rate Loans denominated in an Alternative Currency, shall be made on the basis of a year of three hundred sixty-five (365) days or three hundred sixty-six (366) days, as the case may be, and actual days elapsed, or, in the case of interest in respect of Alternative Currency Loans as to which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which such Loan is made, and shall not accrue on such Loan, or any portion thereof, for the day on which such Loan or such portion is paid, provided that any such Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. With respect to an Alternative Currency that is not a LIBOR Quoted Currency any Eurocurrency Rate Loan, the calculation of the applicable interest rate shall be determined in accordance with market practice. For the purposes of the Interest Act (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement. 115 #96352060v15 #96352060v15

slide134

Section 2.11 Evidence of Indebtedness. (a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by one or more entries in the Register. The accounts or records maintained by the Administrative Agent and each Lender shall be prima facie evidence absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Loan Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall be conclusive in the absence of demonstrable error. Upon the request of any Lender made through the Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender or its registered assigns, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. (b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records and, in the case of the Administrative Agent, entries in the Register, evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the Register and the accounts and records of any Lender in respect of such matters, the Register shall be conclusive in the absence of demonstrable error. Section 2.12 Payments Generally. (a) All payments by a Borrower of principal, interest, fees and other Obligations shall be made with respect to the Revolving Credit Commitments and Letters of Credit, in the applicable Approved Currency in which such Obligations are denominated, without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in an Alternative Currency, all payments by a Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office and in Same Day Funds not later than 2:00 p.m., Local Time, on the date specified herein. Except as otherwise expressly provided herein, all payments by a Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in such Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. If, for any reason, a Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Applicable Lending Office. All payments received by the Administrative Agent (i) after 2:00 116 #96352060v15 #96352060v15

slide135



p.m., Local Time, in the case of payments made in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent in the case of payments in an Alternative Currency, shall in each case (in the sole discretion of the Administrative Agent) be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. Other than as specified herein, all payments under each Loan Document of principal or interest in respect of any Loan (or of any breakage indemnity in respect of any Loan) shall be made in Dollars. (b) If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such extension would cause payment of interest on or principal of Eurocurrency Rate Loans, Term SOFR Loans or Alternative Currency Term Rate Loans to be made in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day. (c) Unless any Borrower or any Lender has notified the Administrative Agent, prior to the date any payment is required to be made by it to the Administrative Agent hereunder, that such Borrower or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that such Borrower or such Lender, as the case may be, has timely made such payment on such date in accordance with Section 2.02 and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in immediately available funds, then (i) if such Borrower failed to make such payment, then each of the applicable Lenders severally agree to pay to the Administrative Agent forthwith on demand the portion of such assumed payment that was made available to such Lenders in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lenders to the date such amount is repaid to the Administrative Agent in immediately available funds at the Overnight Rate plus, to the extent reasonably requested in writing by the Administrative Agent, any administrative, processing or similar fees to the extent customarily charged by such Administrative Agent to generally similarly situated borrowers (but not necessarily all such borrowers) in connection with the foregoing; it being understood that nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder; and (ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to a Borrower to the date such amount is recovered by the Administrative Agent (the "Compensation Period") at the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in 117 #96352060v15 #96352060v15

slide136

connection with the foregoing plus, to the extent reasonably requested in writing by the Administrative Agent, any administrative, processing or similar fees to the extent customarily charged by such Administrative Agent to generally similarly situated borrowers (but not necessarily all such borrowers) in connection with the foregoing. When such Lender makes payment to the Administrative Agent (together with all accrued interest thereon), then such payment amount (excluding the amount of any interest which may have accrued and been paid in respect of such late payment) shall constitute such Lender's Loan included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrowers, and the Borrowers shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at the interest rate applicable to such Loan. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder. A notice of the Administrative Agent to any Lender or Borrower with respect to any amount owing under this Section 2.12(c) shall be conclusive, absent demonstrable error. (d) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest. (e) The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and in Swing Line Loans and to make its payment under Section 9.07 are several and not joint. The failure of any Lender to make any Loan or to fund any such participation on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or purchase its participation or to make its payment under Section 9.07. (f) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner. (g) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lenders under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lenders in the order of priority set forth in Section 8.04. If the Administrative Agent receives insufficient funds for application to the Loan Obligations of the Loan Parties under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify the manner in which such funds are 118 #96352060v15 #96352060v15

slide137



to be applied, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties. Section 2.13 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it, or its participations in L/C Obligations or in Swing Line Loans, any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them and/or such sub participations in the participations in L/C Obligations and in Swing Line Loans held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of such Loans or such participations, as the case may be, pro rata with each of them; provided that (x) if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon and (y) the provisions of this Section 2.13 shall not be construed to apply to any payment made by a Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in L/C Obligations and in Swing Line Loans to any assignee or participant or the application of Cash Collateral pursuant to, and in accordance with, the terms of this Agreement. The Borrowers agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of the applicable Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of demonstrable error) of participations purchased under this Section 2.13 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.13 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Loan Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Loan Obligations purchased. Section 2.14 Incremental Credit Extensions. (a) At any time and from time to time, subject to the terms and conditions set forth herein, the Loan Parties may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request to add one 119 #96352060v15 #96352060v15

slide138

or more tranches of term loans (any such additional tranche of term loans, the "Incremental Term Loans") and/or one or more increases in the Revolving Credit Commitments under the Revolving Credit Facility (a "Revolving Credit Commitment Increase") and/or the establishment of one or more new revolving credit commitments (an "Additional Revolving Credit Commitment" and, together any Revolving Credit Commitment Increases, the "Incremental Revolving Credit Commitments"; together with the Incremental Term Loans, the "Incremental Facilities"). Notwithstanding anything to contrary herein, the aggregate Dollar Equivalent amount of all Incremental Facilities (other than Refinancing Term Loans and Refinancing Revolving Credit Commitments) (determined at the time of incurrence), together with the aggregate principal amount of all Incremental Equivalent Debt and Indebtedness incurred in reliance on Section 7.03(g)(ii)(A), shall not exceed the Incremental Cap. Each Incremental Facility shall be in an integral multiple of \$1,000,000 and be in an aggregate principal amount that is not less than \$10,000,000 in case of Incremental Term Loans or \$5,000,000 in case of Incremental Revolving Credit Commitments, provided that such amount may be less than the applicable minimum amount if such amount represents all the remaining availability hereunder as set forth above. Each Incremental Facility shall have the same guarantees as, and to the extent secured, shall be secured only by (and on an equal or junior priority basis with) the Collateral securing, all of the other Loan Obligations under this Agreement (provided that, in the case of any Incremental Facility that is funded into Escrow, such Incremental Facility may be secured by the applicable funds and related assets held in Escrow (and the proceeds thereof) until such Incremental Facility is released from Escrow) and shall be subject to an Acceptable Intercreditor Agreement. (b) Any Incremental Term Loans (i) may participate on a pro rata basis, greater than pro rata basis or less than pro rata basis in any voluntary prepayment of any Class of Term Loans hereunder and may participate on a pro rata basis or less than pro rata basis in any mandatory prepayments of any Class of Term Loans hereunder, (ii) shall have interest rate margins and (subject to clauses (iii) and (iv)) amortization schedules as determined by Parent Borrower and the lenders thereunder, (iii) any Incremental Term Loan (other than Inside Maturity Loans) shall not have a final maturity date earlier than the Revolving Maturity Date, (iv) any Incremental Term Loan (other than Inside Maturity Loans) shall not have a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of the initial Revolving Borrowing) and (v) shall be, taken as a whole, no more favorable to the lenders providing such Incremental Facility, in their capacity as such (as reasonably determined by Parent Borrower) (excluding (x) pricing, fees, rate floors, original issue discounts or call protection, premiums and prepayment or redemption terms and "most favored nations" provisions and (y) (i) covenants or other provisions applicable only to periods after the latest maturity date of the applicable Facility or (ii) any more restrictive covenant, to the extent that (A) if such more restrictive covenant is added for the benefit of any Incremental Facility consisting of term loans other than Customary Term A Loans, such covenant is also added for the benefit of all of the Facilities or (B) if such more restrictive covenant is added for the benefit of any Incremental Facility consisting of a revolving facility or Customary Term A Loans, such covenant (except to the extent only applicable after the maturity date of the Revolving Credit



slide139

(c) Any Revolving Credit Commitment Increase shall (i) have the same maturity date as the Revolving Credit Commitments under such Revolving Credit Facility that is being increased, (ii) require no scheduled amortization or mandatory commitment reduction prior to the final maturity of the Revolving Credit Commitments and (iii) be on the same terms and pursuant to the same documentation applicable to the Revolving Credit Commitments under such Revolving Credit Facility that is being increased (it being understood that, if required to consummate a Revolving Credit Commitment Increase, the pricing, interest margin, rate floors and commitment fees shall be increased so long as such increases apply to the entire Revolving Credit Facility (provided additional upfront or similar fees may be payable to the Lenders participating in the Revolving Credit Commitment Increase without any requirement to pay such amounts to Lenders holding existing Revolving Credit Commitments)). Any Additional Revolving Credit Commitments (i) shall have interest rate margins and, subject to clause (ii), have amortization schedules as determined by Parent Borrower and the lenders thereunder but shall not require scheduled amortization or mandatory commitment reductions prior to the Maturity Date of the Revolving Credit Facility, (ii) other than Inside Maturity Loans, mature no earlier than, and will require no mandatory commitment reduction prior to, the Maturity Date applicable to the Revolving Credit Commitments, (iii) which are Refinancing Revolving Credit Commitments shall not have a final maturity date earlier than the Maturity Date applicable to the Revolving Credit Commitments being refinanced thereby and (iv) shall have the same terms as the Revolving Credit Commitments or such terms as are reasonably satisfactory to the Administrative Agent, it being understood that no consent shall be required from the Administrative Agent for terms and conditions that are more restrictive than the existing Revolving Credit Commitments to the extent that they apply to periods after the Maturity Date applicable to the Revolving Credit Commitments or are otherwise added for the benefit of the Revolving Credit Lenders hereunder (which shall not require the consent of any Revolving Credit Lender or any Agent); provided that to the extent any covenant that is more restrictive than any of the Financial Covenants is added for the benefit of any Additional Revolving Commitments, such covenant (except to the extent only applicable after the maturity date of each Revolving Credit Facility) is also added for the benefit of each Revolving Credit Facility, it being understood and agreed that in each such case, no consent of any Agent and/or any Lender shall be required in connection with adding such covenant, provided that notwithstanding anything to the contrary in this Section 2.14(c), (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Additional Revolving Credit Commitments (and related outstandings), (B) repayments required upon the maturity date of the applicable Revolving Credit Commitments and (C) repayment made in connection with a permanent repayment and termination of commitments (subject to clause (3) below) of Revolving Credit Loans with respect to Additional Revolving Credit Commitments shall be made on a no less than pro rata basis (with respect to borrowings) and a no greater than pro rata basis (with respect to repayments) with all other Revolving Credit Commitments, (2) all Letters of Credit and Swing Line Loans may be participated on a pro rata basis by all Lenders with Commitments in accordance with their percentage of the Revolving Credit Commitments, (3) the permanent repayment of commitments with respect to, and termination of, Additional Revolving Credit Commitments prior to the Maturity Date applicable to the Revolving Credit Commitments at the time of incurrence of such Additional Revolving Credit Commitments shall be made on a pro rata basis with all other Revolving Credit Commitments, except that the Borrowers shall be permitted to permanently repay and terminate commitments of any Class of Revolving Credit 121

#96352060v15 #96352060v15

slide140

Commitments on a better than a pro rata basis as compared to any other Class with a later maturity date than such Class and (4) assignments and participations of Additional Revolving Credit Commitments (and Revolving Credit Loans made thereunder) shall be governed by the same or equivalent assignment and participation provisions applicable to the Revolving Credit Commitments and Revolving Credit Loans. (d) [Reserved]. (e) Each notice from the applicable Loan Party pursuant to this Section 2.14 shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans and/or Incremental Revolving Credit Commitments. Any additional bank, financial institution, existing Lender or other Person that elects to extend Incremental Term Loans or Incremental Revolving Credit Commitments shall be reasonably satisfactory to Parent Borrower and the Administrative Agent (any such bank, financial institution, existing Lender or other Person being called an "Additional Lender") and, if not already a Lender, shall become a Lender under this Agreement pursuant to an amendment (an "Incremental Facility Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the applicable Borrower and such Additional Lender, and, in the case of any Incremental Revolving Credit Commitments, each L/C Issuer and Swing Line Lender. For the avoidance of doubt, no L/C Issuer or Swing Line Lender is required to act as such for any Additional Revolving Credit Commitments unless they so consent. No Incremental Facility Amendment shall require the consent of any Lenders other than the Additional Lenders with respect to such Incremental Facility Amendment. No Lender shall be obligated to provide any Incremental Term Loans or Incremental Revolving Credit Commitments, unless it so agrees. Commitments in respect of any Incremental Term Loans or Incremental Revolving Credit Commitments may become Commitments under this Agreement. An Incremental Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.14. The effectiveness of any Incremental Facility Amendment shall, unless otherwise agreed to by the Additional Lenders, be subject to the satisfaction on the date thereof (each, an "Incremental Facility Closing Date") of each of the conditions set forth in Section 4.03 (it being understood that (i) all references to "the date of such Credit Extension" in Section 4.03 shall be deemed to refer to the Incremental Facility Closing Date and (ii) if the proceeds of such Incremental Facility are to be used, in whole or in part, (x) to finance a Permitted Acquisition or other Investment, (1) such incurrence shall be subject to the LCT Provisions and (2) no Specified Event of Default shall exist on the Incremental Facility Closing Date or (y) for any other purpose, no Event of Default shall exist on the Incremental Facility Closing Date). The proceeds of any Incremental Term Loans will be used for general corporate purposes and any other use not prohibited hereunder. Upon each increase in the Revolving Credit Commitments under any Revolving Credit Facility pursuant to this Section 2.14 that is in the form of a Revolving Credit Commitment Increase, each Revolving Credit Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Incremental Revolving Credit Commitment (each, an "Incremental Revolving Increase Lender") in respect of such Revolving Credit Commitment Increase, and each such Incremental Revolving Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Credit Lender's participations hereunder in outstanding Letters of Credit and Swing Line Loans such that, after giving effect to each such 122 #96352060v15

#96352060v15

slide141

deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit and Swing Line Loans held by each Revolving Credit Lender (including each such Incremental Revolving Increase Lender) will equal the percentage of the aggregate Revolving Credit Commitments of all Revolving Credit Lenders represented by such Revolving Credit Lender's Revolving Credit Commitment after giving effect to such Revolving Credit Commitment Increase. Additionally, if any Revolving Credit Loans are outstanding under a Revolving Credit Facility at the time any Revolving Credit Commitment Increase is implemented under such Revolving Credit Facility, the Revolving Credit Lenders immediately after effectiveness of such Revolving Credit Commitment Increase shall purchase and assign at par such amounts of the Revolving Credit Loans outstanding under such Revolving Credit Facility at such time as the Administrative Agent may require such that each Revolving Credit Lender holds its Applicable Percentage of all Revolving Credit Loans outstanding under such Revolving Credit Facility immediately after giving effect to all such assignments. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this Section 2.14. Section 2.15 Extensions of Term Loans and Revolving Credit Commitments. (a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by Parent Borrower to all Lenders of any Class of Term Loans or any Class of Revolving Credit Commitments, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Term Loans or Revolving Credit Commitments of the applicable Class) and on the same terms to each such Lender, Parent Borrower is hereby permitted to consummate from time to time transactions with individual Lenders that accept the terms contained in such Extension Offers to extend the maturity date of each such Lender's Term Loans and/or Revolving Credit Commitments of the applicable Class and otherwise modify the terms of such Term Loans and/or Revolving Credit Commitments pursuant to the terms of the relevant Extension Offer (including, without limitation, by increasing the interest rate or fees payable in respect of such Term Loans and/or Revolving Credit Commitments (and related outstandings), modifying the amortization schedule in respect of such Lender's Term Loans and/or modifying any prepayment premium or call protection in respect of such Lender's Term Loans) (each, an "Extension," and each group of Term Loans or Revolving Credit Commitments, as applicable, in each case as so extended, as well as the original Term Loans and the original Revolving Credit Commitments (in each case not so extended), being a separate Class of Term Loans from the Class of Term Loans from which they were converted, and any Extended Revolving Credit Commitments (as defined below) shall constitute a separate Class of Revolving Credit Commitments from the Class of Revolving Credit Commitments from which they were converted, it being understood that an Extension may be in the form of an increase in the amount of any outstanding Class of Term Loans or Revolving Credit Commitments otherwise satisfying the criteria set forth below), so long as the following terms are satisfied: (i) except as to interest rates, fees and final maturity (which shall be determined by Parent Borrower and set forth in the relevant Extension Offer), the Revolving Credit Commitment of any Revolving Credit Lender that agrees to an extension with respect to such Revolving Credit Commitment extended pursuant 123 #96352060v15 #96352060v15

slide142



to an Extension (an "Extended Revolving Credit Commitment"), and the related outstandings, shall be a Revolving Credit Commitment (or related outstandings, as the case may be) with the same terms as the original Class of Revolving Credit Commitments (and related outstandings); provided that at no time shall there be Revolving Credit Commitments hereunder (including Extended Revolving Credit Commitments and any original Revolving Credit Commitments) which have more than three different maturity dates, (ii) except as to interest rates, fees, amortization, final maturity date, premium, required prepayment dates and participation in prepayments (which shall, subject to immediately succeeding clauses (iii), (iv) and (v), be determined by Parent Borrower and set forth in the relevant Extension Offer), the Term Loans of any Term Lender that agrees to an extension with respect to such Term Loans extended pursuant to any Extension ("Extended Term Loans") shall have the same terms as the Class of Term Loans subject to such Extension Offer, (iii) the Weighted Average Life to Maturity of any Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Term Loans extended thereby, and the maturity of any Extended Term Loans shall not be shorter than the maturity of the Term Loans extended thereby, (iv) any Extended Term Loans may participate (x) on a pro rata basis, greater than pro rata or a less than pro rata basis in any voluntary repayments or prepayments hereunder and (y) on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any mandatory repayments or prepayments hereunder, in each case as specified in the respective Extension Offer, (v) if the aggregate principal amount of the Class of Term Loans (calculated on the face amount thereof) or Revolving Credit Commitments as the case may be, in respect of which Term Lenders or Revolving Credit Lenders, as the case may be, shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Term Loans or Revolving Credit Commitments of such Class, as the case may be, offered to be extended by Parent Borrower pursuant to such Extension Offer, then the Term Loans or Revolving Credit Commitments of such Class, as the case may be, of such Term Lenders or Revolving Credit Lenders, as the case may be, shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Term Lenders or Revolving Credit Lenders, as the case may be, have accepted such Extension Offer, (vi) all documentation in respect of such Extension shall be consistent with the foregoing, and 124 #96352060v15 #96352060v15

slide143

(vii) any applicable Minimum Extension Condition shall be satisfied unless waived by Parent Borrower and no Lender shall be obligated to extend its Term Loans or Revolving Credit Commitments unless it so agrees. (b) With respect to all Extensions consummated by Parent Borrower pursuant to this Section 2.15, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.05 and (ii) no Extension Offer is required to be in any minimum amount or any minimum increment, provided that Parent Borrower may at its election specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in Parent Borrower's sole discretion and may be waived by Parent Borrower) of Term Loans or Revolving Credit Commitments (as applicable) of any or all applicable Classes be tendered. The Administrative Agent and the Lenders hereby consent to the transactions contemplated by this Section 2.15 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans and/or Extended Revolving Credit Commitments on the such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.05, 2.12 and 2.13) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.15. (c) No consent of any Lender or the Administrative Agent shall be required to effectuate any Extension, other than (A) the consent of each Lender agreeing to such Extension with respect to one or more of its Term Loans and/or Revolving Credit Commitments (or a portion thereof) and (B) with respect to any Extension of any Class of Revolving Credit Commitments, the consent of the relevant L/C Issuer (if such L/C Issuer is being requested to issue letters of credit with respect to the Class of Extended Revolving Credit Commitments). All Extended Term Loans, Extended Revolving Credit Commitments and all obligations in respect thereof shall be Loan Obligations under this Agreement and the other Loan Documents that are secured by the Collateral on a pari passu basis with all other applicable Loan Obligations under this Agreement and the other Loan Documents. The Lenders hereby irrevocably authorize and direct the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents with Parent Borrower as may be necessary in order to establish new Classes in respect of Revolving Credit Commitments or Term Loans so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and Parent Borrower in connection with the establishment of such new Classes, in each case on terms consistent with this Section 2.15 (and to the extent any such amendment is consistent with the terms of this Section 2.15 (as reasonably determined by Parent Borrower), the Administrative Agent shall be deemed to have consented to such amendment, and no such consent of the Administrative Agent shall be necessary to have such amendment become effective). (d) In connection with any Extension, Parent Borrower shall provide the Administrative Agent at least five (5) Business Days\* (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures (including, without limitation, regarding timing, rounding and other adjustments and to ensure reasonable administrative management of the credit facilities hereunder after such Extension), if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting 125 #96352060v15 #96352060v15

slide144

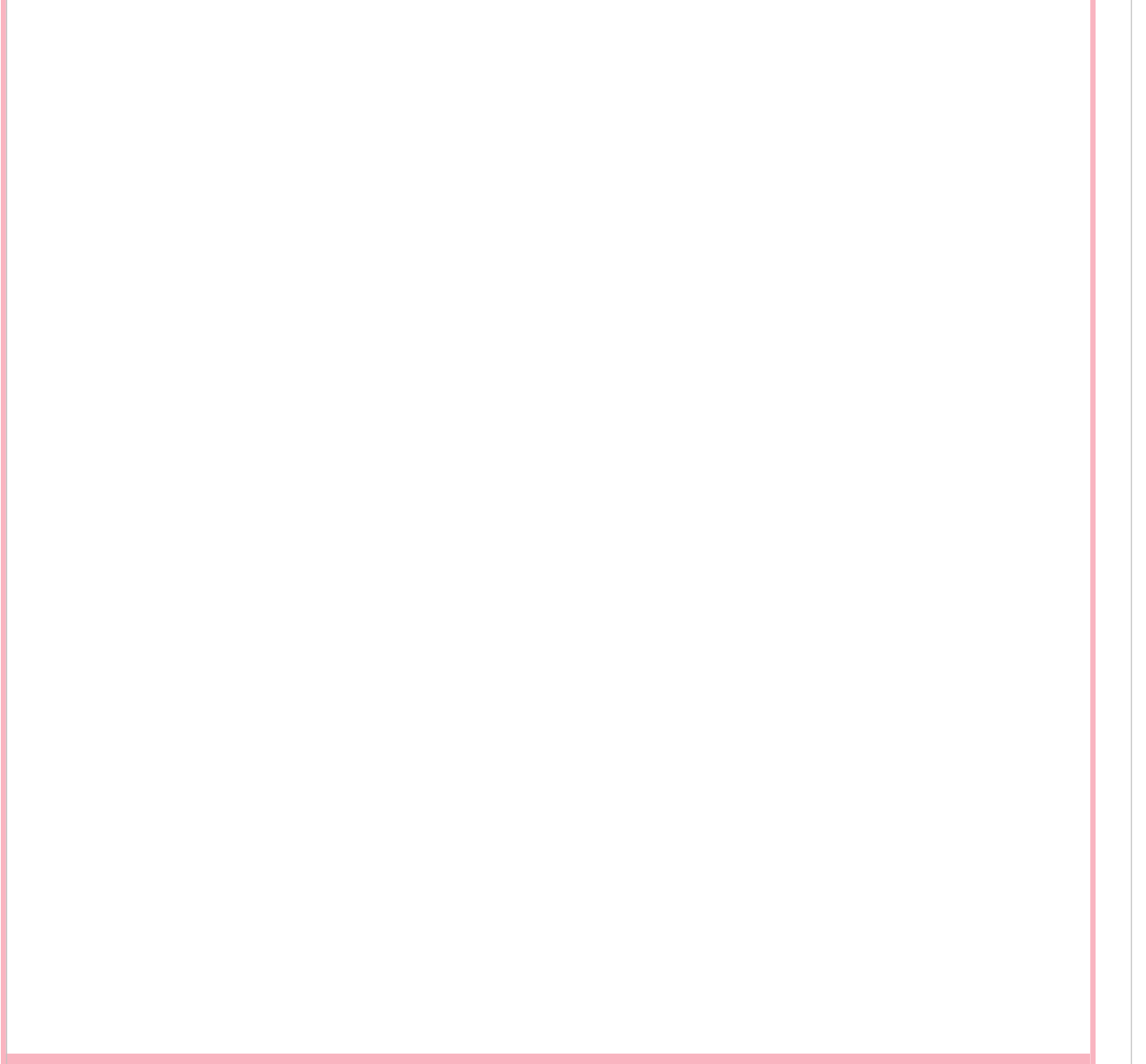


reasonably to accomplish the purposes of this Section 2.15; provided that, failure to give such notice shall in no way affect the effectiveness of any amendment entered into to effectuate such Extension in accordance with this Section 2.15.

Section 2.16 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) the Commitment Fee shall cease to accrue on any of the Revolving Credit Commitments of such Defaulting Lender pursuant to Section 2.09(a); (b) the Commitment, Outstanding Amount of Term Loans and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders, the Required Lenders or the Required Revolving Credit Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.01); provided that any waiver, amendment or modification of a type described in clause (a), (b) or (c) of the first proviso in Section 10.01 that would apply to the Commitments or Loan Obligations owing to such Defaulting Lender shall require the consent of such Defaulting Lender with respect to the effectiveness of such waiver, amendment or modification with respect to the Commitments or Loan Obligations owing to such Defaulting Lender; (c) if any L/C Exposure or outstanding Swing Line Loan exists at the time a Lender under the Revolving Credit Facility becomes a Defaulting Lender then: (i) all or any part of the L/C Exposure or participation in Swing Line Loans of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's L/C Exposure does not exceed the total of all non-Defaulting Lenders' relevant Commitments; (ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrowers shall within three (3) Business Days following notice by the Administrative Agent, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize for the benefit of the L/C Issuer only the Borrowers' obligations corresponding to such Defaulting Lender's L/C Exposure and (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.03(f) for so long as such L/C Exposure is outstanding and; (iii) if the Borrowers Cash Collateralize any portion of such Defaulting Lender's L/C Exposure pursuant to clause (i) above, Parent Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.03(h) with respect to such Defaulting Lender's L/C Exposure during the period such Defaulting Lender's L/C Exposure is Cash Collateralized, 126 #96352060v15 #96352060v15

 slide145





(iv) if the L/C Exposures of the non-Defaulting Lenders are increased pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.09(a) and 2.03(h) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; (v) if all or any portion of such Defaulting Lender's L/C Exposure is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the L/C Issuer or any other Lender hereunder, all letter of credit fees payable under Section 2.03(h) with respect to such portion of such Defaulting Lender's L/C Exposure shall be payable to the L/C Issuer until and to the extent that such L/C Exposure is reallocated and/or Cash Collateralized; and (vi) subject to Section 10.23, no reallocation pursuant to this Section 2.16 shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation. (d) so long as such Lender is a Defaulting Lender under the Revolving Credit Facility, (i) the relevant L/C Issuer shall not be required to issue, amend or increase any Letter of Credit and (ii) the Swing Line Lender shall not be required to fund any Swing Line Loans unless the relevant L/C Issuer and the Swing Line Lender have received assurances satisfactory to them that non-Defaulting Lenders will cover the related exposure and/or Cash Collateral will be provided by the Borrowers in accordance with Section 2.16(c). and participating interests in any newly issued or increased Letter of Credit or any newly funded Swing Line Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.16(c)(i) (and such Defaulting Lender shall not participate therein). (e) In the event that the Administrative Agent, Parent Borrower, the Swing Line Lender and the relevant L/C Issuer each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the relevant L/C Exposures and Swing Line Loans shall be readjusted to reflect the inclusion of such Lender's Revolving Credit Commitment and on such date such Lender shall purchase at par such of the Revolving Credit Loans of the other Revolving Credit Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Credit Loans in accordance with its Applicable Percentage.

**Section 2.17 Permitted Debt Exchanges.** (a) Notwithstanding anything to the contrary contained in this Agreement, pursuant to one or more offers (each, a "Permitted Debt Exchange Offer") made from time to time by Parent Borrower to all Lenders (other than, with respect to any Permitted Debt Exchange Offer that constitutes an offering of securities, any Lender that, if requested by Parent Borrower, is unable to certify that it is (i) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), (ii) an institutional "accredited investor" (as defined in Rule 501 under the Securities Act) or (iii) not a "U.S. person" (as defined in Rule 902 under the Securities Act)) 127 #96352060v15 #96352060v15



with outstanding Term Loans of a particular Class, Parent Borrower may from time to time consummate one or more exchanges of such Term Loans for Indebtedness (in the form of senior secured, senior unsecured, senior subordinated, or subordinated notes or term loans) or Qualified Capital Stock (such Indebtedness or Qualified Capital Stock, "Permitted Debt Exchange Securities" and each such exchange, a "Permitted Debt Exchange"), so long as the following conditions are satisfied: (i) each such Permitted Debt Exchange Offer shall be made on a pro rata basis to the Term Lenders (other than, (x) with respect to any Permitted Debt Exchange Offer that constitutes an offering of securities, any Lender that, if requested by Parent Borrower, is unable to certify that it is (i) a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), (ii) an institutional "accredited investor" (as defined in Rule 501 under the Securities Act) or (iii) not a "U.S. person" (as defined in Rule 902 under the Securities Act) or (y) any Lender that, if requested by Parent Borrower, is unable to certify that it can receive the type of Permitted Debt Exchange Securities being offered in connection with such Permitted Debt Exchange) of each applicable Class based on their respective aggregate principal amounts of outstanding Term Loans under each such Class; (ii) the aggregate principal amount (calculated on the face amount thereof) of such Permitted Debt Exchange Securities shall not exceed the aggregate principal amount (calculated on the face amount thereof) of Term Loans so refinanced, except by an amount equal to any fees, expenses, commissions, underwriting discounts and premiums payable in connection with such Permitted Debt Exchange; (iii) the stated final maturity of such Permitted Debt Exchange Securities is not earlier than the latest Maturity Date for the Class or Classes of Term Loans being exchanged, and such stated final maturity is not subject to any conditions that could result in such stated final maturity occurring on a date that precedes such latest maturity date (it being understood that acceleration or mandatory repayment, prepayment, redemption or repurchase of such Permitted Debt Exchange Securities upon the occurrence of an event of default, a change in control, an event of loss or an asset disposition shall not be deemed to constitute a change in the stated final maturity thereof); (iv) such Permitted Debt Exchange Securities are not required to be repaid, prepaid, redeemed, repurchased or defeased, whether on one or more fixed dates, upon the occurrence of one or more events or at the option of any holder thereof (except, in each case, upon the occurrence of an event of default, a change in control, an event of loss or an asset disposition) prior to the latest Maturity Date for the Class or Classes of Term Loans being exchanged, provided that, notwithstanding the foregoing, scheduled amortization payments (however denominated, including scheduled offers to repurchase) of such Permitted Debt Exchange Securities shall be permitted so long as the Weighted Average Life to 128 #96352060v15 #96352060v15

slide147

Maturity of such Indebtedness shall be longer than the remaining Weighted Average Life to Maturity of the Class or Classes of Term Loans being exchanged; (v) no Restricted Subsidiary is a borrower or guarantor with respect to such Indebtedness unless such Restricted Subsidiary is or substantially concurrently becomes a Loan Party; (vi) if such Permitted Debt Exchange Securities are secured, such Permitted Debt Exchange Securities are secured on a pari passu basis or junior priority basis to the Obligations and (A) such Permitted Debt Exchange Securities are not secured by any assets not securing the Obligations unless such assets substantially concurrently secure the Obligations and (B) the beneficiaries thereof (or an agent or trustee on their behalf) shall have become party to an Acceptable Intercreditor Agreement with the Collateral Agent; (vii) the terms and conditions of such Permitted Debt Exchange Securities (excluding pricing and optional prepayment or redemption terms or covenants or other provisions applicable only to periods after the Maturity Date of the Class or Classes of Term Loans being exchanged) reflect market terms and conditions at the time of incurrence or issuance (as reasonably determined by Parent Borrower in good faith); provided that if such Permitted Debt Exchange Securities contain any financial maintenance covenants, such covenants shall not be more restrictive than (or in addition to) those contained in this Agreement (unless such covenants are also added for the benefit of the Lenders under this Agreement, which amendment to add such covenants to this Agreement shall not require the consent of any Lender or Agent hereunder); (viii) all Term Loans exchanged under each applicable Class by Parent Borrower pursuant to any Permitted Debt Exchange shall automatically be cancelled and retired by Parent Borrower on date of the settlement thereof (and, if requested by the Administrative Agent, any applicable exchanging Lender, Administrative Agent an Assignment and Assumption, or such other form as may be reasonably requested by the Administrative Agent, in respect thereof pursuant to a supplemental indenture, respective Lender assigns its interest in Guaranteing Subsidiary shall unconditionally guarantee, on a joint and several basis with other Guarantors, all of Permitted Debt Exchange to Parent Borrower for immediate cancellation), and accrued and unpaid interest on such Term Loans shall be paid to Issuer's Obligations under exchanging Lenders on the date of consummation of such Permitted Debt Exchange, or, if agreed to by Parent Borrower, Notes, Administrative Agent, the next scheduled Interest Payment Date with respect to such Term Loans (with such interest accruing until the date of consummation of such Permitted Debt Exchange); (ix) if the aggregate principal amount of all Term Loans (calculated on the face amount thereof) of a given Class tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof of the applicable Class actually held by it) shall exceed the maximum 125 #96352060v15 #96352060v15

Slide148

aggregate principal amount of Term Loans of such Class offered to be exchanged by Parent Borrower pursuant to such Permitted Debt Exchange Offer, then Parent Borrower shall exchange Term Loans under the relevant Class tendered by such Lenders ratably up to such maximum based on the respective principal amounts so tendered, or, if such Permitted Debt Exchange Offer shall have been made with respect to multiple Classes without specifying a maximum aggregate principal amount offered to be exchanged for each Class, and the aggregate principal amount of all Term Loans (calculated on the face amount thereof) of all Classes tendered by Lenders in respect of the relevant Permitted Debt Exchange Offer (with no Lender being permitted to tender a principal amount of Term Loans which exceeds the principal amount thereof actually held by it) shall exceed the maximum aggregate principal amount of Term Loans of all relevant Classes offered to be exchanged by Parent Borrower pursuant to such Permitted Debt Exchange Offer, then Parent Borrower shall exchange Term Loans across all Classes subject to such Permitted Debt Exchange Offer tendered by such Lenders ratably up to such maximum amount based on the respective principal amounts so tendered; (x) all documentation in respect of such Permitted Debt Exchange shall be consistent with the foregoing, and all written communications generally directed to the Lenders in connection therewith shall be in form and substance consistent with the foregoing and made in consultation with Parent Borrower and the Administrative Agent; and (xi) any applicable Minimum Tender Condition or Maximum Tender Condition, as the case may be, shall be satisfied or waived by Parent Borrower. Notwithstanding anything to the contrary herein, no Lender shall have any obligation to agree to have any of its Loans or Commitments exchanged pursuant to any Permitted Debt Exchange Offer. (b) With respect to all Permitted Debt Exchanges effected by Parent Borrower pursuant to this Section 2.17, such Permitted Debt Exchange Offer shall be made for not less than \$25,000,000 in aggregate principal amount of Term Loans, provided that subject to the foregoing Parent Borrower may at its election specify (A) as a condition (a "Minimum Tender Condition") to consummating any such Permitted Debt Exchange that a minimum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in Parent Borrower's discretion) of Term Loans of any or all applicable Classes be tendered and/or (B) as a condition (a "Maximum Tender Condition") to consummating any such Permitted Debt Exchange that no more than a maximum amount (to be determined and specified in the relevant Permitted Debt Exchange Offer in Parent Borrower's discretion) of Term Loans of any or all applicable Classes will be accepted for exchange. The Administrative Agent and the Lenders hereby acknowledge and agree that the provisions of Sections 2.05, 2.06 and 2.13 do not apply to the Permitted Debt Exchange and the other transactions contemplated by this Section 2.17 and hereby agree not to assert any Default or Event of Default in connection with the implementation of any such Permitted Debt Exchange or any other transaction contemplated by this Section 2.17. 130 #96352060v15 #96352060v15

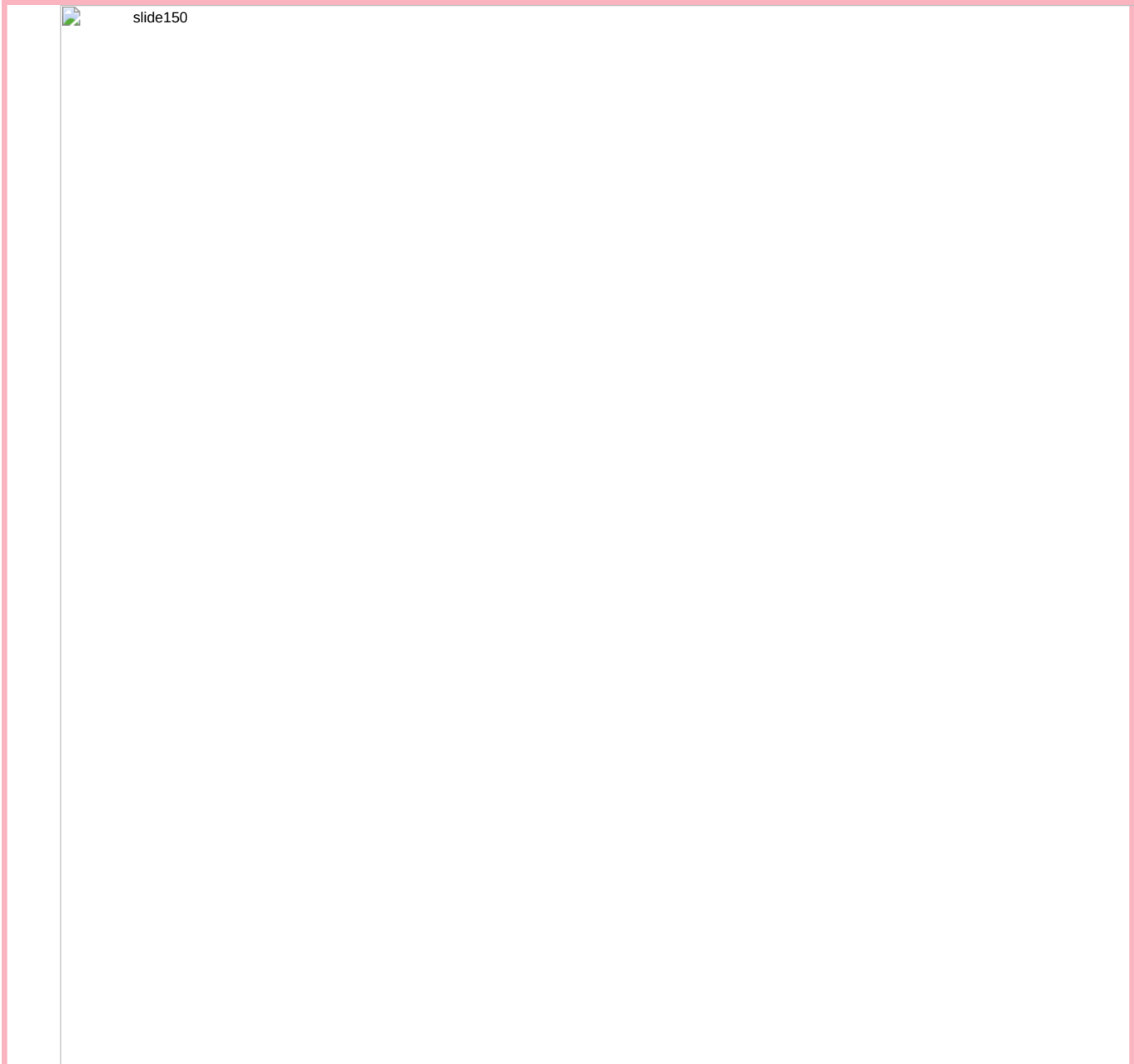
slide149

(c) In connection with each Permitted Debt Exchange, (i) Parent Borrower shall provide the Administrative Agent at least five (5) Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof; provided that, failure to give such notice shall in no way affect the effectiveness of any Permitted Debt Exchange consummated in accordance with this Section 2.17 and (ii) Parent Borrower, in consultation with the Administrative Agent, acting reasonably, shall establish such procedures as may be necessary or advisable to accomplish the purposes of this Section 2.17; provided that the terms of any Permitted Debt Exchange Offer shall provide that the date by which the relevant Lenders are required to indicate their election to participate in such Permitted Debt Exchange shall be not less than five (5) Business Days following the date on which the Permitted Debt Exchange Offer is made. Parent Borrower shall provide the final results of such Permitted Debt Exchange to the Administrative Agent no later than three (3) Business Days prior to the proposed date of effectiveness for such Permitted Debt Exchange (or such shorter period agreed to by the Administrative Agent in its sole discretion) and the Administrative Agent shall be entitled to conclusively rely on such results. (d) Parent Borrower shall be responsible for compliance with, and hereby agrees to comply with, all applicable securities and other laws in connection with each Permitted Debt Exchange, it being understood and agreed that (i) neither the Administrative Agent nor any Lender assumes any responsibility in connection with Parent Borrower's compliance with such laws in connection with any Permitted Debt Exchange and (ii) each Lender shall be solely responsible for its compliance with any applicable "insider trading" laws and regulations to which such Lender may be subject under the Exchange Act. Section 2.18 Subsidiary Borrowers. (a) Parent Borrower may at any time, upon not less than 15 Business Days' notice from Parent Borrower to the Administrative Agent (or such shorter period as may be

agreed by the Administrative Agent in its sole discretion), designate any additional Subsidiary of Parent Borrower (an "Applicant Borrower") as a Subsidiary Borrower to receive Loans hereunder by delivering to the Administrative Agent (which shall promptly deliver counterparts thereof to each Lender) a duly executed notice and agreement in substantially the form of Exhibit M (a "Subsidiary Borrower Request and Assumption Agreement"). The parties hereto acknowledge and agree that prior to any Applicant Borrower becoming entitled to utilize the credit facilities provided for herein, the Administrative Agent and the Lenders shall have received such supporting resolutions, incumbency certificates, opinions of counsel and other documents or information, in form, content and scope reasonably satisfactory to the Administrative Agent, as may be required by the Administrative Agent or the Required Lenders in their sole discretion, and Notes signed by such new Applicant Borrower to the extent any Lenders so require. If the Administrative Agent and the Required Lenders agrees that an Applicant Borrower shall be entitled to receive Loans hereunder, then promptly following receipt of all such requested resolutions, incumbency certificates, opinions of counsel and other documents or information, the Administrative Agent shall send a notice in substantially the form of Exhibit N (a "Subsidiary Borrower Notice") to Parent Borrower and the Lenders specifying the effective date upon which the Applicant Borrower shall constitute a Subsidiary Borrower for purposes hereof, whereupon each of the Lenders agrees to permit such Subsidiary Borrower to receive Loans hereunder, Indenture on the terms and conditions set forth herein and each under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.1 of the parties 131 #96352060v15 #96352060v15

Indenture, the Issuer, any Guarantor and the Trustees are authorized to execute and deliver a supplemental indenture to add additional Guarantors, without the consent of any Holder;



NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Guaranteeing Subsidiary, the Issuer and the Trustees mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recitals hereto are used herein as therein defined. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

## ARTICLE II

### AGREEMENT TO BE BOUND; GUARANTEE

SECTION 2.1. Agreement to be Bound. The Guaranteeing Subsidiary hereby becomes a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

SECTION 2.2. Guarantee. The Guaranteeing Subsidiary agrees that such Subsidiary Borrower otherwise shall be on a Borrower for all purposes of this Agreement; provided that no Committed Loan Notice or Letter of Credit Application may be submitted by or on behalf of such Subsidiary Borrower until the date five Business Days after such effective date. (b) The Obligations of Parent Borrower and each Subsidiary Borrower shall be joint and several in nature. (c) Each Subsidiary Borrower hereby basis with all the existing Guarantors, to fully, unconditionally and irrevocably appoints Parent Borrower as its agent for all purposes relevant Guarantee to this Agreement and each Holder of the other Loan Documents, including (i) Notes and the giving Trustees and receipt of notices, (ii) the execution and delivery of all documents, instruments and certificates contemplated herein and all modifications hereto, and (iii) Agent the receipt Guaranteed Obligations pursuant to Article X of the proceeds of any Loans made by Indenture on a senior basis.

## ARTICLE III

### MISCELLANEOUS

SECTION 3.1. Notices. All notices and other communications to the Lenders to any Subsidiary Borrower. Any acknowledgment, consent, direction, certification or other action which might otherwise be valid or effective only if given or taken by all Borrowers, or by each Borrower acting singly, Guarantor shall be valid and effective if given or taken only by Parent Borrower, whether or not any such other Borrower joins therein. Any notice, demand, consent, acknowledgement, direction, certification or other communication delivered to Parent Borrower in accordance with the terms of this Agreement shall be deemed to have been delivered to each Subsidiary Borrower. (d) Parent Borrower may from time to time, upon not less than 10 Business Days' notice from Parent Borrower to the Administrative Agent (or such shorter period as may be agreed by the Administrative Agent in its sole discretion), terminate a Subsidiary Borrower's status as such, provided that there are no outstanding Loans payable by such Subsidiary Borrower, or other amounts payable by such Subsidiary Borrower on account of any Loans made to it, as of the effective date of such termination. The Administrative Agent will promptly notify the Lenders of any such termination of a Subsidiary Borrower's status. ARTICLE III TAXES, INCREASED COSTS PROTECTION AND ILLEGALITY Section 3.01 Taxes. (a) Except as provided in this Section 3.01, any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable Laws (as determined in the good faith discretion of the applicable withholding agent). If any applicable withholding agent shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document, (i) if such Taxes are Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after all required deductions have been made (including deductions applicable to additional sums payable under this Section 3.01), the applicable Lender or Agent (or, in the case of payments made Indenture to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable withholding agent shall make such deductions, (iii) the applicable withholding agent shall pay the



full amount deducted to the relevant Governmental Authority in accordance **Guarantor**, with applicable Laws, and (iv) as soon as practicable after the date of any such payment by any Loan Party, such 132 #96352060v15 #96352060v15

---

 slide151

Loan Party (or applicable Borrower) shall furnish to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof, or other written proof of payment thereof that is reasonably satisfactory to the Administrative Agent. (b) In addition, and without duplication of any obligation set forth in Section 3.01(a), the applicable Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent reimburse it for the payment of, any Other Taxes. (c) Without duplication of any amounts paid pursuant to Section 3.01(a) or Section 3.01(b), the applicable Borrowers shall jointly and severally indemnify each Agent and each Lender within 10 days of receipt of a written demand thereof for (i) the full amount of Indemnified Taxes (including any Indemnified Taxes imposed or asserted by any jurisdiction in respect of amounts payable under this Section 3.01) payable or paid by such Agent and such Lender and (ii) any reasonable expenses arising therefrom or with respect thereto, in each case whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the applicable Borrower by a Lender or Agent (with Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or Agent, shall be conclusive absent manifest error. (d) If any Lender or Agent determines, in its reasonable discretion, that it has received a refund in respect of any Indemnified Taxes as to which indemnification or additional amounts have been paid to it by any Loan Party pursuant to this Section 3.01, it shall promptly remit an amount equal to such refund as soon as practicable after it is determined that such refund pertains to Indemnified Taxes (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Parties under this Section 3.01 with respect to the Indemnified Taxes giving rise to such refund) to the applicable Borrower, net of all reasonable out-of-pocket expenses (including any Taxes) of the Lender or Agent, as the case may be and without interest (other than any interest paid by the relevant taxing authority with respect to such refund), provided that the applicable Borrower, upon the request of the Lender or Agent, as the case may be, shall promptly return an amount equal to such refund (plus any applicable interest, additions to Tax or penalties) to such party in the event such party is required to repay such refund to the relevant Governmental Authority. Such Lender or Agent, as the case may be, shall, at the applicable Borrower's request, provide the applicable Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant Governmental Authority (provided that such Lender or Agent may delete any information therein that such Lender or Agent deems confidential). Notwithstanding anything to the contrary in this Section 3.01(d), in no event will any Lender or Agent be required to pay any amount to any Loan Party pursuant to this Section 3.01(d) the payment of which would place such Lender or Agent in a less favorable net after-Tax position than it would have been in if the Tax subject to indemnification or additional amounts and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. Nothing herein contained shall oblige 133 #96352060v15 #96352060v15

slide152

any Lender or Agent to make available its Tax returns or disclose any information relating to its Tax affairs (or any other information that it deems confidential). (e) Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 3.01(a) or (c) with respect to such Lender it will, if requested by Parent Borrower, use commercially reasonable efforts (subject to legal and regulatory restrictions), at Parent Borrower's expense, to designate another Applicable Lending Office for any Loan or Letter of Credit affected by such event if doing so would reduce or eliminate amounts payable under Section 3.01(a) or (c), provided that such efforts are made on terms that, in the judgment of such Lender, cause such Lender and its Applicable Lending Office(s) to suffer no material economic, legal or regulatory disadvantage, and provided further that nothing in this Section 3.01(e) shall affect or postpone any of the Obligations of Parent Borrower or the rights of such Lender pursuant to Section 3.01(a) or (c). (f) Each Lender shall, at such times as are reasonably requested by Parent Borrower or the Administrative Agent, provide Parent Borrower and the Administrative Agent with any documentation prescribed by applicable Laws, or reasonably requested by Parent Borrower or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under any Loan Document and any documentation necessary to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation (including any documentation specifically referenced below) expired, obsolete or inaccurate in any material respect, deliver promptly to Parent Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify Parent Borrower and the Administrative Agent in writing of its legal ineligibility to do so. Without limiting the generality of the foregoing: (i) Each Lender that is a "United States person" (as defined in Section 7701(a)(30) of the Code) shall deliver to Parent Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed original copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding; (ii) Each Lender that is not a "United States person" (as defined in Section 7701(a)(30) of the Code) shall deliver to Parent Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter when required by applicable Laws or upon the reasonable request of Parent Borrower or the Administrative Agent), two properly completed and duly signed original copies of whichever of the following is applicable: 134 #96352060v15 #96352060v15

slide153

(A) Internal Revenue Service Forms W-8BEN or Form W-8BEN-E, as applicable (or any successor forms), claiming eligibility for benefits of an income tax treaty to which the United States is a party, (B) Internal Revenue Service Forms W-8ECI (or any successor forms), (C) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, in substantially the form of Exhibit K (any such certificate a "United States Tax Compliance Certificate"), or any other form approved by the Administrative Agent, to the effect that such Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of CHI (or any other Subsidiary Borrower that is a "United States person" (as defined in Section 7701(a)(30) of the Code) within the meaning of Section 881(c)(3)(B) of the Code or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and that no interest payments under any Loan Documents are effectively connected with such Lender's conduct of a U.S. trade or business, and (y) Internal Revenue Service Forms W-8BEN or Forms W-8BEN-E, as applicable (or any successor forms), (D) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership, or is a Lender that has granted a participation), Internal Revenue Service Form W-9IMY (or any successor forms) of the Lender, accompanied by an Internal Revenue Service Form W-8ECI, W-8BEN, W-8BEN-E, a United States Tax Compliance Certificate, Internal Revenue Service Form W-9, Form W-9IMY (or other successor forms) or any other required information from each beneficial owner, as applicable (provided that, if the Lender is a partnership and one or more direct or indirect partners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate may be provided by such Lender on behalf of such direct or indirect partner(s)), or (E) any other form prescribed by applicable U.S. federal income tax laws (including the Treasury regulations) as a basis for claiming a complete exemption from, or a reduction in, U.S. federal withholding Tax on any payments to such Lender under the Loan Documents, together with such supplemental documentation as may be prescribed by applicable Laws to permit any Borrower or the Administrative Agent to determine the withholding or deduction required to be made, (iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA 135 #96352060v15 #96352060v15

Slide154

(including those contained in Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Parent Borrower and the Administrative Agent at the time or times prescribed by applicable Laws and at such time or times reasonably requested by Parent Borrower or the Administrative Agent such documentation prescribed by applicable Laws (including as prescribed by Section 1471(d)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Parent Borrower or the Administrative Agent as may be necessary for any Borrower and the Administrative Agent to comply with their FATCA obligations, to determine whether such Lender has or has not complied with such Lender's FATCA obligations and to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Notwithstanding any other provision of this Section 3.01(f), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver. Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 3.01(f). (g) The Administrative Agent (or any successor thereto) shall provide Parent Borrower with, (i) if it is a United States person (as defined in Section 7701(a)(30) of the Code), a duly completed Internal Revenue Service Form W-9 certifying that it is exempt from U.S. federal backup withholding (along with any other tax forms reasonably requested by Parent Borrower), or (ii) if it is not a United States person, (1) with respect to amounts payable to the Administrative Agent for its own account, a duly completed Internal Revenue Service Form W-BECl or Form W-8BEN-E, as applicable (along with any other tax forms reasonably requested by Parent Borrower), and (2) with respect to amounts payable to the Administrative Agent on behalf of a Lender, a duly completed Internal Revenue Service

Form W-BIMY (together with any required accompanying documentation), and shall update such forms periodically upon the reasonable request of Parent Borrower. Notwithstanding any other provision of this clause (g), the Administrative Agent shall not be required to deliver any form that such Administrative Agent is not legally eligible to deliver. (h) For the avoidance of doubt, the term "Lender" shall, for purposes of this Section 3.01, include any L/C Issuer. Section 3.02 Inability to Determine Rates. (a) If prior to the first day of any Interest Period (i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, (A) deposits (whether in Dollars or an Alternative Currency) are not being offered to banks in the applicable offshore interbank eurodollar market for such currency for the applicable amount and Interest Period or applicable tenor of such EurocurrencyApplicable Reference Rate Loan, (B) (x) adequate and reasonable means do not exist for determining the Eurocurrencysuch Applicable Reference Rate for any requested Interest Period or applicable tenor with respect to a proposed Eurocurrency Rate Loan bearing such Applicable Reference 136 #96352060v15 #96352060v15

slide155

Rate (whether in Dollars or an Alternative Currency) or in connection with an existing or proposed Base Rate Loan and (v) (and the circumstances described in the definition of "Eurocurrency Rate" Section 3.02(b) or (c) below do not apply) or (C) a fundamental change has occurred in the foreign exchange or interbank markets with respect to such Alternative Currency (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls) (in each case with respect to this clause (i), "Impacted Loans"), or (i) the Administrative Agent shall have received notice from the Required Lenders in respect of the relevant Facility that the EurocurrencyApplicable Reference Rate determined or to be determined for such Interest Period or applicable tenor will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period or applicable tenor, then the Administrative Agent shall give telecopy or telephonic notice thereof to Parent Borrower and the relevant Lenders as soon as practicable thereafter. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans bearing the Applicable Reference Rate in the affected currency or currenciesApplicable Currency or Applicable Currencies shall be suspended (to the extent of the affected EurocurrencyApplicable Reference Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurocurrency RateTerm SOFR component of the Base Rate, the utilization of the Eurocurrency RateTerm SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders in respect of the relevant Facility) revokes such notice. Upon receipt of such notice, (i) the Parent Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans bearing the Applicable Reference Rate in the affected currency or currenciesApplicable Currency or Applicable Currencies (to the extent of the affected EurocurrencyApplicable Reference Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount specified therein and (ii) (A) any outstanding affected Eurocurrency RateTerm SOFR Loans denominated in Dollars will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period and (B) any outstanding affected Eurocurrency Rate Loans denominated in an Alternative Currency Loans, at the Company's election, shall either (1) be converted into a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount of such outstanding Eurocurrency Rateaffected Alternative Currency Loan at the end of the applicable Interest Period or (2) be prepaid at the end of the applicable Interest Period in full; provided that if no election is made by the Company within three days after receipt of such notice, the Company shall be deemed to have elected clause (1) above. Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this section, the Administrative Agent, in consultation with Parent Borrower and the Required Lenders in respect of the relevant Facility, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans in accordance with clause (a)(i) of the preceding paragraph, (2) the Administrative Agent or the Required Lenders in respect of the relevant Facility notify the Administrative Agent and Parent Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any 137 #96352060v15 #96352060v15

slide156

Governmental Authority has asserted that it is unlawful, for such Lender or its Applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and Parent Borrower written notice thereof. (b) Replacement of Term SOFR or Term SOFR Successor Rate. Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 3.02(a) or (c), in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), or Parent Borrower or the Required Lenders in respect of the relevant Facility notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Parent Borrower) that Parent Borrower or Required Lenders (as applicable) have determined, that: (i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because, the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; (ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of U.S. dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Term SOFR Scheduled Unavailability Date"); then, on a date and time determined by the Administrative Agent (any such date, the "Reference Rate Replacement Date"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (i) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "Term SOFR Successor Rate"). If the Term SOFR Successor Rate is Daily Simple SOFR, all interest payments will be payable on a monthly basis. Notwithstanding anything to the contrary herein. (i) If the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement 138 #96352060v15 #96352060v15

slide157



Date, or (ii) if the events or circumstances of the type described in Section 3.03(b)(i) or (ii) have occurred with respect to the Term SOFR Successor Rate then in effect, then in each case, the Administrative Agent and the Borrowers may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Term SOFR Successor Rate in accordance with this Section 3.02 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated credit facilities syndicated and agented in the United States for such benchmark. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a "Term SOFR Successor Rate". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Parent Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment. (c) Replacement of Applicable Reference Rate or Applicable Successor Rate. Notwithstanding anything contained herein to the contrary, and without limiting the provisions of Section 3.02(a) or (b), in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), or Parent Borrower or the Required Lenders in respect of the relevant Facility notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Parent Borrower) that Parent Borrower or Required Lenders (as applicable) have determined, that: (i) adequate and reasonable means do not exist for ascertaining (a) with regard to Eurocurrency Rate Loans or Alternative Currency Term Rate Loans, the Applicable Reference Rate for an Applicable Currency for any requested Interest Period or (b) with regard to Alternative Currency Daily Rate, the Applicable Reference Rate for such Applicable Currency, including, in each case, without limitation, because the Screen Rate for such Applicable Currency is not available or published on a current basis and such circumstances are unlikely to be temporary; or (ii) the administrator of the Screen Rate for an Applicable Currency (other than Dollars) or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which all tenors for an Applicable Reference Rate (other than Term SOFR) for an Applicable Currency (other than Dollars) or the Screen Rate for an Applicable Currency (other than Dollars) shall no longer be made available, or used for determining the interest rate of loans denominated in such Applicable Currency (other than Dollars); provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide such representative tenor(s) of the Applicable Reference Rate (other than Term SOFR) for such Applicable Currency (other than Dollars) 139 #96352060v15 #96352060v15

slide158



after such specific date (such specific date, the "Scheduled Unavailability Date"); or (ii) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to the Applicable Reference Rate for an Applicable Currency (other than Dollars), or if the events or circumstances of the type described in Section 3.02(c)(i), (ii) or (iii) have occurred with respect to the Successor Rate then in effect, then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and Parent Borrower may amend this Agreement to replace the Applicable Reference Rate for the Applicable Currency or any then current Successor Rate for an Applicable Currency, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar credit facilities syndicated in the U.S. and denominated in such Applicable Currency for such alternative benchmarks, and, in each case, including mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar credit facilities syndicated in the U.S. and denominated in such Applicable Currency for such benchmarks (and any such proposed rate, a "Non-SOFR Successor Rate" and, together with the Term SOFR Successor Rate, each a "Successor Rate"), and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and Parent Borrower unless, prior to such time, Lenders comprising the Required Lenders in respect of the relevant Facility have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment. If no Non-SOFR Successor Rate has been determined for the Applicable Currency and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify Parent Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Loans in such affected Applicable Reference Rate (other than Term SOFR) in each such Applicable Currency (other than Dollars) shall be suspended (to the extent of the affected Applicable Reference Rate or Interest Periods). Upon receipt of such notice, (i) Parent Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Loans bearing such affected Applicable Reference Rate in each such affected Applicable Currency (other than Dollars) (to the extent of the affected Applicable Reference Rate or Interest Periods) or, failing that, will be deemed to have converted each such request into a request for a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount specified therein and any outstanding affected Loans bearing such affected Applicable Reference Rate denominated in an Alternative Currency, at the Company's election, shall either (1) be converted into a Borrowing of Base Rate Loans denominated in Dollars in the Dollar Equivalent of the amount of such outstanding Alternative Currency Loan at the end of the applicable Interest Period or applicable tenor or (2) be prepaid at the end of the applicable Interest Period or applicable tenor in full; provided that if no election is made by the Parent Borrower within five Business Days after receipt of such notice, Parent Borrower shall be deemed to have elected clause (i) above. 140 #96352060v15 #96352060v15

slide159

(d) Successor Rate. The Administrative Agent will promptly (in one or more notices) notify the Parent Borrower and each Lender of the implementation of any Successor Rate. Any Successor Rate for an Applicable Currency shall be applied in a manner consistent with market practice; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, such Successor Rate for such Applicable Currency shall be applied in a manner as otherwise determined by the Administrative Agent in consultation with Parent Borrower. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents. In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Parent Borrower and the Lenders reasonably promptly after such amendment becomes effective. For purposes of this Section 3.02, those Lenders that do not have an obligation under this Agreement to make, the relevant Loans in Dollars or the relevant Alternative Currency shall be excluded from any Determination of Required Lenders for such Loans. Section 3.03 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurocurrency Rate Loans. (a) If any Lender determines that as a result of any Change in Law (including with respect to Taxes), or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining any Loan or issuing or participating in Letters of Credit, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.03(a) any such increased costs or reduction in amount resulting from (i) Indemnified Taxes indemnifiable under Section 3.01, (ii) Excluded Taxes described in clauses (b) through (e) of the definition of "Excluded Taxes," (iii) Excluded Taxes described in clause (a) of the definition of "Excluded Taxes" to the extent such Taxes are imposed on or measured by such Lender's net income or profits (or are franchise Taxes imposed in lieu thereof or branch profits Taxes) or (iv) reserve requirements contemplated by Section 3.03(c)), then from time to time within fifteen (15) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent given in accordance with Section 3.05), Parent Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction; provided that in the case of any Change in Law 141 #96352060v15 #96352060v15

slide160

only applicable as a result of the proviso set forth in the definition thereof, such Lender will only be compensated for such amounts that would have otherwise been imposed under the applicable increased cost provisions and only to the extent the applicable Lender is imposing such charges on other generally similarly situated borrowers (but not necessarily all such borrowers) under comparable syndicated credit facilities. (b) If any Lender determines that as a result of any Change in Law regarding capital adequacy or liquidity requirements, or any change therein or in the interpretation thereof, in each case after the date hereof, or compliance by such Lender (or its Applicable Lending Office) therewith, has the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy or liquidity requirements, and such Lender's desired return on capital), then from time to time upon demand of such Lender setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent given in accordance with Section 3.05), Parent Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such reduction within fifteen (15) days after receipt of such demand. (c) Parent Borrower shall pay (or cause the applicable Borrower to pay) to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of each Eurocurrency Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of demonstrable error), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurocurrency Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent demonstrable error) which in each case shall be due and payable on each date on which interest is payable on such Loan, provided Parent Borrower shall have received at least fifteen (15) days' prior notice (with a copy to the Administrative Agent) of such additional interest or cost from such Lender. If a Lender fails to give notice fifteen (15) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable fifteen (15) days after receipt of such notice. (d) Subject to Section 3.05(b), failure or delay on the part of any Lender to demand compensation pursuant to this Section 3.03 shall not constitute a waiver of such Lender's right to demand such compensation. (e) If any Lender requests compensation under this Section 3.03, then such Lender will, if requested by Parent Borrower, use commercially reasonable efforts to designate another Applicable Lending Office for any Loan or Letter of Credit affected by such event, provided that such efforts are made on terms that, in the reasonable judgment of such Lender, cause such Lender and its Applicable Lending Office(s) to suffer no material economic, legal or 142. #96352060v15 #96352060v15

slide161

regulatory disadvantage; and provided, further, that nothing in this Section 3.03(e) shall affect or postpone any of the Obligations of Parent Borrower or the rights of such Lender pursuant to Section 3.03(a), (b), (c) or (d). Section 3.04 Funding Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, Parent Borrower shall promptly compensate (or cause the applicable Borrower to compensate) such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of: (a) any continuation, conversion, payment or prepayment of any Term SOFR Loan, Eurocurrency Rate Loan or other Alternative Currency Loan, in each case, on a day other than the last day of the Interest Period or any applicable tenor for such Loan; (b) any failure by any Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan (other than a Base Rate Loan) on the date or in the amount notified by Parent Borrower or other applicable Borrower; or (c) any failure by any Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, including any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. For purposes of calculating amounts payable by any Borrower to the Lenders under this Section 3.04, each Lender shall be deemed to have funded each Eurocurrency Rate Loan or Alternative Currency Term Rate Loan made by it at the Eurocurrency Rate or Alternative Currency Term Rate, as applicable, for such Loan by a matching deposit or other borrowing in the London such offshore interbank eurodollar market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan or Alternative Currency Term Rate Loan was in fact so funded. Notwithstanding the foregoing, in connection with any Incremental Term Loans, parties thereto shall endeavor to adjust Interest Periods thereon to minimize amounts payable under this Section with respect thereto. Section 3.05 Matters Applicable to All Requests for Compensation. (a) Any Agent or any Lender claiming compensation under this Article III shall deliver a certificate to Parent Borrower setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of demonstrable error. In determining such amount, such Agent or such Lender may use any reasonable averaging and attribution methods. (b) With respect to any Lender's claim for compensation under Section 3.01, Section 3.02, Section 3.03 or Section 3.04, Parent Borrower shall not be required to compensate such Lender for any amount incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies Parent Borrower of the event that gives rise to such claim; 143 #96352060v15 #96352060v15



provided that, if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof. If any Lender requests compensation by Parent Borrower under Section 3.03, Parent Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue Eurocurrency RateTerm SOFR Loans or Alternative Currency Loans from one Interest Period to another, or to convert Base Rate Loans into Eurocurrency RateTerm SOFR Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.05(c) shall be applicable), provided that such suspension shall not affect the right of such Lender to receive the compensation so requested. (c) If the obligation of any Lender to make or continue any Eurocurrency RateTerm SOFR Loan or Alternative Currency Loan from one Interest Period to another, or to convert Base Rate Loans into Eurocurrency RateTerm SOFR Loans shall be suspended pursuant to Section 3.05(b) hereof, such Lender's Eurocurrency RateTerm SOFR Loans denominated in Dollars shall be automatically converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for such Eurocurrency Rate Loans (or, in the case of an immediate conversion required by Section 3.02, on such earlier date as required by Law) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 3.03 hereof that gave rise to such conversion no longer exist, (i) to the extent that such Lender's Eurocurrency RateTerm SOFR Loans denominated in Dollars have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's Eurocurrency RateTerm SOFR Loans shall be applied instead to its Base Rate Loans; and (ii) all Loans denominated in Dollars that would otherwise be made or continued from one Interest Period to another by such Lender as Eurocurrency RateTerm SOFR Loans shall be made or continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be converted into Eurocurrency RateTerm SOFR Loans shall remain as Base Rate Loans. (d) If any Lender gives notice to Parent Borrower (with a copy to the Administrative Agent) that the circumstances specified in Section 3.03 hereof that gave rise to the conversion of such Lender's Eurocurrency RateTerm SOFR Loans denominated in Dollars pursuant to this Section 3.05 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurocurrency RateTerm SOFR Loans made by other Lenders are outstanding, such Lender's Base Rate Loans shall be automatically converted to Eurocurrency RateTerm SOFR Loans, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurocurrency RateTerm SOFR Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Eurocurrency RateTerm SOFR Loans and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Commitments. Section 3.06 Replacement of Lenders under Certain Circumstances. 144 #96352060v15 #96352060v15

slide163



(a) If at any time (i) any Lender requests reimbursement for amounts owing pursuant to Section 3.01 or Section 3.03 as a result of any condition described in such Sections or any Lender ceases to make Eurocurrency Rate LoansTerm SOFR Loans or any Alternative Currency Loans, as applicable, as a result of any condition described in Section 3.02 or Section 3.03, (ii) any Lender becomes a Defaulting Lender, (iii) any Lender becomes a Non-Consenting Lender, (iv) any Lender becomes a Non-Extending Lender and/or, (v) any suspension or cancellation of any obligation of any Lender to issue, make, maintain, fund or charge interest with respect to any such Borrowing pursuant to Section 3.07, then Parent Borrower may, at its election and its sole expense and effort, on prior written notice to the Administrative Agent and such Lender, to the extent not in conflict with applicable Laws in any material respect, either (x) replace such Lender by requiring such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.07(b) (with the assignment fee to be paid by Parent Borrower in such instance) all of its rights and obligations under this Agreement (or, with respect to clause (ii) above, all of its rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, waiver or amendment) (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) to one or more Eligible Assignees; provided that neither the Administrative Agent nor any Lender shall have any obligation to Parent Borrower to find a replacement Lender or other such Person; and provided, further, that (A) in the case of any such assignment resulting from a claim for compensation under Section 3.03 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments and (B) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable Eligible Assignees shall have agreed to the applicable departure, waiver or amendment of the Loan Documents or (y) repay the Loans and terminate the Commitments held by any such Lender notwithstanding anything to the contrary herein (including, without limitation Section 2.05, Section 2.06, Section 2.07 or Section 2.13), on a non pro rata basis so long as any accrued and unpaid interest and required fees are paid any such Non-Consenting Lender or Non-Extending Lender, (b) Any Lender being replaced pursuant to Section 3.06(a) above shall (i) execute and deliver an Assignment and Assumption with respect to such Lender's Commitment and outstanding Loans and participations in L/C Obligations and in Swing Line Loans (provided that the failure of any such Lender to execute an Assignment and Assumption shall not render such assignment invalid and such assignment shall be recorded in the Register) and (ii) deliver Notes, if any, evidencing such Loans to Parent Borrower or Administrative Agent. Pursuant to such Assignment and Assumption, (A) the assignee Lender shall acquire all or a portion, as the case may be, of the assigning Lender's Commitments and outstanding Loans and participations in L/C Obligations and in Swing Line Loans, (B) all obligations of the Loan Parties owing to the assigning Lender relating to the Loan Documents and participations so assigned shall be paid in full by the assignee Lender or the Loan Parties (as applicable) to such assigning Lender concurrently with such assignment and assumption, any amounts owing to the assigning Lender (other than a Defaulting Lender) under Section 3.04 as a consequence of such assignment and, in the case of an assignment of Term Loans in connection with a Repricing Event, the premium, if any, that would have been payable by Parent Borrower on such date pursuant to Section 2.05(a)(iii) if such Lender's Term Loans subject to such assignment had been prepaid on such date shall have been paid by Parent Borrower to the assigning Lender and (C) upon such payment and, if so requested by the assignee Lender, the assignor Lender shall deliver to the assignee Lender the appropriate Note or Notes executed by the applicable Borrower, the 145 #96352060v15 #96352060v15

slide164

Assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender. (c) Notwithstanding anything to the contrary contained above, any Lender that acts as an L/C Issuer may not be replaced hereunder at any time that it has any Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such L/C Issuer (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer reasonably satisfactory to such L/C Issuer, or the depositing of Cash Collateral into a Cash Collateral Account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer) have been made with respect to each such outstanding Letter of Credit and the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.09. (d) In the event that (i) Parent Borrower or the Administrative Agent have requested that the Lenders (A) consent to a departure or waiver of any provisions of the Loan Documents or (B) agree to any amendment thereto, (i) the consent, waiver or amendment in question requires the agreement of all affected Lenders in accordance with the terms of Section 10.01 or all the Lenders with respect to a certain Class of the Loans and (ii) solely with respect to clauses (i) and (i) above, the Required Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a "Non-Consenting Lender." In the event that Parent Borrower or the Administrative Agent has requested that the Lenders consent to an extension of the Maturity Date of any Class of Loans as permitted by Section 2.15, then any Lender who does not agree to such extension shall be deemed a "Non-Extending Lender." Section 3.07 Illegality. If (a) in any applicable jurisdiction, the Administrative Agent, any L/C Issuer or any Lender determines that any Change in Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Administrative Agent, such L/C Issuer or such Lender, as applicable, to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) to fund or maintain its participation in any Loan or (iii) issue, make, maintain, fund or charge interest with respect to any Borrowing to any Loan Party who is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia (including, as a result of any illegality due to any economic or financial sanctions administered or enforced by any sanctions authority) or (b) any Lender is advised in writing by a sanctions authority that penalties will be imposed by a sanctions authority as a result of such Lender's participation in the Agreement or any other business or financial relationship with Parent Borrower, in each case of clauses (a) and (b), such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying Parent Borrower, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest with respect to any such Borrowing shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified Parent Borrower or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace 146 #96352060v15 #96352060v15

slide165

period permitted by applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.Survival. All of the Borrowers' respective obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Loan Obligations hereunder and any assignment of rights by or replacement of a Lender or L/C Issuer. ARTICLE IV CONDITIONS PRECEDENT TO CREDIT EXTENSIONS Section 4.01 Conditions to Revolving Credit Facility. The obligation of each Revolving Credit Lender to make its Revolving Credit Commitment available and any initial Credit Extension hereunder under the Revolving Credit Facility is subject to satisfaction (or waiver in accordance with Section 10.01) of the following conditions precedent: (a) The Administrative Agent's receipt of the following, each of which shall be

originals, facsimiles or other electronic copies (in each case, followed promptly by originals if requested) unless otherwise specified, each executed by a Responsible Officer of the signing Loan Party, each in form and substance reasonably satisfactory to the Administrative Agent and each of the Revolving Credit Lenders: (i) executed counterparts of this Agreement, the Guaranty, the U.S. Security Agreement (and intellectual property security agreements required thereunder), the Canadian Pledge Agreement, the UK Security Agreement and each of the other Loan Documents to be entered into on the Closing Date and prior to the initial Credit Extension, in any case, subject to the provisions of this Section 4.01 and together with (except as provided in the Collateral Documents and/or Indenture for notices to the provisions of this Section 4.01): (A) certificates, if any, representing the pledged equity referred to therein accompanied by undated stock powers or stock transfer forms executed in blank Issuer.

SECTION 3.2. Merger and (if applicable) instruments evidencing the pledged debt referred to therein endorsed in blank, and (B) evidence that all other actions, recordings and filings (UCC financing statements, PPSA filings and intellectual property security agreements) that the Administrative Agent or Collateral Agent may deem reasonably necessary to satisfy the Collateral and Guarantee Requirement Consolidation. The Guaranteeing Subsidiary shall have been taken, completed not sell or otherwise provided for; (ii) a Note executed by the applicable Borrower in favor of each Revolving Credit Lender that has requested a Note at least five (5) Business Days in advance of the Closing Date; (iii) such certificates (including a certificate substantially in the form of Exhibit L), copies of Organization Documents of the Loan Parties, resolutions or other action and incumbency certificates of Responsible Officers of each Loan Party, evidencing the identity, authority and capacity of each Responsible Officer 147 #96352060v15 #96352060v15

Slide166

thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Closing Date; (iv) an opinion from Kirkland & Ellis LLP, New York counsel to the Loan Parties, addressed to the Administrative Agent, the Collateral Agent and each Lender; (v) an opinion from (A) Goodmans LLP, Canadian local counsel to the Loan Parties, (B) Norton Rose Fulbright LLP, English local counsel to the Administrative Agent, (C) Van Doorne N.V., Dutch local counsel to the Loan Parties, (D) Norton Rose Fulbright LLP, Dutch local counsel to the Administrative Agent and (E) Kilpatrick Townsend & Stockton LLP, North Carolina local counsel to the Loan Parties, each addressed to the Administrative Agent, the Collateral Agent and each Lender; (vi) a certificate attesting to the Solvency of Parent Borrower and its Subsidiaries (on a consolidated basis) on the Closing Date after giving effect to the Transactions, from Parent Borrower's chief financial officer or other officer with equivalent duties; (vii) a Committed Loan Notice or Letter of Credit Application, as applicable, relating to the initial Credit Extension and an associated letter of direction; (viii) copies of recent customary UCC lien, tax and judgment searches prior to the Closing Date with respect to the Loan Parties; (ix) if available in the relevant jurisdiction, good standing certificates or certificates of status, as applicable and bring down telegrams or facsimiles, for each Loan Party; and (x) in respect of each company incorporated in the United Kingdom whose shares are the subject of a Lien in favor of the Collateral Agent (a "Charged Company"), either: (A) a certificate of an authorized signatory of a Loan Party certifying that: (1) each Loan Party has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and (2) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares, together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company, which is certified by an authorized signatory of a Loan Party to be correct, complete and not amended or superseded as at a date no earlier than the date of this Agreement; or (B) a certificate of an authorized signatory of a Loan Party certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006. 148 #96352060v15 #96352060v15

slide167



(b) All fees and expenses required to be paid on the Closing Date hereunder or pursuant to any agreement in writing entered into by any Borrower to the extent, with respect to expenses, invoiced at least three (3) Business Days prior to the Closing Date, shall have been paid in full in cash or, if applicable, will be paid on the Closing Date out of the initial Credit Extension under the Revolving Credit Facility. (c) The Administrative Agent and the Revolving Credit Lenders shall have received at least three (3) Business Days prior to the Closing Date (i) all documentation and other information about the Loan Parties as has been reasonably requested in writing at least ten (10) Business Days prior to the Closing Date by the Administrative Agent or the Revolving Credit Lenders that they reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Canadian AML Legislation, and (ii) a Beneficial Ownership Certification in relation to any Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation. (d) Since December 28, 2019, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect (e) Each of the conditions set forth in Section 4.03 are satisfied. (f) The Administrative Agent shall have received a certificate, dated as of the Closing Date, of a Responsible Officer of Parent Borrower, confirming compliance with the condition precedent set forth in Section 4.01(e). (g) The Revolver Refinancing shall have occurred. The making of the initial Credit Extensions by the Revolving Credit Lenders hereunder shall conclusively be deemed to constitute an acknowledgment by the Administrative Agent and each Revolving Credit Lender that each of the conditions precedent set forth in this Section 4.01 shall have been satisfied in accordance with its respective terms or shall have been irrevocably waived by such Person. Section 4.02 [Reserved]. Section 4.03 Conditions to All Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension under the Revolving Credit Facility after the Closing Date and any requests for Incremental Revolving Credit Commitments which are established, but not drawn on the date of the effectiveness of such facility (other than (x) a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurocurrency Rate Term SOFR Loans or Alternative Currency Loans or (y) a Credit Extension under any Incremental Facility in connection with a Permitted Acquisition or other Investment, which are subject to the LCT Provisions) is subject to the following conditions precedent: (a) The representations and warranties of Parent Borrower and each other Loan Party contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension; provided that, to the extent that 149 #96352060v15 #96352060v15

 slide168

such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date, provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates. (b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom. (c) The Administrative Agent and, if applicable, the relevant L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof. Each Request for Credit Extension (other than (i) a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurocurrency RateTerm SOFR Loans or Alternative Currency Loans or (ii) a Credit

Extension of Incremental Term Loans in connection with a Permitted Acquisition or other Investment which are subject to the LCT Provisions) submitted by Parent Borrower shall be deemed to be a representation and warranty that the applicable conditions specified in Sections 4.03(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension. ARTICLE V REPRESENTATIONS AND WARRANTIES Parent Borrower represents and warrants to the Agents and the Lenders that: Section 5.01 Existence, Qualification and Power: Compliance with Laws. Each Loan Party (a) is a Person duly incorporated, organized or formed, and validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and, where applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) is in compliance with all Laws, orders, writs, injunctions and orders and (e) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in clause (a) (other than with respect to the Borrowers, (b) (i), (c), (d) or (e), to the extent that failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Section 5.02 Authorization: No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, and the consummation of the Transactions, (a) have been duly authorized by all necessary corporate or other organizational action and (b) do not and will not (i) contravene the terms of any of such Person's Organization Documents, (ii) conflict with or result in any breach or contravention of, or require any payment to be made under (A) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (B) any material order, injunction, writ or decree of any Governmental Authority or any arbitral 150 #96352060v15 #96352060v15

Slide169



award to which such Person or its property is subject, (iii) result in the creation of any Lien (other than under the Loan Documents and Liens subject to an Acceptable Intercreditor Agreement) or (iv) violate any material Law; except (in the case of clauses (b)(ii) and (b)(iv)), to the extent that such conflict, breach, contravention, payment or violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Section 5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, or for the consummation of the Transactions; (b) the grant by any Loan Party of the Liens granted by it pursuant to Section 2.03(f) of this Agreement or the Collateral Documents; (c) the perfection or maintenance of the Liens created under this Agreement or the Collateral Documents (including the priority thereof) or (d) the exercise by the Administrative Agent, the Collateral Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to this Agreement or the Collateral Documents, except for (i) filings necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties, (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect; and (iii) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Section 5.04 Binding Effect. This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is party thereto. This Agreement and each other Loan Document constitutes a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity. Section 5.05 Financial Statements; No Material Adverse Effect. (a) The Audited Financial Statements and the Unaudited Financial Statements fairly present in all material respects the consolidated financial condition of Parent Borrower and its Restricted Subsidiaries as of the dates thereof, and its results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise disclosed to the Administrative Agent prior to the Closing Date. (b) Since the Closing Date, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect. Each Lender and the Administrative Agent hereby acknowledges and agrees that Parent Borrower and its Subsidiaries may be required to restate historical financial statements as the result of the implementation of changes in GAAP or IFRS, or the respective interpretation thereof, and that such restatements will not result in a Default under the Loan Documents. 151 #96352060v15 #96352060v15

slide170

Section 5.06 Litigation. Except as set forth on Schedule 5.06, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of Parent Borrower, threatened in writing or contemplated, at law, in equity, in arbitration or by or before any Governmental Authority, by or against Parent Borrower or any of its Restricted Subsidiaries or against any of their properties or revenues that either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Section 5.07 Ownership of Property, Liens. (a) Each Loan Party and each of its Subsidiaries has good and valid title to, or valid leasehold interests in, or easements or other limited property interests in, all property necessary in the ordinary conduct of its business, free and clear of all Liens except for minor defects in title that do not materially interfere with its ability to conduct its business or to utilize such assets for their intended purposes. Permitted Liens and any Liens and privileges arising mandatorily by Law and, in each case, except where the failure to have such title or other interest would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. (b) (reserved). (c) Except as would not have a Material Adverse Effect, all management agreements and franchise agreements to which any Loan Party is a party relating to real property are in full force and effect and no consent is required in connection with any such agreements for the consummation of the Transactions, except as shall have been obtained prior to the Closing Date occurring on or prior to such day. Section 5.08 Environmental Compliance. Except as set forth on Schedule 5.08 or as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) there are no pending or, to the knowledge of Parent Borrower, threatened claims, actions, suits, notices of violation, notices of potential responsibility or proceedings by or against any Loan Party or any of their respective Restricted Subsidiaries alleging potential liability under, or responsibility for violation of, any Environmental Law; (b) there has been no Release of Hazardous Materials at, on, under or from any property currently or formerly owned, leased or operated by any Loan Party or their respective Restricted Subsidiaries which would reasonably be expected to give rise to liability under Environmental Laws; (c) no Loan Party nor any of their respective Restricted Subsidiaries is currently undertaking, either individually or together with other persons, any investigation or response action relating to any actual or threatened Release of Hazardous Materials at any location pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; (d) all Hazardous Materials transported by or on behalf of any Loan Party or any of their respective Restricted Subsidiaries from any property currently or formerly owned. 152 #96352060v15 #96352060v15

slide171

leased or operated by any Loan Party or any of their respective Restricted Subsidiaries for off-site disposal have been disposed of in compliance with any Environmental Laws; and (e) the Loan Parties and their respective Restricted Subsidiaries and their respective businesses, operations and properties are and have been in compliance with all Environmental Laws and have obtained, maintained and are in compliance with all permits, licenses or approvals required under Environmental Laws for their operations. Section 5.09 Taxes. Parent Borrower and each of its Restricted Subsidiaries has timely filed all federal, provincial, state, municipal, foreign and other Tax returns and reports required to be filed, and have timely paid all federal, provincial, state, municipal, foreign and other Taxes levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) those Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP or IFRS, as applicable, or (b) failures to file or pay as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. There are no Tax audits, deficiencies, assessments or other claims with respect to Parent Borrower or any of its Restricted Subsidiaries that would, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Section 5.10 Compliance with ERISA. (a) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan and Foreign Plan is in compliance with the applicable provisions of ERISA, the Code and other federal, provincial or state Laws and applicable foreign laws, respectively. (b) (i) No ERISA Event or similar event with respect to a Foreign Plan has occurred or is reasonably expected to occur; (ii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 et seq. or 4243 of ERISA with respect to a Multiemployer Plan; and (iii) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that would be subject to Section 4069 or 4212(c) of ERISA, except, with respect to each of the foregoing clauses of this Section 5.10, as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect. (c) Each Loan Party represents and warrants as of the Closing Date that it does not and will not hold "plan assets" for purposes of the Department of Labor regulations located at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA. (d) Except for the UK Pension Schemes, no Loan Party or any of its Subsidiaries is or has at any time been: (a) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993), or (b) "connected" with or an "associate" (as those terms are used in sections 38 and 43 of the Pensions Act 2004) of such an employer. 153 #96352060v15 #96352060v15

 slide172



Section 5.11 Subsidiaries; Capital Stock. As of the Closing Date, neither Parent Borrower nor any other Loan Party has any Subsidiaries other than those specifically disclosed in Schedule 5.11, and all of the outstanding Capital Stock in Parent Borrower and its Subsidiaries have been validly issued, are fully paid and, in the case of Capital Stock representing corporate interests, nonassessable and, on the Closing Date, all Capital Stock owned directly or indirectly by Parent Borrower or any other Loan Party are owned free and clear of all Liens except for Permitted Liens. As of the Closing Date, Schedule 5.11 (a) sets forth the name and jurisdiction of organization or incorporation of each Subsidiary of a Loan Party, (b) sets forth the ownership interest of Parent Borrower and any of the Loan Parties in each of their Subsidiaries, including the percentage of such ownership and (c) identifies each Person the Capital Stock of which are required to be pledged on the Closing Date pursuant to the Collateral and Guarantee Requirement. Section 5.12 Margin Regulations; Investment Company Act. (a) No Loan Party is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Borrowings and no Letter of Credit will be used for any purpose that violates Regulation U or Regulation X of the FRB. (b) None of the Loan Parties is or is required to be registered as an "investment company" under the Investment Company Act of 1940, as amended. Section 5.13 Disclosure. On the Closing Date, no report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party to any Agent, any Arranger or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains when furnished any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, Parent Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation; it being understood that such projections may vary from actual results and that such variances may be material. Section 5.14 Intellectual Property; Licenses, Etc.. Each of the Loan Parties and the other Restricted Subsidiaries own, license or possess the right to use, all of the trademarks, service marks, trade names, domain names, copyrights, patents, patent rights, industrial designs, technology, software, know-how database rights, design rights and other intellectual property rights (collectively, "IP Rights") that are used in or reasonably necessary for the operation of their respective businesses as currently conducted, and, to the knowledge of Parent Borrower, without violation of the rights of any Person, except to the extent such failures to own, license or possess or violations, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any such IP Rights is pending or, to the knowledge of Parent Borrower, threatened against any Loan Party or its Subsidiary. 154 #96352060v15 #96352060v15

slide173

which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Section 5.15 Solvency. After giving effect to the Transactions occurring on the Closing Date, Parent Borrower and its Subsidiaries, on a consolidated basis, are Solvent. For the purposes hereof, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. Section 5.16 Collateral Documents. The Collateral Documents are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties legal, valid and enforceable Liens on and security interests in, the Collateral described therein and to the extent intended to be created thereby, except as such enforceability may be limited by Debtor Relief Laws and by general principles of equity, and (i) when all appropriate filings or recordings are made in the appropriate offices as may be required under applicable Laws (which filings or recordings shall be made to the extent required by any Collateral Document) and (ii) upon the taking of possession or control by the Collateral Agent of such Collateral with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the Collateral Agent to the extent required by any Collateral Document), the Liens created by such Collateral Documents will constitute so far as possible under relevant Law fully perfected first-priority Liens on, and security interests in, all right, title and interest of the Loan Parties in such Collateral, in each case subject to no Liens other than Permitted Liens. Section 5.17 Use of Proceeds. The proceeds of the Revolving Credit Loans and Letters of Credit shall be used in a manner consistent with the uses set forth in the Preliminary Statements to this Agreement. Section 5.18 Patriot Act, etc.. (i) Neither Parent Borrower nor any other Loan Party is in material violation of any material laws relating to terrorism or money laundering, including Executive Order No. 13224 on Terrorist Financing, effective September 23, 2001, the USA PATRIOT Act and the Canadian AML Legislation. (ii) The use of proceeds of the Loans and Letters of Credit will not violate in any material respect the Trading with the Enemy Act, as amended or any of the foreign asset control regulations of the United States Treasury Department (31 C.F.R. Subtitle B, Chapter V) or the Canadian AML Legislation. Section 5.19 Sanctioned Persons. None of Parent Borrower, its Restricted Subsidiaries, or any director, officer, or employee, or, to the knowledge of Parent Borrower, any agent or affiliate of Parent Borrower or any of its Restricted Subsidiaries is a person that is, or is 50% or more owned by one or more persons that are, (i) currently the target of any economic sanctions administered by the Office of Foreign Assets Control ("OFAC") of the U.S. Treasury Department or the U.S. Department of State, the United Nations Security Council, the European Union, or Her Majesty's Treasury, the government of Canada or any other applicable sanctions authority (collectively, "Sanctions") or (ii) located, organized, or resident in a country or territory that is, or whose government is, the target of comprehensive Sanctions (currently, Cuba, Iran, North Korea, Syria, or the Crimea region of Ukraine). Parent Borrower will not, directly or, to the knowledge of Parent Borrower, indirectly, use the proceeds of the Loans or Letters of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary. joint 155 #96352060v15 #96352060v15

slide174

venture partner or other Person, (i) to fund any activities or business of or with any Person that is the subject of Sanctions or in any country or territory, that, at the time of such funding, is the subject of comprehensive Sanctions, except to the extent permitted for a Person required to comply with Sanctions or (ii) in any other manner that would result in a violation of Sanctions by the Loan Parties, the Administrative Agent or the Lenders. Section 5.20 FCPA. No part of the proceeds of the Loans or Letters of Credit will be used, directly or, to the knowledge of Parent Borrower, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the Corruption of Foreign Public Officials Act (Canada) or any other similar applicable anti-corruption law (collectively, the "Anti-Corruption Laws"). Section 5.21 (Reserved). Section 5.22 No EEA Financial Institution. No Loan Party is an EEA Financial Institution. Section 5.23 Beneficial Ownership. As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects. Section 5.24 Centre of Main Interests and Establishments. For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "Regulation"), the centre of main interest (as that term is used in Article 3(1) of the Regulation) of each Loan Party that is incorporated in a jurisdiction to which the Regulation applies, is situated in its jurisdiction of incorporation and none of them have an "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction. ARTICLE VI AFFIRMATIVE COVENANTS So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, (other than Letters of Credit that have been backstopped, Cash Collateralized or as to which other arrangements reasonably satisfactory to the Administrative Agent and the applicable L/C Issuer have been made), Parent Borrower shall, and shall (except in the case of the covenants set forth in Section 6.01, Section 6.02 and Section 6.03) cause each Restricted Subsidiary to: Section 6.01 Financial Statements. Deliver to the Administrative Agent for prompt further distribution to each Lender: (a) as soon as available, but in any event within ninety (90) days after the end of the fiscal year ending on or about December 31, 2019 and each fiscal year of Parent Borrower ending after the Closing Date, an audited consolidated balance sheet of Parent Borrower as at the end of such fiscal year, and the related statements of operations, stockholders' equity and cash 156 #96352060v15 #96352060v15

slide175

flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year and including a customary management summary of operating results, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" qualification or exception (other than an emphasis of matter paragraph) (other than (x) with respect to, or resulting from, a current debt maturity and/or (y) any potential default or event of default of any financial covenant under this Agreement and/or any other Indebtedness; provided that if the independent auditor provides an attestation and a report with respect to management's report on internal control over financial reporting and its own evaluation of internal control over financial reporting, then such report may include a qualification or limitation due to the exclusion of any acquired business from such report to the extent such exclusion is permitted under rules or regulations promulgated by the SEC or the Public Company Accounting Oversight Board; (b) as soon as available, but in any event, within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of Parent Borrower beginning with the first fiscal quarter ending after the Closing Date, a consolidated balance sheet of Parent Borrower as at the end of such fiscal quarter, and the related statements of operations; stockholders' equity and cash flows for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of Parent Borrower as fairly presenting in all material respects the financial condition, results of income, equity and cash flows of Parent Borrower and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes; and (c) simultaneously with the delivery of each set of consolidated financial statements referred to in Section 6.01(a) and (b) above, the related consolidating financial statements reflecting the adjustments necessary to eliminate the accounts of any Unrestricted Subsidiaries (if any) from such consolidated financial statements or, in lieu thereof, such other summary statements or information acceptable to the Administrative Agent (in its sole discretion) in respect of any Unrestricted Subsidiaries. Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 6.01 may be satisfied with respect to financial information of Parent Borrower by furnishing Parent Borrower's Form 10-K or 10-Q, as applicable, filed with the SEC; provided that to the extent such information is in lieu of information required to be provided under Section 6.01(a), such materials are accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which statements, report and opinion may be subject to the same exceptions and qualifications as contemplated in Section 6.01(a) (including the proviso thereto). Section 6.02 Certificates; Other Information. Deliver to the Administrative Agent for prompt further distribution to each Lender: 157 #96352060v15 #96352060v15





(a) no later than five (5) days after the delivery of the financial statements referred to in Section 6.01(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of Parent Borrower, (b) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports and registration statements which Parent Borrower files with the SEC or with any Governmental Authority that may be substituted therefor (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered), exhibits to any registration statement and, if applicable, any registration statement on Form S-8) and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto; (c) together with the delivery of the financial statements pursuant to Section 6.01(a) and each Compliance Certificate pursuant to Section 6.02(a), (i) a list of Subsidiaries that identifies each Subsidiary as a Material Subsidiary or an Immaterial Subsidiary as of the date of delivery of such Compliance Certificate or a confirmation that there is no change in such information since the later of the Closing Date or the date of the last such list and (ii) such other information required by the Compliance Certificate; and (d) promptly, such additional information regarding the business, legal, financial or corporate affairs of any Loan Party or any Material Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request; provided that, notwithstanding anything to the contrary in this Section 6.02(d), none of Parent Borrower nor any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (x) that constitutes non-financial trade secrets or non-financial proprietary information, (y) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) would be in breach of any confidentiality obligations, fiduciary duty or Law or (z) that is subject to attorney client or similar privilege or constitutes attorney work product; provided further that, in the event that Parent Borrower does not provide information in reliance on the exclusions in this sentence, it shall use its commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions. Documents required to be delivered pursuant to Section 6.01(a) and (b) or Section 6.02(a) may be delivered (1) electronically or (2) to the extent that such are publicly available via EDGAR or another publicly available reporting system, by Parent Borrower advising the Administrative Agent of the filing thereof, and if so delivered pursuant to clause (1), shall be deemed to have been delivered on the date (i) on which Parent Borrower posts such documents, or provides a link thereto on Parent Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on Parent Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent) or pursuant to clause (2), shall be deemed to have been delivered on the date Parent Borrower advises the Administrative Agent of the filing thereof; provided that with respect to clause (1): (i) upon written request by the Administrative Agent, Parent Borrower shall deliver paper copies of such documents to the Administrative Agent for 158 #96352060v15 #96352060v15

Slide177

further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) Parent Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Parent Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents. Parent Borrower hereby acknowledges that (A) the Administrative Agent will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Parent Borrower Materials") by posting Parent Borrower Materials on SyndTrak, IntraLinks or another similar electronic system (the "Platform") and (B) certain of the Lenders ("Public Lenders") may be "Public-Side" Lenders (i.e., Lenders that (or have personnel that) do not wish to receive material non-public information with respect to Parent Borrower or its Subsidiaries, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Parent Borrower hereby agrees that (w) all Parent Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof, (x) by marking Parent Borrower Materials "PUBLIC," Parent Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Parent Borrower Materials as not containing any material non-public information with respect to Parent Borrower or its securities for purposes of United States federal and state securities laws; (y) all Parent Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent shall be entitled to treat any Parent Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, Parent Borrower shall be under no obligation to mark any Parent Borrower Materials "PUBLIC". Section 6.03 Notices. (a) Promptly after a Responsible Officer obtains actual knowledge thereof, notify the Administrative Agent for prompt further distribution to each Lender; (i) of the occurrence of any Default, which notice shall specify the nature thereof, the period of existence thereof and what action Parent Borrower propose to take with respect thereto; (ii) of any litigation or governmental proceeding (including, without limitation, pursuant to any Environmental Laws) pending against Parent Borrower or any of the Subsidiaries that would result in a Material Adverse Effect; 159 #96352060v15 #96352060v15

slide178

(iii) of the occurrence of any ERISA Event or similar event with respect to a Foreign Plan that would result in a Material Adverse Effect; and (iv) of any other event that would have a Material Adverse Effect. (b) [Reserved]. Section 6.04 Maintenance of Existence. (a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization or incorporation and (b) take all reasonable action to maintain all rights, privileges (including its good standing), permits, licenses and franchises necessary or desirable in the normal conduct of its business, except (i) in the case of clause (other than with respect to the Borrowers) (b), to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect or (ii) in each case, pursuant to a transaction permitted by Section 7.04 or Section 7.05. Section 6.05 Maintenance of Properties. Except if the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and casualty or condemnation excepted, and (b) make all necessary renewals, replacements, modifications, improvements, upgrades, extensions and additions thereof or thereto in accordance with prudent industry practice. Section 6.06 Maintenance of Insurance. (a) Maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as Parent Borrower and its Restricted Subsidiaries) as are customarily carried under similar circumstances by such other Persons. (b) With respect to U.S. Loan Parties, (i) such Loan Parties shall use commercially reasonable efforts to procure that such insurance shall provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least 10 days (or, to the extent reasonably available, 30 days) after receipt by the Collateral Agent of written notice thereof (Parent Borrower shall deliver a copy of the policy (and to the extent any such policy is cancelled or renewed, a renewal or replacement policy) or other evidence thereof to the Administrative Agent and the Collateral Agent, or insurance certificate with respect thereto) and (ii) such insurance shall name the Collateral Agent as lender loss payee (in the case of property insurance) or additional insured on behalf of the Secured Parties (in the case of liability insurance), as applicable. Section 6.07 Compliance with Laws. (i) Comply in all material respects with the requirements of the Anti-Corruption Laws and Sanctions and (ii) comply in all respects with all Laws and all orders, writs, injunctions, decrees and judgments applicable to it or to its business or property (including without limitation, Environmental Laws, ERISA and Laws governing 160 #96352060v15 #96352060v15

Slide179

Foreign Plans), except if the failure to comply therewith would not, individually or in the aggregate reasonably be expected to have a Material Adverse Effect. Section 6.08 Books and Records. Maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied shall be made of all material financial transactions and matters involving the assets and business of Parent Borrower or such Subsidiary, as the case may be; it being agreed that Parent Borrower and its Restricted Subsidiaries shall only be required to provide such books of record and account in accordance with and to the extent required by the standards set forth in Section 6.09. Section 6.09 Inspection Rights. With respect to any Loan Party, permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties and to discuss its affairs, finances and accounts with its directors, managers, officers, and independent public accountants, all at the reasonable expense of Parent Borrower and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to Parent Borrower; provided that, excluding any such visits and inspections as contemplated by the next proviso, the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 6.09 and the Administrative Agent shall not exercise such rights more often than one (1) time during any calendar year absent the existence of an Event of Default and such inspection shall be at Parent Borrower's sole expense; provided, further, that (x) to the extent there exists any Event of Default, the Administrative Agent, on behalf of the Lenders (or any of its representatives or independent contractors), may have one (1) additional right to exercise the ability to visit, inspect and/or discuss in accordance with the foregoing during such calendar year at the expense of Parent Borrower at any time during normal business hours and upon reasonable advance notice and (y) to the extent (A) any Specified Event of Default exists, the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may, and (B) to the extent any Event of Default under Section 8.01(b) (solely with respect to any Financial Covenant) exists, the Administrative Agent or any Revolving Credit Lender (or any of their respective representatives or independent contractors) may, in each case of clauses (A) and (B), do any of the foregoing at the expense of Parent Borrower at any time during normal business hours and upon reasonable advance notice. The Administrative Agent and the Lenders shall give Parent Borrower the opportunity to participate in

any discussions with Parent Borrower's independent public accountants. Notwithstanding anything to the contrary in this Section 6.09, none of Parent Borrower or any Restricted Subsidiary will be required to disclose or permit the inspection or discussion of, any document, information or other matter (i) that constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) would be in breach of any confidentiality obligations, fiduciary duty or Law or (iii) that is subject to attorney client or similar privilege or constitutes attorney work product, provided that in the event that Parent Borrower does not provide information in reliance on the exclusions in this sentence, it shall use its commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions. Section 6.10 Covenant to Guarantee Obligations and Give Security. At Parent Borrower's expense, take all action necessary or reasonably requested by the Administrative 161 #96352060v15 #96352060v15

slide180

Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including: (a) upon the formation or acquisition of any new direct or indirect Wholly-Owned Subsidiary (in each case, other than an Excluded Subsidiary) by any Loan Party, the designation in accordance with Section 6.13 of any existing direct or indirect Wholly-Owned Subsidiary as a Restricted Subsidiary or any Excluded Subsidiary ceasing to be an Excluded Subsidiary or any Restricted Subsidiary that is not a Loan Party merging or amalgamating with a Loan Party in accordance with the proviso in Section 7.04(a); (i) within sixty (60) days after such formation, acquisition, designation or occurrence or such longer period as the Administrative Agent may agree in its reasonable discretion; (A) [reserved]; (B) cause each such Restricted Subsidiary to duly execute and deliver to the Administrative Agent or the Collateral Agent (as appropriate) pledges, guarantees, assignments, U.S. Security Agreement Supplements and other security agreements and documents or joinders or supplements thereto, as reasonably requested by and in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent (consistent with the Security Agreements and other Collateral Documents in effect on the Closing Date or required, as of the Closing Date to be delivered in accordance with Section 6.12), in each case granting Liens required by the Collateral and Guarantee Requirement; (C) cause each such Restricted Subsidiary to deliver any and all certificates representing Capital Stock (to the extent certificated) that are required to be pledged pursuant to the Collateral and Guarantee Requirement, accompanied by undated stock powers, stock transfer forms or other appropriate instruments of transfer executed in blank and (if applicable) instruments evidencing the indebtedness held by such Restricted Subsidiary and required to be pledged pursuant to the Collateral Documents, indorsed in blank to the Collateral Agent; and (D) take and cause such Restricted Subsidiary and each direct or indirect Parent Borrower of such Restricted Subsidiary to take whatever action (including the filing of financing statements and intellectual property security agreements and delivery of stock and membership interest certificates) may be necessary in the reasonable opinion of the Collateral Agent to vest in the Collateral Agent (or in any representative of the Collateral Agent designated by it) valid and perfected first priority Liens required by the Collateral and Guarantee Requirement, enforceable against all third parties in accordance with their terms, except as such enforceability may be limited by Debtor Relief Laws and by general 162 #96352060v15 #96352060v15

slide181

principles of equity (regardless of whether enforcement is sought in equity or at law); and (E) to the extent reasonably requested by the Administrative Agent, cause each such Restricted Subsidiary to deliver customary board resolutions and officers certificates; and (n) [reserved]; and (b) [reserved]. Section 6.11 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, in a manner consistent with the uses set forth in the Preliminary Statements to this Agreement. Section 6.12 Further Assurances and Post-Closing Covenants. (a) Promptly upon reasonable request by the Administrative Agent or the Collateral Agent (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (i) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent or the Collateral Agent may reasonably request from time to time in order to carry out more effectively the purposes of this Agreement, and the Collateral Documents. (b) Within the time periods specified on Schedule 6.12 hereto (as each may be extended by the Administrative Agent in its reasonable discretion), complete such undertakings as are set forth on Schedule 6.12 hereto. (c) [reserved]. Section 6.13 Designation of Subsidiaries. (a) Subject to Section 6.13(b) below, Parent Borrower may at any time designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary, provided that at no time may any Subsidiary be an Unrestricted Subsidiary hereunder if it is a "restricted Subsidiary" (or term of similar import) for the purpose of any Subordinated Indebtedness. The designation of any Restricted Subsidiary as an Unrestricted Subsidiary shall constitute an investment by Parent Borrower therein at the date of designation in an amount equal to the fair market value of Parent Borrower's investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Indebtedness or Liens of such Subsidiary existing at such time. 163 #96352060v15 #96352060v15

 slide182



(b) Parent Borrower may not (x) designate any Restricted Subsidiary as an Unrestricted Subsidiary, or (y) designate an Unrestricted Subsidiary as a Restricted Subsidiary, in each case unless no Event of Default exists or would result therefrom. Section 6.14 Payment of Taxes. Parent Borrower will pay and discharge promptly, and will cause each of the Restricted Subsidiaries to pay and discharge, all Taxes imposed upon it or upon its income or profits, or upon any properties belonging to it, in each case on a timely basis, and all lawful claims which, if unpaid, may reasonably be expected to become a lien or charge upon any properties of Parent Borrower or any of the Restricted Subsidiaries not otherwise permitted under this Agreement; provided that neither Parent Borrower nor any of the Restricted Subsidiaries shall be required to pay any such Tax or claim which is being contested in good faith and by proper proceedings if it has maintained adequate reserves with respect thereto in accordance with GAAP or IFRS, as applicable, or which would not reasonably be expected, individually or in the aggregate, to constitute a Material Adverse Effect. Section 6.15 [Reserved]. Section 6.16 Nature of Business. Parent Borrower and its Restricted Subsidiaries will engage only in material lines of business substantially similar to those lines of business conducted by Parent Borrower and its Restricted Subsidiaries on the Closing Date or any business reasonably related, complementary, incidental or ancillary thereto; provided that, for the avoidance of doubt, any franchising activities shall be considered substantially similar to the lines of business conducted by Parent Borrower. Section 6.17 Fiscal Year. Parent Borrower shall not, nor shall it permit any of its Restricted Subsidiaries (other than any Restricted Subsidiary acquired after the Closing Date, and in such case only to the extent necessary to conform to the fiscal year of Parent Borrower or a Restricted Subsidiary) to, change its methodology of determining its fiscal year end from such methodology in effect on the Closing Date; provided that, Parent Borrower may, with the consent of the Administrative Agent, change its fiscal year-end to another date reasonably acceptable to the Administrative Agent, in which case Parent Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary in order to reflect such change in financial reporting, which adjustments shall become effective when the Administrative Agent posts the amendment reflecting such changes to the Platform, and the Required Lenders have not objected to such amendment within seven (7) Business Days. Section 6.18 UK Pensions. Each UK Loan Party shall (a) ensure that all pension schemes operated by or maintained for its or its Subsidiaries benefit and/or any of its employees are fully funded based on the statutory funding objective under sections 221 and 222 of the Pensions Act 2004 and that no action or omission is taken by any UK Loan Party in relation to such a pension scheme which has or is reasonably likely to have a Material Adverse Effect (including the termination or commencement of winding-up proceedings of any such pension scheme or a UK Loan Party ceasing to employ any member of such a pension scheme); (b) except for the UK Pension Schemes, ensure that it is not or has not been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes 164 #96352060v15 #96352060v15

slide183

Act 199) or "connected" with or an "associate" of (as those terms are defined in sections 38 or 43 of the Pensions Act 2004) such an employer; (c) deliver to the Administrative Agent; (i) at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to the UK Loan Parties); and (ii) at any other time if the Administrative Agent reasonably believes that any relevant statutory or auditing requirements are not being complied with, actuarial reports in relation to all pension schemes mentioned in (a) above; (d) promptly notify the Administrative Agent of any material change in the rate of contributions to any pension scheme mentioned in (a) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise); (e) immediately notify the Administrative Agent of any investigation or proposed investigation by the Pensions Regulator which may lead to the issue of a Financial Support Direction or a Contribution Notice to it or any of its Subsidiaries; and (f) immediately notify the Agent if it receives a Financial Support Direction or a Contribution Notice from the Pensions Regulator. Section 6.19 [Reserved]. Section 6.20 People with Significant Control Regime. Each Loan Party and its Subsidiaries shall (a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of a Lien in favor of the Collateral Agent, and (b) promptly provide the Administrative Agent with a copy of that notice. ARTICLE VII NEGATIVE COVENANTS So long as any Lender shall have any Commitment hereunder, any Loan or other Loan Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (other than Letters of Credit that have been backstopped, Cash Collateralized or as to which other arrangements reasonably satisfactory to the Administrative Agent and the applicable L/C Issuer have been made) Parent Borrower shall not, nor shall it permit any of the Restricted Subsidiaries to, directly or indirectly: Section 7.01 Liens. Incur any Lien upon any of its property or assets, whether owned on the Closing Date or acquired after that date, other than the following: (a) Liens on assets of Parent Borrower or any of its Restricted Subsidiaries securing the Obligations; (b) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social

 slide184

bonds, instruments or obligations), obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, or as security for contested Taxes or import or custom duties or for the payment of rent, or other obligations of like nature, in each case incurred in the ordinary course of business or consistent with past practices; (c) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's, construction contractors' or other like Liens; (d) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to GAAP have been made in respect thereof; (e) encumbrances, charges, ground leases, easements (including reciprocal easement agreements), survey exceptions, restrictions, encroachments, protrusions, by-law, regulation, zoning restrictions or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of Parent Borrower and its Restricted Subsidiaries or to the ownership of their properties, including servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other agreements, which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of Parent Borrower and its Restricted Subsidiaries; (f) Liens (i) on assets or property of Parent Borrower or any Restricted Subsidiary securing Swap Contracts or Cash Management Services not prohibited by this Agreement; (ii) that are contractual rights of set-off or, in the case of clause (A) or (B) below, other bankers' Liens (A) relating to treasury, depository and Cash Management Services or any automated clearing house transfers of funds in the ordinary course of business or consistent with past practices and not given in connection with the issuance of Indebtedness, (B) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business or consistent with past practices of Parent Borrower or any Subsidiary or (C) relating to purchase orders and other agreements entered into with customers of Parent Borrower or any Restricted Subsidiary in the ordinary course of business or consistent with past practices; (iii) on cash accounts securing Indebtedness and other Obligations permitted to be incurred under Section 7.03(h)(ii) with financial institutions; (iv) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practices and not for speculative purposes; and/or (v)(A) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (B) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business or consistent with past practices in connection with the maintenance of such accounts and (C) arising under customary general terms of the account bank in relation to any bank account maintained with 166 #96352060v15 #96352060v15

slide185

such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not to secure any Indebtedness; (g) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business or consistent with past practices; (h) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired; (i) Liens arising from Uniform Commercial Code financing statement filings, including precautionary UCC financing statements, (or similar filings in other applicable jurisdictions) regarding operating leases entered into by Parent Borrower and its Restricted Subsidiaries in the ordinary course of business or consistent with past practices; (j) Liens existing on the Closing Date, which, to the extent in excess of \$7,500,000, are set forth on Schedule 7.01; (k) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time Parent Borrower or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, winding-up into, consolidation or other business combination transaction with or into Parent Borrower or any Restricted Subsidiary); provided, however, that such Liens are not created, incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate; (l) Liens on assets or property of Parent Borrower or any Restricted Subsidiary securing Indebtedness or other obligations of Parent Borrower or such Restricted Subsidiary owing to Parent Borrower or another Restricted Subsidiary; (m) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under this Agreement; provided that any such Lien is limited to all or part of the same property or assets (any improvements, replacements of such property or assets and additions and accessions thereto, after-acquired property subjected to a Lien securing Indebtedness and other obligations Incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, and the proceeds and the products thereof and customary security deposits in respect thereof and in the case of multiple financings of equipment provided by any lender, other equipment financed by 167 #96352060v15 #96352060v15

slide186

such lender) that secured (or, under the written arrangements under which the original Lien arose, could secure) the indebtedness or other Obligations being refinanced; (n) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which Parent Borrower or any Restricted Subsidiary of Parent Borrower has easement rights or on any leased property and subordination or similar arrangements relating thereto and (ii) any condemnation or eminent domain proceedings affecting any real property; (o) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement; (p) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets; (q) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business or consistent with past practices; (r) Liens incurred to secure any indebtedness permitted by Section 7.03(g), provided that such Liens shall in no event extend to or cover any assets other than such assets acquired or constructed with the proceeds of such Capitalized Lease Obligations or Purchase Money Obligations (plus improvements, accession, proceeds or dividends to or distributions in connection with the original assets); (s) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure indebtedness of such Unrestricted Subsidiary; (t) any security granted over the marketable securities portfolio described in clause (i) of the definition of "Cash Equivalents" in connection with the disposal thereof to a third party; (u) Liens on assets or property of Restricted Subsidiaries that are Non-Loan Parties securing indebtedness of such Restricted Subsidiaries; (v) Liens on (i) goods the purchase price of which is financed by a documentary letter of credit issued for the account of Parent Borrower or any Restricted Subsidiary or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments and (ii) specific items of inventory of other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; 168 #96352060v15 #96352060v15

slide187

(w) Liens on equipment of Parent Borrower or any Restricted Subsidiary and located on the premises of any client or supplier in the ordinary course of business or consistent with past practices; (x) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by this Agreement; (y) Liens arising by operation of law or contract on insurance policies and the proceeds thereof to secure premiums thereunder, and Liens, pledges and deposits in the ordinary course of business or consistent with past practices securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of) insurance carriers; (z) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted hereunder; (aa) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.02 to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell any property in an asset sale permitted under Section 7.05 in each case, solely to the extent such investment or asset sale, as the case may be, would have been permitted on the date of the creation of such Lien; (bb) Liens securing indebtedness and other obligations in an aggregate principal amount not to exceed \$270,000,000; (cc) Liens securing industrial revenue bonds, pollution control bonds or similar types of tax-exempt bonds; (dd) Liens Incurred to secure any indebtedness or other obligations permitted to be Incurred pursuant to Section 7.03; provided, that at the time of Incurrence of the indebtedness or other obligations secured thereby and after giving Pro Forma Effect thereto, the Consolidated Secured Leverage Ratio does not exceed 3.50:1.00 calculated on a Pro Forma Basis, including the application of the proceeds thereof, as of the last day of the most recently ended Test Period.

provided, that, to the extent such Lien is on the Collateral, the beneficiaries thereof (or an agent or trustee on their behalf) shall have become party to an Acceptable Intercreditor Agreement pursuant to the terms thereof; (ee) Liens securing Indebtedness permitted under Section 7.03(e), Section 7.03(p) and Section 7.03(q); provided, that, to the extent such Lien is on the Collateral, the beneficiaries thereof (or an agent or trustee on their behalf) shall have become party to an Acceptable Intercreditor Agreement pursuant to the terms thereof; (ff) Liens on proceeds of Indebtedness held in Escrow for so long as the proceeds thereof are and continue to be held in Escrow and are not otherwise made available to Parent Borrower or a Restricted Subsidiary; 169 #96352060v15 #96352060v15





(gg) [reserved], and (hh) Liens created or deemed to exist by the establishment of trusts for the purpose of satisfying government reimbursement program costs and other actions or claims pertaining to the same or related matters or other medical reimbursement programs. For purposes of determining compliance with this Section 7.01, if any Lien (or a portion thereof) would be permitted pursuant to one or more provisions described above, Parent Borrower may divide and classify such Lien (or a portion thereof) in any manner that complies with this covenant and may later divide and reclassify any such Lien so long as the Lien (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification. Section 7.02 Investments. Make any Investments, except: (a) Investments in (i) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or Parent Borrower or (j) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary (a "Permitted Acquisition"); provided that (i) after giving effect to any such purchase or other acquisition, (A) subject to the LCT Provisions, no Specified Event of Default shall have occurred and be continuing and (B) Parent Borrower or Restricted Subsidiary is in compliance with Section 6.16 and (j) to the extent required by the Collateral and Guarantee Requirement, (A) the property, assets and businesses acquired in such purchase or other acquisition shall become Collateral and (B) any such newly created or acquired Restricted Subsidiary (other than an Excluded Subsidiary) shall become a Guarantor, in each case in accordance with Section 6.10; (b) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, amalgamated, consolidated or otherwise combined or wound-up with or into, or transfers or conveys all or substantially all its assets to, Parent Borrower or a Restricted Subsidiary; (c) Investments in cash or Cash Equivalents; (d) Investments in receivables owing to Parent Borrower or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practices; (e) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business or consistent with past practices; (f) Management Advances not to exceed \$12,500,000 in amount outstanding at any time; (g) Investments received in settlement of debts created in the ordinary course of business or consistent with past practices and owing to Parent Borrower or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable held by Parent 170 #96352060v15 #96352060v15

slide189

Borrower or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default; (h) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including a Disposition; (i) Investments existing or pursuant to agreements or arrangements in effect on the Closing Date, which, to the extent in excess of \$7,500,000, are set forth on Schedule 7.02; and any modification, replacement, renewal or extension thereof, provided that the amount of any such Investment may not be increased except (a) as required by the terms of such Investment as in existence on the Closing Date or (b) as otherwise permitted under this Agreement; (j) Swap Contracts, which transactions or obligations are Incurred in compliance with Section 7.03; (k) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or consistent with past practices or Liens otherwise permitted under Section 7.01 or made in connection with Liens permitted under Section 7.01; (l) any Investment to the extent made using Capital Stock of Parent Borrower (other than Disqualified Stock) as consideration; (m) any transaction to the extent constituting an Investment that is permitted and made in accordance with Section 7.07 (except clauses (a), (c), (f), (g), (h) and (i) thereof), and Investments consisting of fundamental changes, Dispositions and Restricted Payments permitted (other than, in each case, by reference to this Section 7.02) under Section 7.04, Section 7.05 and Section 7.06; (n) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business or consistent with past practices and in accordance with this Agreement; (o) (i) Guarantees of Indebtedness not prohibited by Section 7.03 and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in respect of other obligations in the ordinary course of business or consistent with past practices; and (ii) performance guarantees with respect to obligations incurred by Parent Borrower or any of its Restricted Subsidiaries that are permitted by this Agreement; (p) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by this Agreement; (q) Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity merged or wound-up into or amalgamated with Parent Borrower or merged or 171 #96352060v15 #96352060v15

slide190

wound-up into or consolidated or amalgamated with a Restricted Subsidiary after the Closing Date, in each case to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation, winding-up or consolidation and were in existence on the date of such acquisition, merger, amalgamation, winding-up or consolidation; (r) Investments consisting of licensing of intellectual property pursuant to joint marketing arrangements with other Persons; (s) contributions to a "rabbi" trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of Parent Borrower; (t) Investments in joint ventures and Unrestricted Subsidiaries having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause (t) that are at the time outstanding, not to exceed \$65,000,000 (in each case, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value) plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication of any amounts applied pursuant to the Available Amount); (u) (i) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (u) that are at that time outstanding, not to exceed the greater of (i) \$270,000,000 and (ii) 6.75% of the Consolidated Total Assets of Parent Borrower calculated on a Pro Forma Basis (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus an amount equal to any unused amounts reallocated from Section 7.06(t), plus (ii) the amount of any distributions, dividends, payments or other returns in respect of such Investments (without duplication of any amounts applied pursuant to the Available Amount), provided that if such Investment is in Capital Stock of a Person that subsequently becomes a Restricted Subsidiary, such Investment shall thereafter be deemed permitted under clause (a) or (b) of this Section 7.02 to the extent permitted thereunder and shall not be included as having been made pursuant to this clause (u); (v) loans, advances and guarantees to or in favor of co-packers and other suppliers to assist them, by making plant improvements or purchasing materials or equipment or otherwise, in meeting production requirements of Parent Borrower or any of its Subsidiaries in an amount not to exceed \$40,000,000 outstanding at any one time; (w) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary to the extent that such Investments were not made in contemplation of or in connection with such redesignation; provided that an Investment made more than six months prior to the date of redesignation shall be deemed not made in contemplation of or in connection with such redesignation; (x) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business; 172 #96352060v15  
#96352060v15

 slide191



such designation) is less than 15.0% of Parent Borrower's total consolidated assets less total consolidated liabilities (on the most recently available quarterly or annual consolidated balance sheet of Parent Borrower prepared in conformity with GAAP), provided further, that the net assets of such Restricted Subsidiary may exceed 15.0% of Parent Borrower's net assets to the extent that Parent Borrower would be permitted to make an Investment pursuant to another clause of this Section 7.02 in an amount equal to such excess and (y) immediately prior to and after giving effect to such designation, the Interest Coverage Ratio is not less than 3.00 to 1.00 on a Pro Forma Basis. (hh) (reserved); 173 #96352060v15 #96352060v15

slide192

(ii) (reserved); (jj) Investments in connection with tax planning and reorganization activities; provided that, after giving effect to any such activities, the value of the guarantees in favor of the Lenders and the security interests of the Lenders in the Collateral, taken as a whole, would not (and will not) be materially impaired; and (kk) the forgiveness or conversion to equity of any intercompany Indebtedness owed to Parent Borrower or any of its Restricted Subsidiaries or the cancellation or forgiveness of any Indebtedness owed to Parent Borrower or a Restricted Subsidiary from any members of management of Parent Borrower or any Restricted Subsidiary, in each case permitted by Section 7.03. For purposes of determining compliance with this Section 7.02, if any Investment (or a portion thereof) would be permitted pursuant to one or more provisions described above, Parent Borrower may divide and classify such Investment (or a portion thereof) in any manner that complies with this covenant and may later divide and reclassify any such Investment so long as the Investment (as so divided and/or reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification. Section 7.03 Indebtedness. Incur any Indebtedness, except: (a) Indebtedness under the Loan Documents (including, without limitation, pursuant to Section 2.14 or Section 2.15); (b) Guarantees by Parent Borrower or any Restricted Subsidiary of Indebtedness so long as the Incurrence of such Indebtedness is permitted under the terms of this Agreement to be Incurred by such Person; (c) Indebtedness, Preferred Stock or Disqualified Stock held by Parent Borrower or any Restricted Subsidiary; provided, however, that (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness, Preferred Stock or Disqualified Stock being beneficially held by a Person other than Parent Borrower or a Restricted Subsidiary of Parent Borrower; and (ii) any sale or other transfer of any such Indebtedness, Preferred Stock or Disqualified Stock to a Person other than Parent Borrower or a Restricted Subsidiary of Parent Borrower, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by Parent Borrower or such Restricted Subsidiary, as the case may be; (d) Indebtedness represented by (i) the Existing Notes, including any Guarantee thereof, (ii) any other Indebtedness outstanding on the Closing Date, which, to the extent in excess of \$7,500,000, is set forth on Schedule 7.03 and (iii) Refinancing Indebtedness (including with respect to the Existing Notes and any Guarantee thereof) incurred in respect of any Indebtedness described in this clause (d) or clauses (e), (g), (m) or (n) of this Section 7.03; (e) Indebtedness (i) in an unlimited amount, of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary) after the date hereof and/or any other Indebtedness otherwise assumed in connection with an acquisition or 174 #96352060v15 #96352060v15

Slide193

any other Investment not prohibited hereunder, to the extent in the case of this clause (i), such Indebtedness was not incurred in contemplation of such acquisition or other Investment and such Indebtedness constitutes the obligations of only such newly acquired Restricted Subsidiary, (ii) incurred in connection with a Permitted Acquisition or other Investment not prohibited hereunder, in an aggregate principal amount for this clause (ii), not to exceed, at the time of the incurrence thereof, (A) the Fixed Incremental Amount (taking into account any amounts already incurred in reliance thereon) plus (B) an additional unlimited amount so long as after giving Pro Forma Effect thereto, (x) in the case of Indebtedness that is Secured, the Consolidated Secured Leverage Ratio does not exceed 3.50:1.00 (or, to the extent incurred in connection with any acquisition or similar investment not prohibited by this Agreement, the greater of 3.50:1.00 and the Consolidated Secured Leverage Ratio at the end of the most recently ended Test Period) and (y) in the case of Indebtedness that is unsecured, the Consolidated Total Leverage Ratio does not exceed 5.50:1.00 (or, to the extent incurred in connection with any acquisition or similar investment not prohibited by this Agreement, the greater of 5.50:1.00 and the Consolidated Total Leverage Ratio at the end of the most recently ended Test Period) and (iii) incurred for any other purpose not prohibited by this Agreement, in an aggregate principal amount for clause (iii), not to exceed an unlimited amount so long as after giving Pro Forma Effect thereto, (x) in the case of Indebtedness that is secured, the Consolidated Secured Leverage Ratio does not exceed 3.50:1.00 and (y) in the case of Indebtedness that is unsecured, the Consolidated Total Leverage Ratio does not exceed 5.50:1.00; provided that Indebtedness incurred under clauses (ii) and (iii) of this clause (e) (i) shall be subject to the applicable Required Debt Terms and (ii) that is Incurred by (X) any Non-Loan Party or (Y) any Foreign Loan Party, solely with respect to Indebtedness that is secured by a Lien on assets or property ("Foreign Loan Party Secured Ratio Debt"), shall not exceed, at the time of the incurrence thereof, \$250,000,000; provided further that, if a Foreign Loan Party grants a Lien on any such assets or property to secure the Obligations, then such Foreign Loan Party Secured Ratio Debt shall not be subject to the cap set forth in clause (ii) above; (f) Swap Contracts (excluding Swap Contracts entered into for speculative purposes); (g) Indebtedness represented by Capitalized Lease Obligations or Purchase Money Obligations, in an aggregate principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, including Refinancing Indebtedness in respect thereof, does not exceed \$165,000,000; (h) Indebtedness in respect of (i) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment (including progress premiums), customs, value added or other Tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by Parent Borrower or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practices (other than Guarantees for borrowed money), (ii) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practices; provided, however, that such Indebtedness is extinguished within five (5) Business Days of Incurrence; (iii) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or 175 #96352060v15 #96352060v15

slide194

consistent with past practices from customers for goods or services purchased in the ordinary course of business or consistent with past practices; (iv) letters of credit, bankers' acceptances, warehouse receipts, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations incurred in the ordinary course of business or consistent with past practices; and (v) any customary cash management, credit or debit card, purchase card, electronic funds transfer, cash pooling or netting or setting off arrangements in the ordinary course of business or consistent with past practices; (f) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition), provided that the maximum liability of Parent Borrower and its Restricted Subsidiaries in respect of all such Indebtedness in connection with a Disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by Parent Borrower and its Restricted Subsidiaries in connection with such disposition; (g) Indebtedness of Parent Borrower or any Restricted Subsidiary that is not a U.S. Loan Party in an aggregate amount not to exceed the greater of (i) \$60,000,000 and (ii) 1.5% of the Consolidated Total Assets at the time of Incurrence and calculated on a Pro Forma Basis at any time outstanding and any Refinancing Indebtedness in respect thereof; (k) Indebtedness consisting of promissory notes issued by Parent Borrower or any of its Subsidiaries to any future, present or former employee, director, contractor or consultant of Parent Borrower or any of its Subsidiaries (or permitted transferees, assigns, estates, or heirs of such employee, director, contractor or consultant), to finance the purchase or redemption of Capital Stock of Parent Borrower that is not prohibited by Section 7.06; (l) Indebtedness of Parent Borrower or any of its Restricted Subsidiaries consisting of (i) the financing of insurance premiums incurred in the ordinary course of business or (ii) take-or-pay obligations contained in supply arrangements, in each case; (m) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness incurred pursuant to this clause and then outstanding, will not exceed the greater of (i) \$270,000,000 and (ii) 6.75% of the Consolidated Total Assets at the time of Incurrence and calculated on a Pro Forma Basis; (n) any obligation, or guaranty of any obligation, of Parent Borrower or any Restricted Subsidiary to reimburse or indemnify a Person extending credit to customers of Parent Borrower or a Restricted Subsidiary in an aggregate amount not to exceed \$10,000,000 at any one time outstanding incurred in the ordinary course of business or consistent with past practice 176 #96352060y15 #96352060y15

slide195





purposes of determining compliance with this Section 7.03, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described above, Parent Borrower may classify and reclassify or later divide, classify or reclassify such item of Indebtedness (or any portion thereof) and will only be required to include the amount and type of such Indebtedness in one or more of the above clauses; provided that (x) all Indebtedness outstanding under the Loan Documents will be deemed to have been incurred in reliance only on the exception in clause (a) of this Section 7.03 and (y) all Indebtedness outstanding under the Existing Notes will be deemed to have been incurred in reliance only on the exception in clause (d)(a) of this Section 7.03. The accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 7.03. Section 7.04 Fundamental Changes, Merge, amalgamate, dissolve, liquidate, consolidate, wind-up with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that: (a) any Restricted Subsidiary other than Parent Borrower may merge or amalgamate with or wind-up into any one or more other Restricted Subsidiaries; provided that, when any Restricted Subsidiary that is a Loan Party is merging or amalgamating with or winding-up into another Restricted Subsidiary, a Loan Party shall be a continuing or surviving 177 #96352060v15 #96352060v15

slide196

Person, as applicable, or the resulting entity shall succeed as a matter of law to all of the Obligations of such Loan Party; (b) (i) any Restricted Subsidiary that is a Non-Loan Party may merge, amalgamate, consolidate or wind-up with or into any other Restricted Subsidiary that is a Non-Loan Party, (ii) (A) any Restricted Subsidiary may liquidate, dissolve or wind up, and (B) any Restricted Subsidiary may change its legal form, in each case, if (x) Parent Borrower determines in good faith that such action is in the best interests of Parent Borrower and its Subsidiaries and is not materially disadvantageous to the Lenders and (y) in the case of any Loan Party, the Collateral Agent's continuing security interest in such Loan Party's property or assets is not adversely affected and (iii) Parent Borrower may change its legal form if it determines in good faith that such action is in the best interests of Parent Borrower and its Subsidiaries, and the Administrative Agent reasonably determines it is not disadvantageous to the Lenders; (c) any Restricted Subsidiary may Dispose/dispose of all or substantially all of its assets (upon voluntary liquidation to, or otherwise) to consolidate with or merge with or into another Restricted Subsidiary; provided that if Person (other than the transferor in such a transaction is a Loan Party, then either (x) Company, the transferee must be a Loan Party Issuer or (y) to the extent constituting an Investment, such Investment must be a permitted Investment in or Indebtedness of a any Restricted Subsidiary that is a Non-Loan Party Guarantor or becomes a Guarantor concurrently with the transaction) except in accordance with Section 7.02 (other than clause (m) thereof) and Section 7.03, respectively; (d) so long as no Event of Default exists or would result therefrom, Parent Borrower may merge or amalgamate with or wind-up into any other Person; provided that (i) Parent Borrower shall be the continuing or surviving corporation or (ii) if the Person formed by, surviving or continuing following any such merger, amalgamation, consolidation or winding-up is not Parent Borrower (any such Person, the "Successor Company"). (A) the Successor Company shall be an entity organized or existing under the Laws of any Covered Jurisdiction or the Netherlands. (B) the Successor Company shall expressly assume all the obligations of Parent Borrower under this Agreement and the other Loan Documents to which Parent Borrower is a party pursuant to a supplement hereto or thereto in form reasonably satisfactory to the Administrative Agent. (C) the Successor Company shall cause such amendments, supplements or other instruments to be executed, delivered, filed and recorded (and deliver a copy of same to the Administrative Agent and Collateral Agent) in such jurisdictions as may be required by applicable Law to preserve and protect the Lien 4.1(g) of the Collateral Agent on the Collateral owned by or transferred to the Successor Company, together with such financing statements as may Indenture.

**SECTION 3.3. Release of Guarantee.** This Guarantee shall only be required to perfect any security interests in such Collateral which may be perfected by the filing of a financing statement under the UCC of the relevant jurisdictions, (D) each Guarantor, unless it is the other party to such merger, amalgamation, consolidation or winding-up, shall have confirmed that its Guaranty shall apply to the Successor Company's obligations under the Loan Documents, (E) each Guarantor, unless it is the other party to such merger, amalgamation, consolidation or winding-up, shall have by a supplement to the U.S. Security Agreement, if applicable, and other applicable Collateral Documents confirmed that its obligations thereunder shall apply to the Successor Company's obligations under the Loan Documents, (F) the Administrative Agent shall have received all documentation and other information about the Successor Company that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act and the Canadian AML Legislation and (G) at the time of such merger, 178 #96352060v15 #96352060v15

Slide197

amalgamation, consolidation or winding-up, shall be in pro forma compliance with the Financial Covenants; provided, further, that if the foregoing are satisfied, the Successor Company will succeed to, and be substituted for, Parent Borrower under this Agreement; (e) so long as no Event of Default exists or would result therefrom, any Restricted Subsidiary may merge or amalgamate with or wind-up into any other Person in order to effect an Investment permitted pursuant to Section 7.02 (other than clause (m) thereof); provided that the continuing or surviving Person shall be a Restricted Subsidiary, which together with each of its Restricted Subsidiaries, shall have complied with the requirements of Section 6.10; (f) (reserved); (g) so long as no Event of Default exists or would result therefrom, a merger, amalgamation, dissolution, winding up, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to Section 7.05, may be effected (other than pursuant to Section 7.05(e) and other than a Disposition of all or substantially all of the assets of Parent Borrower and its Restricted Subsidiaries); and (h) so long as no Event of Default exists or would result therefrom, a merger, amalgamation, dissolution, winding up, liquidation or consolidation, in each case, by and among Parent Borrower and/or its Restricted Subsidiaries, the purpose of which is to effect a Reorganization. Section 7.05 Dispositions. Make any Disposition, except: (a) a Disposition by a Restricted Subsidiary to Parent Borrower or by Parent Borrower or a Restricted Subsidiary to a Restricted Subsidiary; (b) a Disposition of cash or Cash Equivalents; (c) a Disposition of inventory or other assets in the ordinary course of business or consistent with past practice or held for sale; (d) a Disposition of obsolete, worn out, uneconomic, damaged or surplus property, equipment or other assets or property or equipment or other assets that are no longer economically practical or commercially desirable to maintain or used or useful in the business of Parent Borrower and its Restricted Subsidiaries whether now or hereafter owned or leased or acquired in connection with an acquisition or used or useful in the conduct of the business of Parent Borrower and its Restricted Subsidiaries (including by ceasing to enforce, cancelling, allowing the lapse, abandonment or invalidation of or discontinuing the use or maintenance of or putting into the public domain any intellectual property that is, in the reasonable judgment of Parent Borrower or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which Parent Borrower or any Restricted Subsidiary determines in its reasonable business judgment that such action or inaction is desirable); (e) transactions permitted under Section 7.04; 179 #96352060v15 #96352060v15

Slide198

(f) an issuance of Capital Stock by a Restricted Subsidiary to Parent Borrower or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors; (g) any Dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by Parent Borrower) of less than the greater of (a) \$40,000,000 and (b) 12.0% of Consolidated EBITDA as of the most recent Test Period and calculated on a Pro Forma Basis; (h) any Investment or Restricted Payment that is permitted to be made, and is made, under Section 7.02 (other than clause (m) thereof) or Section 7.06, as applicable; (i) Dispositions constituting Permitted Liens and granting of Permitted Liens; (j) Dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practices or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements; (k) conveyances, sales, transfers, assignments, licenses or sub-licenses or other dispositions of intellectual property, software or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice; (l) the lease, assignment, license, sublease or sublicense of any real or

personal property in the ordinary course of business; (m) foreclosure, condemnation, expropriation or any similar action with respect to any property or other assets; (n) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practices, or the conversion or exchange of accounts receivable for notes receivable; (o) any Disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary (other than any Unrestricted Subsidiary substantially all of the assets of which are cash or Cash Equivalents); (p) any Disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than Parent Borrower or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition; (q) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business; 180 #96352060v15 #96352060v15

slide199

(r) any financing transaction with respect to property constructed, acquired, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by Parent Borrower or any Restricted Subsidiary after the Closing Date, including Sale and Leaseback Transactions and asset securitizations, permitted by this Agreement; (s) any surrender, amendment or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind; (t) Dispositions of assets (including Equity Interests) acquired in connection with Permitted Acquisitions or other Investments permitted hereunder, which Dispositions are made to obtain the approval of any applicable antitrust authority in connection with a Permitted Acquisition; (u) [reserved]; and (v) Dispositions not otherwise permitted pursuant to this Section 7.05, so long as (i) Parent Borrower or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Disposition), as determined in good faith by Parent Borrower, of the shares and assets subject to such Disposition (including, for the avoidance of doubt, if such Disposition is a Permitted Asset Swap) and (ii) in any such Disposition, or series of related Dispositions (except to the extent the Disposition is a Permitted Asset Swap) with a purchase price in excess of \$60,000,000, at least 75.0% of the consideration from such Disposition, together with all other Dispositions since the Closing Date (on a cumulative basis), (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) received by Parent Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the following shall be deemed to be cash: (i) the assumption by the transferee of Indebtedness or other liabilities of Parent Borrower or a Restricted Subsidiary (other than Subordinated Indebtedness) and the release of Parent Borrower or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Disposition; (ii) securities, notes or other obligations received by Parent Borrower or any Restricted Subsidiary of Parent Borrower from the transferee that are converted by Parent Borrower or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Disposition; (iii) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Disposition, to the extent that Parent Borrower and each other Restricted Subsidiary are from any Guarantee of payment of such Indebtedness in connection with such Disposition; (iv) consideration consisting of Indebtedness of Parent Borrower (other than Subordinated Indebtedness) received after the Closing Date from Persons who are not Parent Borrower or any Restricted Subsidiary; and (v) any Designated Non-Cash Consideration received by Parent Borrower or any Restricted Subsidiary in such Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of (i) \$120,000,000 and (ii) 3.0% of the Consolidated Total Assets of Parent Borrower and calculated on a Pro Forma Basis (with the fair market value of each item of 181 #96352060v15 #96352060v15

 slide200

Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value). To the extent any Collateral is Disposed of as expressly permitted by this Section 7.05 to any Person other than any Borrower or Guarantor, such Collateral shall be sold free and clear of the Liens created by the Loan Documents and, if requested by the Administrative Agent, upon the certification by Parent Borrower that such Disposition is permitted by this Agreement, the Administrative Agent or the Collateral Agent, as applicable, shall be authorized to take and shall take any actions deemed appropriate in order to effect the foregoing. Section 7.06 Restricted Payments. Directly or indirectly, to make any Restricted Payment, except: (a) the payment of any dividend or distribution within sixty (60) days after the date of declaration thereof if at the date of declaration such payment would have complied with the provisions of this Agreement, or the redemption, repurchase or retirement of Indebtedness if, at the date of any irrevocable redemption notice, such payment would have complied with the provisions of this Agreement as if it were and is deemed at such time to be a Restricted Payment at the time of such notice; (b) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Capital Stock or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of Parent Borrower (other than Disqualified Stock) "Refunding Capital Stock") or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or through an Excluded Contribution) of Parent Borrower; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value of property or assets or of marketable securities, from such sale of Capital Stock or such contribution will be excluded from the Available Amount; (c) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness that is permitted to be Incurred pursuant to Section 7.03; (d) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of Parent Borrower or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock (other than an issuance of Disqualified Stock of Parent Borrower or Preferred Stock of a Restricted Subsidiary to replace Preferred Stock (other than Disqualified Stock) of Parent Borrower) of Parent Borrower or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to Section 7.03; (e) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock or Preferred Stock of a Restricted 182 #96352060v15 #96352060v15

slide201



Subsidiary (A) from Net Cash Proceeds of the type set forth in clause (a) of the definition thereof to the extent not prohibited by any other Indebtedness of Parent Borrower or any Restricted Subsidiary or (B) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"); (f) a Restricted Payment to pay for the repurchase, retirement or other acquisition or retirement for value of Capital Stock (other than Disqualified Stock) of Parent Borrower held by any future, present or former employee, director or consultant of Parent Borrower or any of its Subsidiaries (or permitted transferees, assigns, estates, trusts or heirs of such employee, director, contractor or consultant) either pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or upon the termination of such employee, director, contractor or consultant's employment or directorship; provided, however, that the aggregate Restricted Payments made under this clause (f) shall not exceed \$10,000,000 in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of \$20,000,000 in any calendar year); provided further that such amount in any calendar year may be increased by an amount not to exceed: (1) the cash proceeds from the sale of Capital Stock (other than Disqualified Stock) of Parent Borrower to members of management, directors or consultants of Parent Borrower or any of its Subsidiaries that occurred after the Closing Date, to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of the Available Amount; plus (2) the cash proceeds of key man life insurance policies received by Parent Borrower and its Restricted Subsidiaries after the Closing Date; less (3) the amount of any Restricted Payments made in previous calendar years pursuant to clauses (A) and (B) of this Section 7.03(f); and provided further that cancellation of Indebtedness owing to Parent Borrower or any Restricted Subsidiary from members of management, directors, employees or consultants of Parent Borrower or Restricted Subsidiaries in connection with a repurchase of Capital Stock of Parent Borrower will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of this Agreement; (g) the payment of dividends on Disqualified Stock, or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of Section 7.03; (h) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion 10.2 of the exercise price thereof and payments in respect of withholding Indenture.

SECTION 3.4. **Parties.** Nothing expressed or similar Taxes payable upon exercise or vesting thereof; (i) dividends or other distributions by Parent Borrower in an amount to be paid per fiscal quarter not to exceed \$0.06 per share of Parent Borrower's common stock (as such amount shall be appropriately adjusted for any stock splits, stock dividends, reverse stock splits, stock consolidations or other similar transactions); (j) payments by Parent Borrower to holders of capital stock of Parent Borrower in lieu of the issuance of fractional shares of such capital stock, provided, however, 183 #96352060v15 #96352060v15

---

 slide202

that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such capital stock (as determined in good faith by Parent Borrower), (k) Restricted Payments that are made with Excluded Contributions; (l) so long as no Default or Event of Default has occurred and is continuing (or would result from), Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed \$110,000,000; (m) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), mandatory redemptions of Disqualified Stock issued as a Restricted Payment; (n) Restricted Payments made by Parent Borrower or any Restricted Subsidiary, provided that, immediately after giving Pro Forma Effect thereto and the incurrence of any Indebtedness the net proceeds of which are used to finance such Restricted Payment, the Consolidated Total Leverage Ratio would be no greater than 2.75 to 1.00; provided that at the time of any such Restricted Payment, no Specified Event of Default shall have occurred and be continuing; (o) additional Restricted Payments in an amount not to exceed the Available Amount; provided that at the time of any such Restricted Payment, (i) no Specified Event of Default shall have occurred and be continuing and (ii) with respect to Restricted Payments made pursuant to the Growth Amount, the Interest Coverage Ratio as of the end of the most recently ended Test Period, on a Pro Forma Basis, would be not less than 3.00:1.00; (p) the distribution, by dividend or otherwise, of Equity Interests of an Unrestricted Subsidiary or Indebtedness owed to Parent Borrower or a Restricted Subsidiary of an Unrestricted Subsidiary, provided that in each case the principal assets of such Unrestricted Subsidiary are not cash and Cash Equivalents received as Investments from Parent Borrower or any of the Restricted Subsidiaries; (q) Public Company Costs; (r) distributions or payments by dividend or otherwise in connection with a Reorganization; (s) [reserved]; (t) [reserved]; and (u) any dividend or distribution payable to Parent Borrower or any Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to other holders of its Capital Stock on no more than a pro rata basis measured by value). 184 #96352060v15 #96352060v15

 slide203

For purposes of determining compliance with this Section 7.06, in the event that a Restricted Payment meets the criteria of more than one of the categories of Restricted Payments described above, Parent Borrower shall, in its sole discretion, classify or divide such Restricted Payment (or any portion thereof) in any manner that complies with this covenant. Section 7.07 Transactions with Affiliates. Directly or indirectly, enter into or conduct any transaction (including the purchase, sale, lease, license or exchange of any property or the rendering of any service) with any Affiliate of Parent Borrower (an "Affiliate Transaction") involving aggregate value in excess of \$12,500,000, unless (i) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to Parent Borrower or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and (ii) in the event such Affiliate Transaction involves an aggregate value in excess of \$50,000,000, the terms of such transaction have been approved by a majority of the members of the Board of Directors of Parent Borrower. Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in the immediately preceding sentence if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any, except that the following transactions shall not in any case be subject to the requirements set forth in the immediately preceding sentence: (a) any Restricted Payment permitted to be made pursuant to Section 7.06 or any Investment permitted to be made pursuant to Section 7.02; (b) any issuance or sale of Capital Stock, options, other equity-related interests or other securities; or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of Parent Borrower or any Restricted Subsidiary, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by Parent Borrower, in each case in the ordinary course of business or consistent with past practices; (c) any transaction between or among Parent Borrower and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries; (d) the payment of compensation, reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, contractors, consultants, distributors or employees of Parent Borrower or any Restricted Subsidiary of Parent 185 #96352060v15 #96352060v15

slide204

Borrower (whether directly or indirectly and including through any Controlled Investment Affiliate of such directors, officers, contractors, consultants, distributors or employees); (e) the entry into and performance of obligations of Parent Borrower or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Closing Date, which, to the extent in excess of \$7,500,000, is set forth on Schedule 7.07, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the holders in any material respect; (f) transactions with customers, clients, joint ventures, joint venture partners, suppliers, contractors, distributors or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practices, which are fair to Parent Borrower or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of Parent Borrower or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party; (g) any transaction between or among Parent Borrower or any Restricted Subsidiary and any Affiliate of Parent Borrower or an Associate or similar entity that would constitute an Affiliate Transaction solely because Parent Borrower or a Restricted Subsidiary owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity; (h) issuances or sales of Capital Stock (other than Disqualified Stock) of Parent Borrower or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights (and the performance of the related obligations) in connection therewith or any contribution to capital of Parent Borrower or any Restricted Subsidiary; (i) transactions in which Parent Borrower or any Restricted Subsidiary, as the case may be, delivers to the Administrative Agent a letter from an Independent Financial Advisor stating that such transaction is fair to Parent Borrower or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (i) of the first paragraph of this Section 7.07; (j) any purchases by Parent Borrower's Affiliates of Indebtedness or Disqualified Stock of Parent Borrower or any of its Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not Parent Borrower's Affiliates; provided that such purchases by Parent Borrower's Affiliates are on the same terms as such purchases by such Persons who are not Parent Borrower's Affiliates; (k) intellectual property licenses in the ordinary course of business; and (l) transactions entered into by an Unrestricted Subsidiary, so long as not entered in contemplation of the redesignation as a Restricted Subsidiary, with an Affiliate prior to the redesignation of any such Unrestricted Subsidiary as a Restricted Subsidiary. 186 #96352060v15 #96352060v15

slide205

Section 7.08 Consolidated Secured Leverage Ratio. Except with the written consent of the Required Revolving Credit Lenders, Parent Borrower will not permit the Consolidated Secured Leverage Ratio of Parent Borrower and its Restricted Subsidiaries on a consolidated basis as of the last day of a Test Period (commencing with the Test Period ending on or about June 30, 2020) to exceed 3.50:1.00 (the "Leverage Ratio Financial Covenant"), provided that, at the election of Parent Borrower, exercised by written notice delivered by Parent Borrower to the Administrative Agent at any time prior to the date that is thirty (30) days following the consummation of any Material Acquisition by Parent Borrower or any Subsidiary such maximum Consolidated Secured Leverage Ratio shall be increased to 4.00:1.00 with respect to the last day of the fiscal quarter during which such Material Acquisition shall have been consummated and the last day of each of the immediately following three consecutive fiscal quarters. For the avoidance of doubt, the Leverage Ratio Financial Covenant shall only apply with respect to the Revolving Credit Facility. Section 7.09 Interest Coverage Ratio. Except with the written consent of the Required Revolving Credit Lenders, Parent Borrower will not permit the Interest Coverage Ratio of Parent Borrower and its Restricted Subsidiaries on a consolidated basis as of the last day of a Test Period (commencing with the Test Period ending on or about June 30, 2020) to be less than 3.00:1.00 (the "Interest Coverage Ratio Financial Covenant" and, together with the Leverage Ratio Financial Covenant, the "Financial Covenants" and each a "Financial Covenant"). For the avoidance of doubt, the Interest Coverage Ratio shall only apply with respect to the Revolving Credit Facility. Section 7.10 Amendments or Waivers of Organizational Documents and/or Subordinated

Indebtedness Debt Documents. (a) Except in connection with a transaction permitted by Section 7.04, Parent Borrower shall not agree to any material amendment, restatement, supplement or other modification to, or waiver of its Organization Documents, in each case in a manner that has a material adverse effect on the Lenders (taken as a whole), in their capacity as such, in each case after the Closing Date without in each case obtaining the prior written consent of Required Lenders to such amendment, restatement, supplement or other modification or waiver. (b) Parent Borrower will not amend, modify or change in any manner materially adverse to the interests of the Lenders, taken as a whole, in their capacity as such, any term or condition of any Subordinated Indebtedness Documents without the consent of the Required Lenders (not to be unreasonably withheld or delayed), and excluding any such amendment or modification that would not be prohibited under the definition of "Refinancing Indebtedness" with respect to such Subordinated Indebtedness. Section 7.11 Restrictions on Subsidiaries' Distributions. Parent Borrower will not, and will not permit any Restricted Subsidiary (other than a U.S. Loan Party) to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to Parent Borrower or any Restricted Subsidiary, (ii) make any loans or advances to Parent Borrower or any Restricted Subsidiary, or (iii) sell, lease or transfer any of its 187 #96352060v15 #96352060v15

slide206

property or assets to Parent Borrower or any Restricted Subsidiary; provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to Parent Borrower or any Restricted Subsidiary to other Indebtedness Incurred by Parent Borrower or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction, other than: (a) any encumbrance or restriction pursuant to (i) this Agreement, (ii) the Existing Notes or (iii) any other agreement or instrument, in each case, in effect at or entered into on the Closing Date (or otherwise required as of the Closing Date) set forth on Schedule 7.11; (b) any encumbrance or restriction pursuant to applicable law, rule, regulation or order; (c) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, amalgamated, consolidated, wound-up into or otherwise combined with or into Parent Borrower or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by Parent Borrower or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by Parent Borrower or was merged, amalgamated, consolidated, wound-up into or otherwise combined with or into Parent Borrower or any Restricted Subsidiary or such agreement or instrument was entered into in contemplation of or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this clause, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by Parent Borrower or any Restricted Subsidiary when such Person becomes the Successor Company; (d) any encumbrance or restriction; (i) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement; (ii) contained in mortgages, pledges, charges or other security agreements permitted under the this Agreement or securing Indebtedness of Parent Borrower or a Restricted Subsidiary permitted under this Agreement to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements; 188 #96352060v15 #96352060v15

slide207



(iii) contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which Parent Borrower or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice; provided that such agreement prohibits the encumbrance of solely the property or assets of Parent Borrower or such Restricted Subsidiary that are subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of Parent Borrower or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary; or (iv) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of Parent Borrower or any Restricted Subsidiary; (e) any encumbrance or restriction pursuant to Purchase Money Obligations or Capitalized Lease Obligations permitted under this Agreement, in each case, that impose encumbrances or restrictions on the property so acquired; (f) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of Parent Borrower or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition; (g) customary provisions in leases, licenses, shareholder agreements, joint venture agreements, organizational documents and other similar agreements and instruments; (h) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practices; (i) any encumbrance or restriction pursuant to Swap Contracts; (j) other Indebtedness; Disqualified Stock or Preferred Stock of Foreign Subsidiaries that are Non-Loan Parties permitted to be Incurred or issued subsequent to the Closing Date pursuant to the provisions of Section 7.03 that impose restrictions solely on the Foreign Subsidiaries party thereto; (k) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Closing Date pursuant to the provisions of Section 7.03 if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the holders than (i) the encumbrances and restrictions contained in this Agreement, together with the security documents associated therewith as in effect on the Closing Date or (ii) in comparable financings (as determined in good faith by Parent Borrower) and where, in the case of clause (i), either (A) Parent Borrower determines at the time of issuance of such Indebtedness that such encumbrances or restrictions will not adversely affect, in any material respect, Parent Borrower's 189 #96352060v15 #96352060v15

slide208

ability to make principal or interest payments under this Agreement or (b) such encumbrance or restriction applies only during the continuance of a default relating to such indebtedness; (l) any encumbrance or restriction existing by reason of any Lien permitted under Section 7.01; or (m) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of indebtedness incurred pursuant to, or that otherwise extends, renews, restates, replaces, restructures or refinances, an agreement or instrument referred to in clauses (a) through (l) or this Section 7.11(m) (an "Initial Agreement") or contained in any amendment, supplement, extension, renewal, restatement, replacement, restructuring or other modification to an agreement referred to in clauses (a) through (l) or this Section 7.11(m); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are not materially less favorable to the Lenders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by Parent Borrower). ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES Section 8.01 Events of Default. Any of the following events referred to in any of clauses (a) through (k) inclusive of this Section 8.01 shall constitute an "Event of Default": (a) Non-Payment. Any Loan Party fails to pay (i) when and as required to be paid **mentioned** any amount of principal of any Loan, (ii) when and as required to be paid herein, any amount required to be reimbursed to an L/C Issuer pursuant to Section 2.03(c)(i) or (iii) within five (5) Business Days after the same becomes due, any interest on any Loan or any other amount payable hereunder or with respect to any other Loan Document; or (b) Specific Covenants. Parent Borrower fails to perform or observe any term, covenant or agreement contained in (i) any of Section 5.19 (solely with respect to the second sentence appearing therein), Section 6.03(a)(i) (provided that the delivery of a notice of Default or Event of Default at any time will cure an Event of Default under Section 6.03(a)(i) arising from the failure of Parent Borrower to timely deliver such notice of Default or Event of Default unless a Responsible Officer of Parent Borrower had actual knowledge that such Default or Event of Default had occurred and was continuing and reasonably should have known in the course of his or her duties that the failure to provide such notice would constitute a Default or Event of Default) or Section 6.04 (solely with respect to the existence of any Borrower in its jurisdiction of incorporation), Article VII (other than Section 7.08 or Section 7.09) or (ii) Section 7.08 or Section 7.09, provided that no Default or Event of Default under Section 7.08 or Section 7.09 shall constitute a Default or an Event of Default with respect to any Loans or Commitments hereunder, other than the Revolving Credit Loans and the Revolving Credit Commitments, until the date on which all Loans under each Revolving Credit Facility have been accelerated and all Revolving Credit Commitments have been terminated as a result of such breach, in each case, by 190 #96352060v15 #96352060v15

 slide209

the Required Revolving Credit Lenders, and the Required Revolving Credit Lenders have not rescinded such acceleration; or (c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days after receipt by Parent Borrower of written notice thereof by the Administrative Agent or the Required Lenders; or (d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made and such incorrect or misleading representation, warranty, certification or statement of fact, if capable of being cured, remains so incorrect or misleading for thirty (30) days after receipt by Parent Borrower of written notice thereof by the Administrative Agent or the Required Lenders; or (e) Cross-Default. Any Loan Party or any

Restricted Subsidiary (A) fails to make any payment beyond the applicable grace period with respect thereto, if any (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder) having an aggregate principal amount of not less than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness, or any other event occurs (other than (i) with respect to Indebtedness consisting of Swap Contracts, termination events or equivalent events pursuant to the terms of such Swap Contracts and (ii) any event requiring prepayment pursuant to customary asset sale provisions), the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness having an aggregate principal amount (or, in the case of a Swap Contract, Swap Termination Value) of not less than the Threshold Amount (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, all such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem all such Indebtedness to be made, prior to its stated maturity, provided that this clause (e)(B) shall not apply to secured Indebtedness that becomes due (or requires an offer to purchase) as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; provided further that, any failure described under clause (i) or (ii) above is unremedied and is not waived by the holders of such Indebtedness prior to any termination of the commitments or acceleration of the Loans pursuant to Article VIII; or (f) Insolvency Proceedings, Etc. (i) Any Loan Party or any of the Restricted Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors, or applies for or consents to the appointment of any receiver, interim receiver, receiver and manager, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property, or any receiver, interim receiver, receiver and manager, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative 191 #96352060v15 #96352060v15

slide210

receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty (60) calendar days; or an order for relief is entered in any such proceeding; or (ii) in the case of a UK Loan Party, any corporate action, legal proceedings or other procedure or step is taken in relation to (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of such UK Loan Party, (B) a composition, compromise, assignment or arrangement with any creditor of such UK Loan Party or (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of such UK Loan Party or any of its assets except that this clause (ii) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement; or (g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Restricted Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Loan Parties, taken as a whole, and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or (h) Judgments. There is entered against any Loan Party or any Restricted Subsidiary a final judgment or order for the payment of money with an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance) and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of sixty (60) consecutive days; or (i) Invalidity. Any material provision of any Guarantee or any Collateral Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 7.04 or Section 7.05) or as a result of acts or omissions by the Administrative Agent or the satisfaction in full of all the Loan Obligations and termination of the Aggregate Commitments, ceases to be in full force and effect or in the case of any Collateral Document, ceases to create a valid and perfected first priority lien on the Collateral covered thereby; or any Loan Party contests in writing the validity or enforceability of any material provision of any Guarantee or any Collateral Document (other than in an informational notice delivered to the Administrative Agent and/or the Collateral Agent); or any Loan Party denies in writing that it has any or further liability or obligation under any Guarantee or any Collateral Document (other than as a result of repayment in full of the Loan Obligations, termination of the Aggregate Commitments or release of the applicable Guarantee), or purports in writing to revoke or rescind any Guarantee or any Collateral Document, except to the extent that any such loss of perfection or priority results from (x) the failure of the Collateral Agent to maintain possession of certificates or other possessory collateral actually delivered to it representing securities or other collateral pledged under the Collateral Documents or the Collateral Agent's failure to file or maintain any filings required for perfection (including the filing of UCC financing statement or continuations, filings regarding IP 192 #96352060v15 #96352060v15

slide211

Rights or similar filings) and/or (v) a release of any Guarantee or Collateral in accordance with the terms hereof or thereof; (j) Change of Control. There occurs any Change of Control; or (k) ERISA. (l) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party or ERISA Affiliate under Title IV of ERISA in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its Withdrawal Liability under ERISA and the Code under a Multiemployer Plan in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, (iii) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is being terminated, within the meaning of Title IV of ERISA, and as a result of such termination the aggregate annual contributions of the Loan Parties and the ERISA Affiliates to all Multiemployer Plans that are then being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such termination occurs by an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, or (iv) a termination, withdrawal or noncompliance with applicable Law or plan terms or other event similar to an ERISA Event occurs with respect to a Foreign Plan that would reasonably be expected to result in a Material Adverse Effect. (l) UK Pensions. The Pensions Regulator issues a Financial Support Direction or a Contribution Notice to any Loan Party or Restricted Subsidiary unless the aggregate liability of the Loan Parties under all Financial Support Directions and Contribution Notices is less than \$10,000,000. Section 8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing (subject, in the case of an Event of Default under Section 8.01(b)(ii), to the proviso thereto), the Administrative Agent may, and, at the request of the Required Lenders, shall, take any or all of the following actions: (a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated; (b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Parent Borrower; (c) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount equal to the then Outstanding Amount thereof); and 193 #96352060v15 #96352060v15

Slide212



(d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law, provided that upon the occurrence of an Event of Default under Sections 8.01(f) or (g) with respect to any Borrower, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender. Section 8.03 Exclusion of Immaterial Subsidiaries. Solely for the purpose of determining whether a Default has occurred under clause (f) or (g) of Section 8.01, any reference in any such clause to any Restricted Subsidiary or Loan Party shall be deemed not to include any Subsidiary that is an Immaterial Subsidiary or at such time could, upon designation by Parent Borrower, become an Immaterial Subsidiary affected by any event or circumstances referred to in any such clause unless (i) the Consolidated Total Assets of such Subsidiary together with the Consolidated Total Assets of all other Subsidiaries affected by such event or circumstance referred to in such clause shall exceed 5% of the Consolidated Total Assets of Parent Borrower and its Restricted Subsidiaries on a consolidated basis or (ii) the consolidated revenues of such Subsidiary, together with the consolidated revenues of all other Subsidiaries affected by such event or circumstance referred to in such clause, shall exceed 5% of the consolidated revenues of Parent Borrower and its Restricted Subsidiaries on a consolidated basis, in each case for the most recent Test Period. Section 8.04 Application of Funds. If the circumstances described in Section 2.12(n) have occurred, or after the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), including in any bankruptcy or insolvency proceeding, any amounts received on account of the Obligations shall be applied by the Administrative Agent, subject to any Acceptable Intercreditor Agreement then in effect, in the following order: First, to payment of that portion of the Loan Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs payable under Section 10.04 and amounts payable under Article III) payable to the Administrative Agent and Collateral Agent in its capacity as such; Second, to payment of that portion of the Loan Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including Attorney Costs payable under Section 10.04 and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them; Third, to payment of that portion of the Loan Obligations constituting accrued and unpaid interest (including, but not limited to, post-petition interest), ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them; 194 #96352060v15 #96352060v15





Fourth, to payment of that portion of the Obligations constituting unpaid principal, Unreimbursed Amounts or face amounts of the Loans, L/C Borrowings and Obligations arising under Secured Hedge Agreements, Cash Management Obligations and for the account of the L/C Issuers, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit, ratably among the Secured Parties in proportion to the respective amounts described in this clause Fourth held by them; Fifth, to the payment of all other Obligations that are due and payable to the Administrative Agent, the Collateral Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent, the Collateral Agent and the other Secured Parties on such date; and Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Parent Borrower or as otherwise required by Law. Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above and, if no Obligations remain outstanding, to Parent Borrower. Notwithstanding the foregoing, (a) amounts received from Parent Borrower or any Guarantor that is not a "Eligible Contract Participant" (as defined in the Commodity Exchange Act) shall not be applied to the obligations that are Excluded Swap Obligations (it being understood, that in the event that any amount is applied to Obligations other than Excluded Swap Obligations as a result of this clause (a), to the extent permitted by applicable Law, the Administrative Agent shall make such adjustments as it determines are appropriate to distributions pursuant to clause Fourth above from amounts received from "Eligible Contract Participants" to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to obligations described in clause Fourth above by the holders of any Excluded Swap Obligations are the same as the proportional aggregate recoveries with respect to other obligations pursuant to clause Fourth above) and (b) Cash Management Obligations and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as applicable. Each Cash Management Bank and Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a "Lender" party hereto. ARTICLE IX ADMINISTRATIVE AGENT AND OTHER AGENTS Section 9.01 Appointment and Authorization of Agents. 195 #96352060v15 #96352060v15

Slide214

(a) Each Lender and each L/C Issuer hereby irrevocably appoints, designates and authorizes the Administrative Agent and Collateral Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Administrative Agent and Collateral Agent shall have no duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent and Collateral Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent and Collateral Agent, regardless of whether a Default or Event of Default has occurred and is continuing. Without limiting the generality of the foregoing sentence, the use of the term "agent" herein and in the other Loan Documents with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and to create reflect only an administrative relationship between independent contracting parties. The provisions of this Article IX are solely for the benefit of, and among the Administrative Agent, the Collateral Agent, the Lenders and each L/C Issuer, and neither Parent Borrower nor any other Loan Party shall be bound by or have rights as a third party beneficiary of any such provisions (except to the extent such rights are set forth herein, including with respect to such rights in Section 9.09). (b) Each L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each such L/C Issuer shall have all of the benefits and immunities (i) provided to the Agents in this Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the applications and agreements for letters of credit pertaining to such Letters of Credit as fully as if the term "Agent" as used in this Article IX and in the definition of "Agent-Related Person" included such L/C Issuer with respect to such acts or omissions, and (ii) as additionally provided herein with respect to such L/C Issuer. (c) Each Lender and each L/C Issuer hereby irrevocably appoints, designates and authorizes Bank of America to act as the "collateral agent" under the Loan Documents, and each of the Lenders (in its capacities as a Lender, L/C Issuer (if applicable) and a potential Hedge Bank or Cash Management Bank) and each L/C Issuer hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of (and to hold any security interest, charge or other Lien created by the Collateral Documents for and on behalf of or on trust for) such Lender and such L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent (and any co- agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.02 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent), shall be entitled to the benefits of all provisions of this Article IX (including Section 9.07, as though such co- agents, sub-agents 196 #96352060v15 #96352060v15

slide215

and attorneys-in-fact were the "collateral agent" under the Loan Documents) and Article X as if set forth in full herein with respect thereto. Section 9.02 Delegation of Duties. The Administrative Agent and the Collateral Agent may perform any and all of their duties and exercise their rights and powers under this Agreement or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent and/or the Collateral Agent. The Administrative Agent, the Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers under this Agreement or any other Loan Document (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents or of exercising any rights and remedies thereunder) by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Article (including this Section 9.02 and Sections 9.03 and 9.07) and Section 10.05 shall apply to any Affiliates of the Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent and the Collateral Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Article (including this Section 9.02 and Sections 9.03 and 9.07) and Section 10.05 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent and/or the Collateral Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of Loan Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to the Administrative Agent or the Collateral Agent and not to any Loan Party, Lender or any other Person and no Loan Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent. Section 9.03 Liability of Agents. No Agent-Related Person shall (a) be liable to any Lender for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby, including their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent and/or the Collateral Agent (except for its own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for (or shall have any duty to ascertain or inquire into) (A) any recital, statement, representation or warranty made by any Loan Party or any officer thereof, contained herein or in any other Loan Document, or made in any written or oral statements or in any financial or other statements or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent and/or the Collateral Agent under or in connection with, this Agreement or any other Loan Document, (B) the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or 197 #96352060v15 #96352060v15

slide216

any other Loan Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Collateral Documents, (C) the financial condition or business affairs of any Loan Party or any other Person liable for the payment of any Obligations, (D) the value or the sufficiency of any Collateral or the satisfaction of any condition set forth in Article IV or elsewhere herein or that the Liens granted to the Collateral Agent have been properly or sufficiently created, perfected, protected, enforced or entitled to any particular priority, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent and/or the Collateral Agent, or for any failure of any Loan Party or any other party to any Loan Document to perform its obligations hereunder or thereunder, or (E) compliance by Affiliated Lenders with the terms hereof relating to Affiliated Lenders. Anything contained herein to the contrary notwithstanding, no Agent-Related Person shall have any liability arising from confirmations of the amount of outstanding Loans or the L/C Obligations or the component amounts thereof or shall be under any obligation to any Lender or participant 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 Loan Document, or to inspect the properties, books or records of any Loan Party or any Affiliate thereof. No Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that such Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable Law. No Agent-Related Person shall have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or any L/C Issuer, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates that is communicated to, obtained by or in the possession of any Agent-Related Person in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders.

by the Administrative Agent herein. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), or in the absence of its own gross negligence or willful misconduct. The exculpatory provisions of this Article shall apply to any such Affiliates, agents, employees or attorneys-in-fact, such sub-agents, and their respective activities in connection with the syndication of credit facilities provided for herein as well as activities of the Administrative Agent and/or the Collateral Agent. Section 9.04 Reliance by Agents. (a) Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, request, consent, certificate, instrument, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Loan Party), independent accountants and other experts selected by such Agent and shall not incur any liability for relying thereon. Each Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders 198 #96352060v15 #96352060v15

slide217

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. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders (or such greater number of Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Parent Borrower and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or under any of the other Loan Documents in accordance with the instructions of the Required Lenders (or such greater number of Lenders as may be expressly required hereby in any instance). (b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or such L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or such L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Section 9.05 Notice of Default. None of the Administrative Agent or the Collateral Agent shall be deemed to have knowledge or notice of the occurrence of any Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or Parent Borrower referring to this Agreement, describing such Default and stating that such notice is a "notice of default." The Administrative Agent will notify the Lenders of its receipt of any such notice. Subject to the other provisions of this Article IX, the Administrative Agent shall take such action with respect to any Event of Default as may be directed by the Required Lenders in accordance with Article VIII; provided that unless and until the Administrative Agent has received any such direction, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable or in the best interest of the Lenders. Section 9.06 Credit Decision; Disclosure of Information by Agents. Each Lender and each L/C Issuer acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by any Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, 199 #96352060v15 #96352060v15

slide218

shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender and each L/C Issuer represents to each Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their respective Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Parent Borrower and the other Loan Parties hereunder. Each Lender and each L/C Issuer also represents that it will, 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 Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of Parent Borrower and the other Loan Parties. Each Lender and each L/C Issuer represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender or L/C Issuer for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender or L/C Issuer, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and each L/C Issuer agrees not to assert a claim in contravention of the foregoing. Each Lender and each L/C Issuer represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender or such L/C Issuer, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities. Except for notices, reports and other documents expressly required to be furnished to the Lenders by any Agent herein, such Agent shall not have any duty or responsibility to provide (and shall not be liable for the failure to provide) any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their respective Affiliates, which may come into the possession of any Agent-Related Person. Section 9.07 Indemnification of Agents. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of any Loan Party and without limiting the obligation of any Loan Party to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it in its capacity as an Agent-Related Person, provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Agent-Related Person's own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction; provided that no action taken in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Loan Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.07. In the case of any investigation, litigation 200 #96352060v15 #96352060v15

slide219



or proceeding giving rise to any Indemnified Liabilities, this Section 9.07 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent and the Collateral Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent and the Collateral Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent or the Collateral Agent is not reimbursed for such expenses by or on behalf of the Borrowers, provided that such reimbursement by the Lenders shall not affect the Borrowers' continuing reimbursement obligations with respect thereto, if any. The undertaking in this Section 9.07 shall survive termination of the Aggregate Commitments, the payment of all other Loan Obligations and the resignation of the Administrative Agent or the Collateral Agent. Section 9.08 Agents in their Individual Capacities. Bank of America and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Capital Stock in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with each of the Loan Parties and their respective Affiliates as though Bank of America were not the Administrative Agent and the Collateral Agent hereunder and without notice to or consent of (nor any duty to accept therefor to) the Lenders. The Lenders acknowledge that, pursuant to such activities, Bank of America or its Affiliates may receive information regarding any Loan Party or any Affiliate of a Loan Party (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, Bank of America shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not the Administrative Agent or the Collateral Agent, and the terms "Lender" and "Lenders" include Bank of America in its individual capacity. Section 9.09 Successor Agents. The Administrative Agent and the Collateral Agent may resign as the Administrative Agent and Collateral Agent, as applicable, upon thirty (30) days' notice to the Lenders and Parent Borrower. If the Administrative Agent or the Collateral Agent resigns under this Agreement, the Required Lenders shall appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States, which appointment of a successor agent shall require the consent of Parent Borrower at all times other than during the existence of an Event of Default under Section 8.01(f) or (g) (which consent of Parent Borrower shall not be unreasonably withheld or delayed). If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent or the Collateral Agent, as applicable, the Administrative Agent or the Collateral Agent, as applicable, may appoint, after consulting with the Lenders and Parent Borrower, a successor agent meeting the qualifications set forth above, which successor may not be a Defaulting Lender or Disqualified Lender. Upon the acceptance of its appointment as successor agent hereunder, the Person acting as such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent or the Collateral Agent, as applicable, and the term "Administrative Agent" or "Collateral Agent," as applicable, shall mean such successor administrative agent and/or supplemental administrative agent, as the case may may 201. #96352060v15 #96352060v15





he, and the term "Collateral Agent" shall mean such successor collateral agent and/or supplemental agent, as described in Section 9.01(c), and the retiring Administrative Agent's or retiring Collateral Agent's, as applicable, appointment, powers and duties as the Administrative Agent or Collateral Agent, as applicable, shall be terminated. After the retiring Administrative Agent's or retiring Collateral Agent's resignation, as applicable, hereunder as the Administrative Agent or the Collateral Agent, as applicable, the provisions of this Article IX and Section 10.04 and Section 10.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent or the Collateral Agent, as applicable, under this Agreement. If no successor agent has accepted appointment as the Administrative Agent or the Collateral Agent by the date which is thirty (30) days following the retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent or the Collateral Agent, as applicable, hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed). Upon the acceptance of any appointment as the Administrative Agent or the Collateral Agent, as applicable, hereunder by a successor and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may reasonably request, in order to (a) continue the perfection of the Liens granted or purported to be granted by the Collateral Documents or (b) otherwise ensure that the Collateral and Guarantee Requirement is satisfied, the Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring Administrative Agent or the Collateral Agent, as applicable, and the retiring Administrative Agent and/or Collateral Agent shall, to the extent not previously discharged, be discharged from its duties and obligations under the Loan Documents. The fees payable by Parent Borrower to a successor Administrative Agent or the successor Collateral Agent shall be the same as those payable to its predecessor unless otherwise agreed between Parent Borrower and such successor. After the retiring Administrative Agent's or retiring Collateral Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Administrative Agent or retiring Collateral Agent, as applicable, and its agents and sub-agents in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent or retiring Collateral Agent, as applicable, was acting as Administrative Agent and/or Collateral Agent, as applicable. Any resignation by Bank of America as Administrative Agent pursuant to this Section shall, at its election, also constitute its resignation as L/C Issuer and as Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights, powers, privileges and duties of the Swing Line Lender hereunder with respect to all Swing Line Loans made by it and outstanding as of the effective date of its resignation as Swing Line Lender, including the right to require the Lenders to make 202 #96352060v15 #96352060v15

slide221

Base Rate Loans or fund risk participations in in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by Parent Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (b) the retiring L/C Issuer or Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit. Section 9.10 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Parent Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise, (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Section 2.09 and Section 10.04) allowed in such judicial proceeding; and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and (c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due to the Administrative Agent under Section 2.09 and Section 10.04. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding. 203 #96352060v15 #96352060v15

slide222

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the secured Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or under any other Debtor Relief Laws or similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Capital Stock or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Capital Stock thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (h) of Section 10.01 of this Agreement, (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Capital Stock and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Capital Stock and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Section 9.11 Collateral and Guaranty Matters. The Lenders (including in their capacities as potential Cash Management Banks and potential Hedge Banks) and the LIC Issuer irrevocably agree that: (a) any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document shall be automatically released (i) upon termination of the Aggregate Commitments and payment in full of all Loan Obligations (other than (A) contingent indemnification obligations not yet accrued and payable and (B) obligations and liabilities under Secured Cash Management Agreements and Secured Hedge Agreements as 204 #96352060v15 #96352060v15

slide223

to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made), the expiration or termination of all Letters of Credit with no pending drawings (other than Letters of Credit that have been backstopped, Cash Collateralized or as to which other arrangements reasonably satisfactory to the Administrative Agent and the applicable L/C Issuer have been made) and any other obligation (including a guarantee) that is contingent in nature), (ii) at the time the property subject to such Lien is transferred or to be transferred as part of or in connection with any transfer permitted hereunder or under any other Loan Document to any Person other than any other Loan Party, (iii) subject to Section 10.01, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders, (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to clause (c) below, and/or (v) if the property subject to such Lien becomes Excluded Property, (b) the Collateral Agent is authorized to release or subordinate any Lien on any property granted to or held by the Administrative Agent or the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by Sections 7.01(b), 7.01(c), 7.01(e), 7.01(f), 7.01(g), 7.01(i), 7.01(k), 7.01(m), 7.01(p), 7.01(q),

7.01(r), 7.01(u), 7.01(v), 7.01(w), 7.01(y), 7.01(aa), 7.01(bb), 7.01(dd) (to the extent the relevant Lien is of the type to which the Lien of the Collateral Agent is otherwise subordinated under this clause (b) pursuant to any of the other exceptions to Section 7.01 that are expressly included in this clause (b)) and/or 7.01(ff); provided that the subordination of any Lien on any property granted to or held by the Collateral Agent shall only occur with respect to any Lien on such property that is permitted by Sections 7.01(r), 7.01(q) and/or 7.01(dd) to the extent that the Lien of the Collateral Agent with respect to such property is required to be subordinated to the relevant Permitted Lien in accordance with the documentation governing the Indebtedness that is secured by such Permitted Lien; and (c) if any Subsidiary Guarantor (other than a Borrower, unless no Loans, fees or any other amounts due pursuant to the terms hereof are outstanding by such Borrower (other than (A) contingent indemnification obligations not yet accrued and payable and (B) obligations and liabilities under Secured Cash Management Agreements and Secured Hedge Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made) and no Letters of Credit issued for the account of such Borrower are outstanding) becomes an Excluded Subsidiary or is transferred to any Person other than Parent Borrower or a Restricted Subsidiary, in each case as a result of a transaction or designation permitted hereunder (as certified in writing delivered to the Administrative Agent by a Responsible Officer), (x) such Subsidiary shall be automatically released from its obligations under the Guaranty and (y) any Liens granted by such Subsidiary or Liens on the Capital Stock of such Subsidiary (to the extent such Capital Stock have become Excluded Equity or are being transferred to a Person that is not a Loan Party) shall be automatically released. The Borrowers and the Guarantors hereby acknowledge and agree that the release of any Borrower in accordance with this Section 9.11(c) shall not affect the nature or validity of their joint and several obligations in respect of the obligations, if any, of the Borrower so released, all of which shall remain in effect in accordance with the terms of this Agreement and the other Loan Documents.

205 #96352060v15 #96352060v15

slide224

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Collateral Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor (other than Parent Borrower) from its obligations under the Guaranty pursuant to this Section 9.11. In each case as specified in this Section 9.11, the Administrative Agent and Collateral Agent will promptly (and each Lender irrevocably authorizes the Administrative Agent and Collateral Agent to), at Parent Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.11, provided that, upon the reasonable request by the Administrative Agent, Parent Borrower shall deliver to the Administrative Agent a certificate of a Responsible Officer certifying that the transactions giving rise to such request have been consummated in accordance with this Agreement and the other Loan Documents. Anything contained in any of the Loan Documents to the contrary notwithstanding, Parent Borrower, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral (including through any right of set-off) or to enforce the Guarantee, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Loan Documents may be exercised solely by the Administrative Agent or the Collateral Agent, as applicable, for the benefit of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, and (ii) in the event of a foreclosure or similar enforcement action by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including, without limitation, pursuant to Section 363(k), Section 1129(b)(2)(a)(i) or otherwise of the Bankruptcy Code or pursuant to any other Debtor Relief Law), the Collateral Agent (or any Lender, except with respect to a "credit bid" pursuant to Section 363(k), Section 1129(b)(2)(a)(i) or otherwise of the Bankruptcy Code or pursuant to any other Debtor Relief Law) may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, upon instructions from the Required Lenders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition. The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, 206 #96352060v15 #96352060v15

slide225

other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. Section 9.12 Other Agents, Arrangers and Managers. None of the Lenders, the Agents, the Arranger, or other Persons identified on the facing page or signature pages of this Agreement as a "joint lead arranger and bookrunner," or "co-arranger" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder. Section 9.13 Appointment of Supplemental Administrative Agents. (a) It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case the Administrative Agent deems that by reason of any present or future Law or any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, the Administrative Agent is hereby authorized to appoint an additional individual or institution selected by the Administrative Agent in its sole discretion as a separate trustee, co-trustee, administrative agent, collateral agent, administrative sub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a "Supplemental Administrative Agent" and, collectively, as "Supplemental Administrative Agents"). (b) In the event that the Administrative Agent appoints a Supplemental Administrative Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to the Administrative Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Administrative Agent to the extent, and only to the extent, necessary to enable such Supplemental Administrative Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental Administrative Agent shall run to and be enforceable by either the Administrative Agent or such Supplemental Administrative Agent, and (ii) the provisions of this Article IX and of Section 10.04 and Section 10.05 that refer to the Administrative Agent shall inure to the benefit of such Supplemental Administrative Agent and all references therein to the Administrative Agent shall be deemed to be references to the Administrative Agent and/or such Supplemental Administrative Agent, as the context may require. 207 #96352060v15 #96352060v15

slide226



(c) Should any instrument in writing from any Loan Party be required by any Supplemental Administrative Agent so appointed by the Administrative Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, Parent Borrower shall, or shall cause such Loan Party to, execute, acknowledge and deliver any and all such instruments promptly upon request by the Administrative Agent. In case any Supplemental Administrative Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Administrative Agent, to the extent permitted by Law, shall vest in and be exercised by the Administrative Agent until the appointment of a new Supplemental Administrative Agent. Section 9.14 Withholding Tax. To the extent required by any applicable Law (as determined in good faith by the Administrative Agent), the Administrative Agent may deduct or withhold from any payment to any Lender under any Loan Document an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of, withholding Tax ineffective), such Lender shall indemnify and hold harmless the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties, additions to Tax or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.14. The agreements in this Section 9.14 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of this Agreement and the repayment, satisfaction or discharge of all other obligations. For the avoidance of doubt, (1) the term "Lender" shall, for purposes of this Section 9.14, include any L/C Issuer and (2) this Section 9.14 shall not limit or expand the obligations of the Loan Parties under Section 3.01 or any other provision of this Agreement. Section 9.15 Cash Management Obligations; Secured Hedge Agreements. Except as otherwise expressly set forth herein or in any Collateral Document, no Cash Management Bank or Hedge Bank that obtains the benefits of Section 8.04, any Guaranty or any Collateral by virtue of the provisions hereof or of any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender (if applicable) and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Cash Management Obligations or Obligations arising under Secured 208 #96352060v15 #96352060v15



Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may reasonably request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank shall indemnify and hold harmless each Agent and each of its directors, officers, employees, or agents, to the extent not reimbursed by the Loan Parties, against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against such Agent or its directors, officers, employees, or agents in connection with such provider's Cash Management Obligations or Obligations arising under Secured Hedge Agreements; provided, however, that no Cash Management Bank or Hedge Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct as found in a final, non-appealable judgment by a court of competent jurisdiction. No Cash Management Bank or Hedge Bank will create (or be deemed to create) in favor of any such provider, as applicable, any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Loan Documents. By accepting the benefits of the Collateral, each such Cash Management Bank or Hedge Bank shall be deemed to have appointed the Collateral Agent as its agent and agreed to be bound by the Loan Documents as a Secured Party, subject to the limitations set forth in this Section 9.15. Section 9.16 (Reserved). Section 9.17 Certain ERISA Matters. (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, Collateral Agent and the Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Parent Borrower or any other Loan Party, that at least one of the following is and will be true: (i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement, (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable and the conditions are satisfied with respect to such Lender's entrance into, participation 209 #96352060v15 #96352060v15

slide228

in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, (iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or (iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender. (b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Parent Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto), Section 9.18 Appointment of Collateral Agent as security trustee for UK Security Agreements. (a) For the purposes of any Liens or Collateral created under the UK Security Agreements, the following additional provisions shall apply, in addition to the provisions set out in Section 9 or otherwise hereunder. (b) In this Section 9.18, the following expressions have the following meanings: "Appointee" means any receiver, administrator or other insolvency officer appointed in respect of any Loan Party or its assets. 210 #96352060v15 #96352060v15

slide229

"Charged Property" means the assets of the Loan Parties subject to a Lien under the UK Security Agreements. "Delegate" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent (in its capacity as security trustee). (c) The Secured Parties appoint the Collateral Agent to hold the security interests constituted by the UK Security Agreements on trust for the Secured Parties on the terms of the Loan Documents and the Collateral Agent accepts that appointment. (d) The Collateral Agent, its subsidiaries and associated companies may each retain for its own account and benefit any fee, remuneration and profits paid to it in connection with (i) its activities under the Loan Documents and (ii) its engagement in any kind of banking or other business with any Loan Party. (e) Nothing in this Agreement constitutes the Collateral Agent as a trustee or fiduciary of, nor shall the Collateral Agent have any duty or responsibility to, any Loan Party. (f) The Collateral Agent shall have no duties or obligations to any other person except for those which are expressly specified in the Loan Documents or mandatorily required by applicable Law. (g) The Collateral Agent may appoint one or more Delegates on such terms (which may include the power to sub-delegate) and subject to such conditions as it thinks fit, to exercise and perform all or any of the duties, rights, powers and discretions vested in it by the UK Security Agreements and shall not be obliged to supervise any Delegate or be responsible to any person for any loss incurred by reason of any act, omission, misconduct or default on the part of any Delegate. (h) The Collateral Agent may (whether for the purpose of complying with any law or regulation of any overseas jurisdiction, or for any other reason) appoint (and subsequently remove) any person to act jointly with the Collateral Agent either as a separate trustee or as a co-trustee on such terms and subject to such conditions as the Collateral Agent thinks fit and with such of the duties, rights, powers and discretions vested in the Collateral Agent by the UK Security Agreements as may be conferred by the instrument of appointment of that person. (i) The Collateral Agent shall notify the Lenders of the appointment of each Appointee (other than a Delegate). (j) The Collateral Agent may pay reasonable remuneration to any Delegate or Appointee, together with any costs and expenses (including legal fees) reasonably incurred by the Delegate or Appointee in connection with its appointment. All such remuneration, costs and expenses shall be treated, for the purposes of this Agreement, as paid or incurred by the Collateral Agent. (k) Each Delegate and each Appointee shall have every benefit, right, power and discretion and the benefit of every exculpation (together "Rights") of the Collateral Agent (in its capacity as security trustee) under the UK Security Agreements, and each reference to the 211 #96352060v15 #96352060v15

slide230

Collateral Agent (where the context requires that such reference is to the Collateral Agent in its capacity as security trustee) in the provisions of the UK Security Agreements which confer Rights shall be deemed to include a reference to each Delegate and each Appointee. (l) Each Secured Party confirms its approval of the UK Security Agreements and authorizes and instructs the Collateral Agent: (i) to execute and deliver the UK Security Agreements; (ii) to exercise the rights, powers and discretions given to the Collateral Agent (in its capacity as security trustee) under or in connection with the UK Security Agreements together with any other incidental rights, powers and discretions; and (iii) to give any authorizations and confirmations to be given by the Collateral Agent (in its capacity as security trustee) on behalf of the Secured Parties under the UK Security Agreements. (m) The Collateral Agent may accept without inquiry the title (if any) which any person may have to the Charged Property. (n) Each other Secured Party confirms that it does not wish to be registered as a joint proprietor of any security interest constituted by a UK Security Agreement and accordingly authorizes: (a) the Collateral Agent to hold such security interest in its sole name (or in the name of any Delegate) as trustee for the Secured Parties; and (b) the Land Registry (or other relevant registry) to register the Collateral Agent (or any Delegate or Appointee) as a sole proprietor of such security interest. (o) Except to the extent that a UK Security Agreement otherwise requires, any moneys which the Collateral Agent receives under or pursuant to a UK Security Agreement may be: (a) invested in any investments which the Collateral Agent selects and which are authorized by applicable Law; or (b) placed on deposit at any bank or institution (including the Collateral Agent) on terms that the Collateral Agent thinks fit, in each case in the name or under the control of the Collateral Agent, and the Collateral Agent shall hold those moneys, together with any accrued income (net of any applicable Tax) to the order of the Lenders, and shall pay them to the Lenders on demand. (p) On a disposal of any of the Charged Property which is permitted under the Loan Documents, the Collateral Agent shall (at the cost of the Loan Parties) execute any release of the UK Security Agreements or other claim over that Charged Property and issue any certificates of non-crystallisation of floating charges that may be required or take any other action that the Collateral Agent considers desirable. (q) The Collateral Agent shall not be liable for: (i) any defect in or failure of the title (if any) which any person may have to any assets over which security is intended to be created by a UK Security Agreement; (ii) any loss resulting from the investment or deposit at any bank of moneys which it invests or deposits in a manner permitted by a UK Security Agreement; (iii) the exercise of, or the failure to exercise, any right, power or discretion given to it by or in connection with any Loan Document or any other agreement, arrangement or document entered into, or executed in anticipation of, under or in connection with, any Loan Document; or (iv) any shortfall which arises on enforcing a UK Security Agreement. 212 #96352060v15 #96352060v15



(v) The Collateral Agent shall not be obligated to: (i) obtain any authorization or environmental permit in respect of any of the Charged Property or a UK Security Agreement; (ii) hold in its own possession a UK Security Agreement, title deed or other document relating to the Charged Property or a UK Security Agreement; (iii) perfect, protect, register, make any filing or give any notice in respect of a UK Security Agreement (or the order of ranking of a UK Security Agreement), unless that failure arises directly from its own gross negligence or willful misconduct; or (iv) require any further assurances in relation to a UK Security Agreement. (s) In respect of any UK Security Agreement, the Collateral Agent shall not be obligated to: (i) insure, or require any other person to insure, the Charged Property; or (ii) make any enquiry or conduct any investigation into the legality, validity, effectiveness, adequacy or enforceability of any insurance existing over such Charged Property. (t) In respect of any UK Security Agreement, the Collateral Agent shall not have any obligation or duty to any person for any loss suffered as a result of: (i) the lack or inadequacy of any insurance; or (ii) the failure of the Collateral Agent to notify the insurers of any material fact relating to the risk assumed by them, or of any other information of any kind, unless the Lenders have requested it to do so in writing and the Collateral Agent has failed to do so within fourteen (14) days after receipt of that request. (u) Every appointment of a successor Collateral Agent under a UK Security Agreement shall be by deed. (v) Section 1 of the Trustee Act 2000 (UK) shall not apply to the duty of the Collateral Agent in relation to the trusts constituted by this Agreement. (w) In the case of any conflict between the provisions of this Agreement and those of the Trustee Act 1925 (UK) or the Trustee Act 2000 (UK), the provisions of this Agreement shall prevail to the extent allowed by law, and shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000 (UK). (x) The perpetuity period under the rule against perpetuities if applicable to this Agreement and any UK Security Agreement shall be 80 years from the date of this Agreement. Section 9.19 Parallel Debt Undertaking. (a) In order to ensure the validity and enforceability of Liens under the Dutch Collateral Documents for the benefit of the Secured Parties, each Loan Party hereby irrevocably and unconditionally undertakes (the resulting liabilities and obligations under that undertaking in respect of any amount, a "Parallel Debt Obligation") to pay to the Collateral Agent amounts equal to and in the same currency as all amounts from time to time due and payable by it to any Secured Party under the Obligations. (b) Each Parallel Debt Obligation shall become due and payable at the same time as the corresponding Obligation. 213 #96352060v15 #96352060v15

slide232



(c) The Parallel Debt Obligations shall be separate from and independent of the Obligations, so that the Collateral Agent will have its own independent right to demand payment of the Parallel Debt Obligations by a Loan Party. (d) The Parallel Debt Obligations shall be owed to the Collateral Agent in its own name and not as agent or representative of the Secured Parties. (e) Other than as set out in paragraph (f) below, the Parallel Debt Obligations shall not limit or affect the existence of the Obligations, for which the Secured Parties shall have an independent right to demand performance. (f) The rights of the Secured Parties to receive payment of the Obligations are several from the rights of the Collateral Agent to receive payment of the Parallel Debt Obligations, provided that: (i) payment by a Loan Party of its Parallel Debt Obligations in accordance with this Section shall to the same extent decrease and discharge the corresponding Obligations owing to the Secured Parties; and (ii) payment by a Loan Party of its corresponding Obligations in accordance with the terms of the relevant Loan Documents shall to the same extent decrease and discharge the relevant Parallel Debt Obligations. ARTICLE X MISCELLANEOUS Section 10.01 Amendments, Etc.. Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by Parent Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and Parent Borrower or the applicable Loan Party, as the case may be (a copy of which shall be reasonably promptly provided to the Administrative Agent; provided that any failure to deliver such copy shall not invalidate such waiver, amendment or modification) (it being agreed that Parent Borrower shall use commercially reasonable efforts to provide a draft of such amendment to the Administrative Agent to the extent practicable, prior to execution thereof; provided that, (x) the failure to deliver such copy shall not impact the validity or enforceability of such amendment, consent or waiver, (y) such obligation to deliver such draft shall be subject to any confidentiality obligations owing to third parties and attorney client privilege, to the extent applicable and (z) such failure to comply with this parenthetical shall not result in any Default or Event of Default), and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall: (a) extend or increase the Commitment of any Lender without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders) (it being understood that a waiver of any condition precedent set forth in Section 4.03 (other than a waiver thereof without the consent of the Required Revolving Credit Lenders in connection with a Credit Extension under the Revolving Credit Facility) or the waiver of any Default, mandatory 214 #96352060v15 #96352060v15

slide233

prepayment or mandatory reduction of the Commitments shall not constitute an extension or increase of any Commitment of any Lender); (b) postpone any date scheduled for, or reduce the amount of, any payment of principal or interest under Section 2.07 or Section 2.08, fees or other amounts without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders), it being understood that the waiver of (or amendment to the terms of) (i) any mandatory prepayment of the Term Loans shall not constitute a postponement of any date scheduled for the payment of principal or interest and (ii) the MFN Provision or other "most favored nation" provisions and the application thereof shall not constitute a postponement or reduction of the amount of interest or other amounts; (c) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iii) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby (but not the Required Lenders), it being understood that (x) any change to the definition of any financial ratio (including the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio and/or the Interest Coverage Ratio) or in each case, the component definitions thereof and/or (y) any amendment, supplement, modification and/or waiver of the MFN Provision shall, in each case of the foregoing clauses (x) and (y), not constitute a reduction in the rate of interest or fees or other amounts payable, provided that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest at the Default Rate; (d) change any provision of this Section 10.01 or the definition of "Required Lenders," "Required Revolving Credit Lenders," or any other provision specifying the number of Lenders or portion of the Loans or Commitments required to take any action under the Loan Documents without the written consent of each Lender directly and adversely affected thereby (but not also the Required Lenders); (e) release all or substantially all of the Collateral in any transaction or series of related transactions except as expressly provided in the Loan Documents (including any transaction permitted under Section 7.04, Section 7.05 and/or Section 10.24), without the written consent of each Lender; (f) release all or substantially all of the value of the Guarantees in any transaction or series of related transactions except as expressly provided in the Loan Documents (including any transaction permitted under Section 7.04 or Section 7.05), without the written consent of each Lender; (g) change (i) Section 2.13 or Section 8.03 or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans from the application thereof set forth in the applicable provisions of Section 2.05(b) or 2.06(b), respectively, in any manner that materially and adversely affects the Lenders without the written consent of the Required Lenders; 215 #96352060v15 #96352060v15

slide234

(h) impose any greater restriction on the ability of any Lender to assign any of its rights or obligations hereunder without the written consent of the Required Lenders; or (i) change the stated currency in which any Lender or L/C Issuer is required to make Loans or issue Letters of Credit or any Borrower is required to make payments of principal, interest, fees or other amounts hereunder or under any other Loan Document without the written consent of each Lender and L/C Issuer directly and adversely affected thereby (but not also the Required Lenders); and provided further that (i) no amendment, waiver or consent shall, unless in writing and signed by each L/C Issuer in addition to the Lenders required above, affect the rights or duties of an L/C Issuer under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document; (iv) [reserved]; (v) Section 10.07(h) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification; (vi) any amendment or waiver that by its terms affects the rights or duties of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) will require only the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto if such Class of Lenders were the only Class of Lenders; (vii) the definition of "Letter of Credit Sublimit" may be amended or rights and privileges thereunder waived with the consent of Parent Borrower, each L/C Issuer, the Administrative Agent and the Required Revolving Credit Lenders; (viii) [reserved]; (ix) the conditions precedent set forth in Section 4.01 to a Credit Extension under the Revolving Credit Facility on the Closing Date and/or the conditions precedent set forth in Section 4.03 to a Credit Extension under the Revolving Credit Facility after the Closing Date, in each case, may be amended or rights and privileges thereunder waived only with the consent of the Required Revolving Credit Lenders and, in the case of a Credit Extension that constitutes the issuance of a Letter of Credit, the applicable L/C Issuer; and (x) only the consent of the Required Revolving Credit Lenders shall be necessary to amend, modify or waive the terms and provision of the Financial Covenants (and any related definitions as used in such Section, but not as used in other Sections of this Agreement). Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and Parent Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans, the Revolving Credit Loans, the Incremental Term Loans, if any, and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and, if applicable, the Required Revolving Credit Lenders. 216 #96352060v15 #96352060v15



Notwithstanding anything to the contrary contained in this Section 10.01, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended and the maturity date of any of its Loans may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any waiver, amendment, consent or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely relative to other affected Lenders shall require the consent of such Defaulting Lender. Notwithstanding anything to the contrary contained in this Section 10.01, any guarantees, collateral security documents and related documents executed by Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended, supplemented and waived with the consent of the Administrative Agent at the request of Parent Borrower without the need to obtain the consent of any Lender if such amendment, supplement or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to correct or cure (x) ambiguities, errors, mistakes, omissions or defects, (y) to effect administrative changes of a technical or immaterial nature or (iii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents; if being agreed that in the case of any conflict between this Agreement and any other Loan Document, the provisions of this Agreement shall control (except that in the case of any conflict between this Agreement and an Acceptable Intercreditor Agreement, such Acceptable Intercreditor Agreement shall control). Furthermore, notwithstanding anything to the contrary herein, with the consent of the Administrative Agent at the request of Parent Borrower (without the need to obtain any consent of any Lender), (i) any Loan Document may be amended to cure ambiguities, omissions, mistakes or defects, (ii) any Loan Document may be amended to add terms that are favorable to the Lenders (as reasonably determined by the Administrative Agent), (iii) this Agreement (including the amount of amortization due and payable with respect to any Class of Term Loans) may be amended to the extent necessary to create a fungible Class of Term Loans (including to add provisions that are more favorable to the relevant Class of Lenders holding such Term Loans, but not provisions that are adverse to such Class of Lenders) and (iv) this Agreement (and any other Loan Document) may be amended to the extent necessary or appropriate, in the opinion of the Administrative Agent and Parent Borrower, to effect the provisions of clause (h) of the "Collateral and Guarantee Requirement". Section 10.02 Notices and Other Communications: Facsimile Copies. (a) General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Loan Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows: 217 #96352060v15 #96352060v15

slide236

(i) if to Parent Borrower, the Administrative Agent, an L/C Issuer or the Swing Line Lender to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and (ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a written notice to Parent Borrower, the Administrative Agent and the L/C Issuers. All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four (4) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of Section 10.02(b)), when delivered; provided that notices and other communications to the Administrative Agent and the L/C Issuers pursuant to Article II shall not be effective until actually received by such Person during the person's normal business hours. In no event shall a voice mail message be effective as a notice, communication or confirmation hereunder. (b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail, FpML messaging and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or any L/C Issuer pursuant to Article II if such Lender or such L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or Parent Borrower may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor. (c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT

THE 218 #96352060v15 #96352060v15

slide237

ACCURACY OR COMPLETENESS OF PARENT BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM PARENT BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH PARENT BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Agent-Related Persons (collectively, the "Agent Parties") have any liability to the Loan Parties, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Parent Borrower's or the Administrative Agent's transmission of Parent Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party, provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages). (d) Change of Address, Etc. Each of Parent Borrower, the Administrative Agent, the Swing Line Lender and any L/C Issuer may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to Parent Borrower, the Administrative Agent, the Swing Line Lender and the L/C Issuers. In addition, each Lender agrees to notify the Administrative Agents from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the non-"PUBLIC" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to Parent Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to Parent Borrower or its securities for purposes of United States federal or state securities laws. (e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of Parent Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, the L/C Issuers, each Lender and the Agent-Related Parties of each of the foregoing from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Parent Borrower other than those arising as a result of such Person's 219 #96352060v15 #96352060v15

slide238

gross negligence or willful misconduct (as determined by a court of competent jurisdiction by a final and non-appealable judgment). (f) Notice to other Loan Parties. Parent Borrower agrees that notices to be given to any other Loan Party under this Agreement or any other Loan Document may be given to Parent Borrower in accordance with the provisions of this Section 10.02 with the same effect as if given to such other Loan Party in accordance with the terms hereunder or thereunder. Section 10.03 No Waiver, Cumulative Remedies. No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.



Section 10.04 Attorney Costs and Expenses. The Borrowers agree (a) to pay or reimburse the Administrative Agent, the Arranger and the L/C Issuers for all reasonable and documented or invoiced out-of-pocket costs and expenses associated with the syndication of the Revolving Credit Loans and the preparation, execution and delivery, administration, amendment, modification, waiver and/or enforcement of this Agreement and the other Loan Documents, and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), including all Attorney Costs of one primary counsel and one local counsel in each appropriate jurisdiction (which to the extent necessary, may include a single special counsel acting for multiple jurisdictions) and (b) to pay or reimburse the Administrative Agent, the Arranger, each L/C Issuer and the Lenders (taken as a whole) for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all fees, costs and expenses incurred in connection with any workout or restructuring in respect of the Loans, all such fees, costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, and including all Attorney Costs of one firm of outside counsel to the Administrative Agent (and one local counsel in each appropriate jurisdiction (which to the extent necessary may include a single special counsel acting for multiple jurisdictions)) (and, in the case of an actual or reasonably perceived conflict of interest, where the Person(s) affected by such conflict notifies Parent Borrower of the existence of such conflict, one additional firm of counsel for all such affected Persons in each relevant jurisdiction)). The foregoing fees, costs and expenses shall include all reasonable search, filing, recording and title insurance charges and fees related thereto, and other reasonable and documented out-of-pocket expenses incurred by any Agent. The agreements in this Section 10.04 shall survive the termination of the Aggregate Commitments and repayment of all other Obligations. All amounts due under this Section 10.04 shall be paid within ten (10) Business Days of receipt by Parent Borrower of an invoice relating thereto setting forth such expenses in reasonable detail. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its sole discretion. 220 #96352060v15 #96352060v15

---

 slide239

Section 10.05 Indemnification by Parent Borrower. Whether or not the transactions contemplated hereby are consummated, the Borrowers shall indemnify and hold harmless each Agent-Related Person, each Lender, each L/C Issuer, each Arranger and their respective Affiliates, and the directors, officers, employees, counsel, agents, advisors, and other representatives and the successors and permitted assigns of each of the foregoing (without duplication)(collectively, the "Indemnitees") from and against any and all losses, liabilities, damages and claims (collectively, the "Losses"), and reasonable and documented or invoiced out-of-pocket fees and expenses (including reasonable Attorney Costs of one primary firm of counsel for all Indemnitees and, if necessary, of a single firm of local counsel in each appropriate jurisdiction (which to the extent necessary, may include a single special counsel acting for multiple jurisdictions) for all Indemnitees (and, in the case of an actual or reasonably perceived conflict of interest, where the Indemnitee affected by such conflict notifies Parent Borrower of the existence of such conflict, one additional firm of counsel for all such affected Indemnitees in each relevant jurisdiction)), but no other third-party advisors without your prior consent (not to be unreasonably withheld or delayed) of any such Indemnitee arising out of, resulting from, or in connection with, any actual or threatened claim, litigation, investigation or proceeding (including any inquiry or investigation) relating to this Agreement, the Transactions or any related transaction contemplated hereby or thereby, the Facilities or any use of the proceeds thereof (any of the foregoing, a "Proceeding"), regardless of whether any such Indemnitee is a party thereto and whether or not such Proceedings are brought by Parent Borrower, its Affiliates or creditors or any other third party Person in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment, Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by an L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (c) any actual or alleged presence or Release or threat of Release of Hazardous Materials on, at, under or from any property currently or formerly owned or operated by Parent Borrower, any Subsidiary or any other Loan Party, or any Environmental Liability related in any way to Parent Borrower, any Subsidiary or any other Loan Party, or (d) any actual or threatened claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for or defense of any pending or threatened claim, investigation, litigation or proceeding) (all the foregoing, collectively, the "Indemnified Liabilities"); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such Losses and related expenses resulted from (x) the willful misconduct or gross negligence of such Indemnitee (as determined by a court of competent jurisdiction in a final and non-appealable decision), (y) a material breach of the Loan Documents by such Indemnitee (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (z) disputes solely between and among such Indemnitees to the extent such disputes do not arise from any act or omission of Parent Borrower or any of its Affiliates (other than, to the extent such disputes do not arise from any act or omission of Parent Borrower or any of its Affiliates, with respect to a claim against an Indemnitee acting in its capacity as an Agent or Arranger or similar role under the Loan Documents unless such claim arose from the exceptions specified in clauses (x) and (y) (as determined by a court of competent jurisdiction in a final and 221 #96352060v15 #96352060v15

Slide240



non-appealable decision)). No Indemnitee, nor any other party hereto shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement and, without in any way limiting the indemnification obligations set forth above, no Indemnitee or Loan Party shall have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date), provided that nothing contained in this sentence shall limit the Borrowers' indemnification and reimbursement obligations hereinabove to the extent such damages are included in any third-party claim in connection with which an Indemnitee is otherwise entitled to indemnification or reimbursement hereunder. In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, its directors, managers, partners, stockholders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents is consummated. All amounts due under this Section 10.05 shall be paid within thirty days after demand therefor (together with reasonably detailed backup documentation supporting such reimbursement request), provided, however, that such Indemnitee shall promptly refund such amount to the extent that there is a final judicial decision in a court of competent jurisdiction that such Indemnitee was not entitled to indemnification or contribution rights with respect to such payment pursuant to the express terms of this Section 10.05. The agreements in this Section 10.05 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Loan Documents, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations. For the avoidance of doubt, this Section 10.05 shall not apply to Taxes other than Taxes that represent liabilities, obligations, losses, damages, etc., with respect to a non-Tax claim. It is agreed that the Loan Parties shall not be liable for any settlement of any Proceeding (or any expenses related thereto) effected without Parent Borrower's written consent (which consent shall not be unreasonably withheld or delayed), but if settled with Parent Borrower's written consent or if there is a judgment by a court of competent jurisdiction in any such Proceeding, the Borrowers agree to indemnify and hold harmless each Indemnitee from and against any and all Losses and reasonable and documented or invoiced legal or other out-of-pocket expenses by reason of such settlement or judgment in accordance with and to the extent provided in the other provisions of this Section 10.05. No Borrower shall, without the prior written consent of any Indemnitee (which consent shall not be unreasonably withheld or delayed, it being understood that the withholding of consent due to non-satisfaction of any of the conditions described in clauses (i), (ii) and (iii) of this sentence shall be deemed reasonable), effect any settlement of any pending or threatened Proceeding in respect of which indemnity could have been sought hereunder by such Indemnitee unless such settlement (i) includes an unconditional release of such Indemnitee in form and substance reasonably satisfactory to such Indemnitee from all liability or claims that are the subject matter of such Proceeding, (ii) does not include any statement as to or any admission of 222 #96352060v15 #96352060v15

Slide241

fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnitee, and (iii) contains customary confidentiality provisions with respect to the terms of such settlement. Section 10.06 Payments Set Aside. To the extent that any payment by or on behalf of any Borrower is made to any Agent, the L/C Issuer or any Lender, or any Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement. Section 10.07 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that, except as otherwise provided herein (including without limitation as permitted under Section 7.04), no Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible

Assignee, (ii) by way of participation in accordance with the provisions of Section 10.07(e), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.07(g) or (iv) to an SPC in accordance with the provisions of Section 10.07(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon give any Person, (other firm or corporation, other than the parties hereto, their respective successors Holders, the Trustees and assigns permitted hereby, Participants to the extent provided in Section 10.07(e) and, to the extent expressly contemplated hereby, the Indemnitees) Agent, any legal or equitable right, remedy or claim under or by reason of this Agreement. (b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, after the Closing Date with respect to any Facility, any Lender may assign to one or more assignees ("Assignees") all or a portion of its rights and obligations under this Agreement in respect of such Facility (including all this Supplemental Indenture or a portion of its Commitment and the Loans (including for purposes of this Section 10.07(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld Indenture or delayed) of: (A) Parent Borrower, provided that, no consent of Parent Borrower any provision herein or therein contained.

SECTION 3.5. Governing Law. This Supplemental Indenture shall be required for an assignment (1) of any Revolving Credit Loans and/or Revolving Credit Commitments to any other Revolving 223 #96352060v15 #96352060v15

slide242

Credit Lender or any Affiliate of a Revolving Credit Lender or (2) if a Specified Event of Default has occurred **governed by** **'s** continuing, to any Assignee; provided further that Parent Borrower shall be deemed to have consented to any assignment of (X) Term Loans unless Parent Borrower shall object thereto by written notice to the Administrative Agent within five (5) Business Days after a Responsible Officer having received written notice thereof and (Y) Revolving Credit Loans and/or Revolving Credit Commitments unless Parent Borrower shall object thereto by written notice to the Administrative Agent within fifteen (15) Business Days after a Responsible Officer having received written notice thereof; (B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to another Lender, an Affiliate of a Lender or an Approved Fund; and (C) each L/C Issuer and the Swing Line Lender at the time of such assignment, provided that no consent of such L/C Issuers or of the Swing Line Lender shall be required for any assignment of a Term Loan; (ii) Assignments shall be subject to the following additional conditions: (A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 (in the case of the Revolving Credit Facility) or \$1,000,000 (in the case of a Term Loan) unless Parent Borrower and the Administrative Agent otherwise consents, provided that (1) no such consent of Parent Borrower shall be required if a Specified Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any; (B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption; (C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and any documentation required by Section 3.01(f); (D) the Assignee shall not be a natural person (or a holding company, investment vehicle or trust for, or owned and operated by or for the primary benefit of a natural Person); Defaulting Lender, a Disqualified 224 #96352060v15 #96352060v15

slide243



Lender, (other than as set forth in Section 2.05(d) or clause (F) below) any Loan Party or any of its Affiliates; provided that the list of Disqualified Lenders shall be made available to the Lenders; and (E) the Assignee shall not be a Defaulting Lender; and (F) in case of an assignment to an Affiliated Lender, (1) no Revolving Credit Loans or Revolving Credit Commitments shall be assigned to or held by any Affiliated Lender, (2) no proceeds of Revolving Credit Loans shall be used directly or indirectly, to consummate such assignment, (3) any Loans assigned to a Affiliated Lender shall be cancelled promptly upon such assignment, (4) such Affiliated Lender will not receive information provided solely to Lenders and will not be permitted to attend or participate in (or receive any notice of) Lender meetings or conference calls and will not be entitled to challenge the Administrative Agent's and the Lenders' attorney-client privilege as a result of their status as Affiliated Lenders, (5) the portion of the Total Outstandings held or deemed held by any Lenders that are Affiliated Lenders shall be excluded for all purposes of making a determination of Required Lenders, (6) any purchases by Affiliated Lenders shall require that such Affiliated Lender clearly identify itself as an Affiliated Lender in any Assignment and Assumption executed in connection with such purchases or sales and (6) no Affiliated Lender may purchase any Loans so long as any Event of Default has occurred and is continuing. Notwithstanding anything to the contrary, this paragraph (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities other than Term B Facilities on a non-pro rata basis. (c) Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.07(d) and receipt by the Administrative Agent from the parties to each assignment of a processing and recordation fee of \$3,500 (provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment), from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits and obligations of Sections 3.01, 3.03, 3.04, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, and the surrender by the assigning Lender of its Note (if any), the applicable Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause (c) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in 225 #96352060v15 #96352060v15

 slide244

accordance with Section 10.07(e). For greater certainty, any assignment by a Lender pursuant to this Section 10.07 shall not in any way constitute or be deemed to constitute a novation, discharge, recession, extinguishment or substitution of the existing indebtedness and any indebtedness so assigned shall continue to be the same obligation and not a new obligations. (d) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Parent Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans, L/C Obligations (specifying the Unreimbursed Amounts), L/C Borrowings, owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). No assignment shall be effective unless it has been recorded in the Register pursuant to this Section 10.07(d). The entries in the Register shall be conclusive, absent demonstrable error, and Parent Borrower, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Parent Borrower, any Agent and any Lender (with respect to its own interests only) at any reasonable time and from time to time upon reasonable prior notice. For the avoidance of doubt, the parties intend and shall treat the Loans (and any participation made pursuant to Section 10.07(e)) as being at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code unless otherwise required by Law. The Borrowers agree that the Administrative Agent, acting in its capacity as a non-fiduciary agent for purposes of maintaining the Register, and its officers, directors, employees, agents, sub-agents and affiliates, shall constitute "Indemnitees" under Section 10.05 hereof. (e) Any Lender may at any time, without the consent of, or notice to, Parent Borrower, the Administrative Agent or any other Person, sell participations to any Person (other than a natural person, a Defaulting Lender or, so long as the identity of the Disqualified Lenders is posted to the Lenders, to Disqualified Lenders) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and in Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Parent Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or the other Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in Section 10.01(a), (b), (c), (d), (e) or (f) that directly affects such Participant. Subject to Section 10.07(f), the Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.03 and 3.04 (through the applicable Lender), subject to the requirements and limitations of such Sections (including Section 3.01(f) and Sections 3.05 and 3.06), to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 226 #96352060v15 #96352060v15





10.07(b) (it being agreed that any documentation required to be provided under Section 3.01(f) shall be provided solely to the participating Lender). To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender, provided that such Participant complies with Section 2.13 as though it were a Lender. Any Lender that sells participations and any Lender that grants a Loan to a SPC shall maintain a register on which it enters the name and the address of each Participant and/or SPC and the principal and interest amounts of each Participant's and/or SPC's participation interest in the Commitments and/or Loans (or other rights or obligations) held by it (the "Participant Register"). The entries in the Participant Register shall be conclusive, absent demonstrable error, and Parent Borrower and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation interest or granted Loan as the owner thereof for all purposes notwithstanding any notice to the contrary. The Borrowers agree that the Administrative Agent, acting in its capacity as a non-fiduciary agent for purposes of maintaining the Participant Register, and its officers, directors, employees, agents, sub-agents and affiliates, shall constitute "indemnitees" under Section 10.05 hereof. In maintaining the Participant Register, such Lender shall be acting as the non-fiduciary agent of the Borrowers solely for purposes of applicable U.S. federal income tax law and undertakes no duty, responsibility or obligation to the Borrowers (without limitation, in no event shall such Lender be a fiduciary of the Borrowers for any purpose). No Lender shall have any obligation to disclose all or any portion of a Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, or its other obligations under this Agreement) except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Section 1.163-5(b) of the Proposed Treasury Regulations (or any amended or successor version) or, if different, under Sections 871(h) or 881(c) of the Code. (i) A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.03 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with Parent Borrower's prior written consent or to the extent such entitlement to a greater payment results from a Change in Law after the Participant became a Participant. (g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or similar central bank, provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto. (h) Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and Parent Borrower (an "SPC") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan and (ii) if an SPC elects not to exercise 227 #96352060v15 #96352060v15

slide246

such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (i) an SPC shall be entitled to the benefit of Sections 3.01, 3.03 and 3.04, subject to the requirements and limitations of such Sections (including Section 3.01(f) and Sections 3.05 and 3.06), to the same extent as if such SPC were a Lender, but neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of Parent Borrower under this Agreement (including its obligations under Section 3.01, 3.03 or 3.04) except to the extent any entitlement to greater amounts results from a Change in Law after the grant to the SPC occurred, (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable and such liability shall remain with the Granting Lender, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of Parent Borrower and the Administrative Agent, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee Obligation or credit or liquidity enhancement to such SPC. (i) Notwithstanding anything to the contrary contained herein, (1) any Lender may **construed** applicable Law create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it and (2) any Lender that is a Fund may create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; provided that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 10.07, (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise. (i) Notwithstanding anything to the contrary contained herein, any L/C Issuer may, upon thirty (30) days' notice to Parent Borrower and the Lenders, resign as an L/C Issuer; provided that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant L/C Issuer shall have identified, in consultation with Parent Borrower, a successor L/C Issuer willing to accept its appointment as successor L/C Issuer. In the event of any such resignation of an L/C Issuer, Parent Borrower shall be entitled to appoint from among the Lenders willing to accept such appointment a successor L/C Issuer, hereunder; provided that no failure by Parent Borrower to appoint any such successor shall affect the resignation of the relevant L/C Issuer. If an L/C Issuer resigns as an L/C Issuer, it shall retain all the rights and obligations of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer, and all L/C Obligations with respect thereto (including, as applicable, the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c) and the right to require the 228 #96352060v15 #96352060v15

slide247

Lenders to make Base Rate Loans). Upon the appointment of a successor L/C Issuer, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to such L/C Issuer to effectively assume the obligations of such L/C Issuer with respect to such Letters of Credit. (k) Notwithstanding anything to the contrary contained herein, the Swing Line Lender may, upon thirty (30) days' notice to Parent Borrower and the Lenders, resign as Swing Line Lender, provided that on or prior to the expiration of such 30-day period with respect to such resignation, the Swing Line Lender shall have identified, in consultation with Parent Borrower, a successor Swing Line Lender willing to accept its appointment as successor Swing Line Lender. In the event of any such resignation of the Swing Line Lender, Parent Borrower shall be entitled to appoint from among the Lenders willing to accept such appointment a successor Swing Line Lender hereunder, provided that no failure by Parent Borrower to appoint any such successor shall affect the resignation of the Swing Line Lender. If the Swing Line Lender resigns as Swing Line Lender, it shall retain all the rights and obligations of the Swing Line Lender hereunder with respect to all Swing Line Loans made by it and outstanding as of the effective date of its resignation as Swing Line Lender, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor Swing Line Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swing Line Lender. (l) Disqualified Lenders. (i) No assignment shall be made to any Person that was a Disqualified Lender as of the date (the "Trade Date") on which the applicable Lender entered into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to such Person (unless Parent Borrower has consented to such assignment as otherwise contemplated by this Section 10.07 (without giving effect to any deemed consent by Parent Borrower), in which case such Person will not be considered a Disqualified Lender for the purpose of such assignment). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Lender at any time after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of "Disqualified Lender"), (x) such assignee shall not retroactively be disqualified from becoming a Lender and (y) for purposes of assignments subsequent to such time, the execution by Parent Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Lender. Any assignment in violation of this clause (l)(i) shall not be void, but the other provisions of this clause (l) shall apply. (ii) If any assignment is made to any Disqualified Lender without Parent Borrower's prior consent in violation of clause (l) above, Parent Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) terminate any Revolving Credit Commitment of such Disqualified Lender and repay all obligations of any Borrower owing to such Disqualified Lender in connection with such Revolving Credit Commitment. (B) in the case of outstanding Term Loans held by 229 #96352060v15 #96352060v15

slide248

Disqualified Lenders, prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents and/or (C) require such Disqualified Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in this Section 10.07), all of its interest, rights and obligations under this Agreement and related Loan Documents to an Eligible Assignee that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and under the other Loan Documents; provided that (i) such assignment does not conflict with applicable Laws, (ii) such assignment shall be accompanied by any assignment fee and (iii) in the case of clause (B), no Borrower shall use the proceeds from any Loans to prepay Term Loans held by Disqualified Lenders. (iii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials

provided to Lenders by Parent Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lenders consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws ("Plan of Reorganization"), each Disqualified Lender party hereto hereby agrees (1) not to vote on such Plan of Reorganization, (2) if such Disqualified Lender does vote on such Plan of Reorganization notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be "designated" pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan of Reorganization in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a Determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2). (iv) The Administrative Agent shall have the right to (A) post the list of Disqualified Lenders provided by Parent Borrower and any updates thereto 230 #96352060v15 #96352060v15

slide249

from time to time on the Platform or (B) provide the List of Disqualified Lenders to each Lender requesting the same. Notwithstanding anything in this Agreement or any other Loan Document to the contrary, no Agent-Related Person shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce compliance by other parties with the provisions of this Agreement relating to Disqualified Lenders or Affiliated Lenders. Without limiting the generality of the foregoing, no Agent-Related Person shall (x) be obligated to ascertain, monitor or inquire as to whether any Lender or prospective Lender is a Disqualified Lender or Affiliated Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender or Affiliated Lender. Notwithstanding anything to the contrary in this Section, there shall be no restrictions on the ability of the Administrative Agent to make assignments pursuant to the credit bidding provision in last paragraph of Section 9.10 and such assignment such be made without regard to (without limitation) any transfer or assignment fee, any restrictions on Eligible Assignees or minimum assignment amounts. Section 10.08 Confidentiality. Each of the Agents (on behalf of themselves and any Agent Related Person), L/C Issuers and the Lenders agrees to maintain the confidentiality of the Information and to not use or disclose such information, except that Information may be disclosed (a) to its Affiliates and their respective directors, officers, employees, managers, administrators, limited partners, trustees, investment advisors 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 or who are subject to customary confidentiality obligations of professional practice or who are bound by the terms of this paragraph (or language substantially similar to this paragraph)); (b) to the extent required or requested by any Governmental Authority including any self-regulatory authority such as the National Association of Insurance Commissioners; provided that, other than with respect to requests or requirements by such Governmental Authority pursuant to its oversight or supervisory function over such Agent, L/C Issuer or Lender (or their affiliates) for purposes of clauses (b) or (h), such Agent, L/C Issuer or Lender shall (i) give the applicable Loan Party written notice prior to disclosing the information to the extent permitted by such requirement, (ii) cooperate with such Loan Party to obtain a protective order or similar confidential treatment (or, in the case of any requests or requirements by a Governmental Authority pursuant to its oversight or supervisory function, inform such Governmental Authority of the confidential nature of such information), and (iii) only disclose that portion of the information as counsel for such Agent, L/C Issuer or Lender advises such Person it must disclose pursuant to such requirement; (c) to the extent required by applicable Laws or regulations, or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) subject to an agreement containing provisions substantially the same as those of this Section 10.08 (or as may otherwise be reasonably acceptable to Parent Borrower), to any pledgee referred to in Section 10.07(g) or 10.07(i), counterparty to a Swap Contract, Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement (it being understood that the identity of Disqualified Lenders may be disclosed to any assignee or participant, or prospective assignee or participant); (f) with the written consent of 231 #96352060v15 #96352060v15

slide250

Parent Borrower; (g) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.08 or (y) is or was received by any Agent, any Lender, any L/C Issuer or any of their respective Affiliates from a third party that is not, to such party's knowledge, subject to contractual or fiduciary confidentiality obligations owing to Parent Borrower or any of its Affiliates; (h) to any Governmental Authority or examiner regulating any Lender; (i) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Loan Parties received by it from such Lender); or (j) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. In addition, the Agents and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this Agreement, the other Loan Documents, the Commitments, and the Credit Extensions. For the purposes of this Section 10.08, "Information" means all information received from any Loan Party or its Affiliates or its Affiliates' directors, managers, officers, employees, trustees, investment advisors or agents, relating to Parent Borrower or any of their Subsidiaries or their business, other than any such information that is publicly available to any Agent, L/C Issuer or any Lender prior to disclosure by any Loan Party other than as a result of a breach of this Section 10.08, including, without limitation, information delivered pursuant to Section 5.01, 6.02 or 6.03 hereof. Section 10.09 Setoff. In addition to any rights and remedies of the Lenders provided by Law, upon the occurrence and during the continuance of any Event of Default, subject to the exclusive right of the Administrative Agent and the Collateral Agent to exercise remedies under Section 9.11, each Lender and its Affiliates and each L/C Issuer and its Affiliates is authorized at any time and from time to time, without prior notice to Parent Borrower or any other Loan Party, any such notice being waived by Parent Borrower (on its own behalf and on behalf of each Loan Party and the Subsidiaries) to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, but excluding any payroll, trust, or Tax withholding accounts) at any time held by, and other Indebtedness (in any currency) at any time owing by, such Lender and its Affiliates or such L/C Issuer and its Affiliates, as the case may be, to or for the credit or the account of the respective Loan Parties and their Subsidiaries against any and all Loan Obligations owing to such Lender and its Affiliates or such L/C Issuer and its Affiliates hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not such Agent or such Lender or Affiliate shall have made demand under this Agreement or any other Loan Document and although such Loan Obligations may be contingent or unmatured or denominated in a currency different from that of the applicable deposit or Indebtedness. Notwithstanding anything to the contrary contained herein, no Lender or its Affiliates and no L/C Issuer or its Affiliates shall have a right to set off and apply any deposits held or other Indebtedness owing by such Lender or its Affiliates or such L/C Issuer or its Affiliates, as the case may be, to or for the credit or the account of any Subsidiary of a Loan Party that is a Foreign Subsidiary of a U.S. Subsidiary or a U.S. Foreign Holding Company. Each Lender and L/C Issuer agrees promptly to notify Parent Borrower and the Administrative Agent after any such set off and application made by such Lender or L/C Issuer, as the case may be; provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Administrative Agent, each 232 #96352060v15 #96352060v15

slide251



Lender and each L/C Issuer under this Section 10.09 are in addition to other rights and remedies (including other rights of setoff) that the Administrative Agent, such Lender and such L/C Issuer may have. Section 10.10 Counterparts. This Agreement and each other Loan Document may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopier or other electronic transmission of an executed counterpart of a signature page to this Agreement and each other Loan Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Loan Document. The Agents may also require that any such documents and signatures delivered by telecopier or other electronic transmission be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by telecopier or other electronic transmission. Section 10.11 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control, provided that the inclusion of supplemental rights or remedies in favor of the Agents or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof. Section 10.12 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by each Agent and each Lender, regardless of any investigation made by any Agent or any Lender or on their behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Loan Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. The provisions of Sections 10.14 and 10.15 shall continue in full force and effect as long as any Loan or any other Loan Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. Section 10.13 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Section 10.14 GOVERNING LAW, JURISDICTION, SERVICE OF PROCESS. 233 #96352060v15 #96352060v15



(a) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (EXCEPT AS OTHERWISE EXPRESSLY PROVIDED THEREIN). (b) EXCEPT AS SET FORTH IN THE FOLLOWING PARAGRAPH, ANY LEGAL ACTION OR PROCEEDING ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE IN THE BOROUGH OF MANHATTAN (PROVIDED THAT IF NONE OF SUCH COURTS CAN AND WILL EXERCISE SUCH JURISDICTION, SUCH EXCLUSIVITY SHALL NOT APPLY), AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH BORROWER, EACH AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH BORROWER, EACH AGENT AND EACH LENDER IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. (c) NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT, THE L/C ISSUER OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION (i) FOR PURPOSES OF ENFORCING A JUDGMENT, (ii) IN CONNECTION WITH EXERCISING REMEDIES AGAINST THE COLLATERAL IN A JURISDICTION IN WHICH SUCH COLLATERAL IS LOCATED, (iii) IN CONNECTION WITH ANY PENDING BANKRUPTCY, INSOLVENCY OR SIMILAR PROCEEDING IN SUCH JURISDICTION OR (iv) TO THE EXTENT THE COURTS REFERRED TO IN THE PREVIOUS PARAGRAPH DO NOT HAVE JURISDICTION OVER SUCH LEGAL ACTION OR PROCEEDING OR THE PARTIES OR PROPERTY SUBJECT THERETO. Section 10.15 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD Z34 #96352060v15 #96352060v15

slide253

NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. Section 10.16 Binding Effect. This Agreement shall become effective when it shall have been executed by each Borrower and the Administrative Agent shall have been notified by each Lender and L/C Issuer that each such Lender and L/C Issuer has executed it and thereafter shall be binding upon and inure to the benefit of each Borrower, each Agent and each Lender and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders except as permitted by Section 7.04, Section 10.17 (Reserved), Section 10.18 Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, without the prior written consent of the Administrative Agent. The provisions of this Section 10.18 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party. For the avoidance of doubt, the foregoing does not prevent or limit a Hedge Bank from exercising any rights to close out and/or terminate any Secured Hedge Agreement or transaction thereunder to which it is a party or net any such amounts in each case pursuant to the terms of such Secured Hedge Agreement. Section 10.19 USA PATRIOT Act, Canadian AML Legislation and UK "Know your customer". (a) Each Lender hereby notifies Parent Borrower that, pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Parent Borrower and the Guarantors, which information includes the name and address of Parent Borrower and the Guarantors and other information that will allow such Lender to identify Parent Borrower and the Guarantors in accordance with the USA PATRIOT Act. Parent Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act and the Beneficial Ownership Regulation; provided that, there shall be no Default or Event of Default arising out of any delay or non-compliance with this provision and such obligation shall be subject to any confidentiality obligations and/or attorney/client or similar privilege. (b) If the Administrative Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of the Proceeds of Crime 235 #96352060v15 #96352060v15

slide254

(Money Laundering) and Terrorist Financing Act (Canada) and other anti-terrorism laws and "know your client" policies, regulations, laws or rules applicable in Canada (the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and such other anti-terrorism laws, applicable policies, regulations, laws or rules in Canada (collectively, including any guidelines or orders thereunder, "Canadian AML Legislation"), then the Administrative Agent: (i) shall be deemed to have done so as an agent for each Lender and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Administrative Agent within the meaning of the applicable Canadian AML Legislation; and (ii) shall provide to the Lenders, copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness. Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each Lender agrees that the Administrative Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Loan Party or any such authorized signatory in doing so. (c) (i) If (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement, (B) any change in the status of a UK Loan Party after the date of this Agreement, or (C) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Administrative Agent or any Lender (or, in the case of paragraph (C) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each UK Loan Party shall promptly upon the request of the Administrative Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (C) above, on behalf of any prospective new Lender) in order for the Administrative Agent, such Lender or, in the case of the event described in paragraph (C) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents; and (ii) each Lender shall promptly upon the request of the supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Administrative Agent (for itself) in order for the Administrative Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Loan Documents. Section 10.20 Acceptable Intercreditor Agreements. (a) Each Lender (and, by its acceptance of the benefits of any Collateral Document, each other Secured Party) hereunder (a) agrees that it will be bound by and will take 236 #96352060v15 #96352060v15

slide255

no actions contrary to the provisions of any Acceptable Intercreditor Agreement and (b) authorizes and instructs the Collateral Agent and/or the Administrative Agent to enter into any Acceptable Intercreditor Agreement, in each case, as Collateral Agent or Administrative Agent hereunder, as applicable, and on behalf of such Lender or other Secured Party. (b) The foregoing provisions are intended as an inducement to the lenders or noteholders (or any agent, trustee or other representative thereof) party to such Acceptable Intercreditor Agreement to extend credit to the Borrowers and such Persons are intended third party beneficiaries of such provisions. Section 10.21 Obligations Absolute. To the fullest extent permitted by applicable Law, all obligations of the Loan Parties hereunder shall be absolute and unconditional irrespective of: (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, receivership, administration or the like of any Loan Party; (b) any lack of validity or enforceability of any Loan Document or any other agreement or instrument relating thereto against any Loan Party; (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Loan Obligations, or any other amendment or waiver of or any consent to any departure from any Loan Document or any other agreement or instrument relating thereto; (d) any exchange, release or non-perfection of any other Collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Loan Obligations; (e) any exercise or non-exercise, or any waiver of any right, remedy, power or privilege under or in respect hereof or any Loan Document; or (f) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Loan Parties. Section 10.22 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arranger are arm's-length commercial transactions between each Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Arranger, on the other hand, (B) each Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, each Lender and

slide256

respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, each Lender and each Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of each Borrower and its Affiliates, and neither the Administrative Agent nor any Arranger has any obligation to disclose any of such interests to such Borrower or any of its Affiliates. To the fullest extent permitted by law, each Borrower hereby waives and releases any claims that it may have against the Administrative Agent, each Lender and each Arranger with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby. Section 10.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority. Section 10.24 Acknowledgement Regarding Any Supported OFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts 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 238 #96352060v15 #96352060v15

slide257



applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/ or York.

**SECTION 3.6. Severability.** In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the United States remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

**SECTION 3.7. Benefits Acknowledged.** The Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

**SECTION 3.8. Ratification of Indenture; Supplemental Indentures Part of Indenture.** Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall not be used to, and is not intended to, interpret any other indenture (other than the Indenture), supplemental indenture, loan or credit agreement of the Issuer, the Guarantors or any other state of the United States): (a) In Company's Subsidiaries. Any such indenture, supplemental indenture, loan or credit agreement may not be used to interpret this Supplemental Indenture. This Supplemental Indenture shall form a part of 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 Indenture for all purposes, and every Holder of such Supported QFC Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

**SECTION 3.9. The Trustee and the benefit Agent.** Each of such QFC Credit Support (and any interest the Trustee and obligation in the Agent makes no representation 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 warranty as to the same extent as validity or sufficiency of this Supplemental Indenture or with respect to 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 recitals contained herein, all of which recitals are made solely by the laws other parties hereto.

**SECTION 3.10. Counterparts.** The parties hereto may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies original Supplemental Indenture for all purposes. Signatures of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC hereto transmitted by facsimile or any QFC Credit Support. (b) As used in this Section 10.24, the following terms have the following meanings: (i) "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. (ii) "Covered Entity" means any of the following: (A) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (B) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (C) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). (iii) "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. (iv) "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). 239 #96352060v15 #96352060v15



Section 10.25 Electronic Execution of Assignments and Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Assignment and Assumptions, amendments or other modifications, Committed Loan Notices, Swing Line Loan Notices, waivers and consents) PDF shall be deemed to include electronic be their original signatures for all purposes.

SECTION 3.11. Execution and Delivery. The Guaranteeing Subsidiary agrees that the electronic matching Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be any such Guarantee.

SECTION 3.12. Headings. The headings of the same legal effect, validity Articles and the Sections in this Supplemental Indenture are for convenience of reference only and shall not be deemed to alter or enforceability as a manually executed signature affect the meaning or the use interpretation of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it. [THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW] 240 #96352060v15 #96352060v15

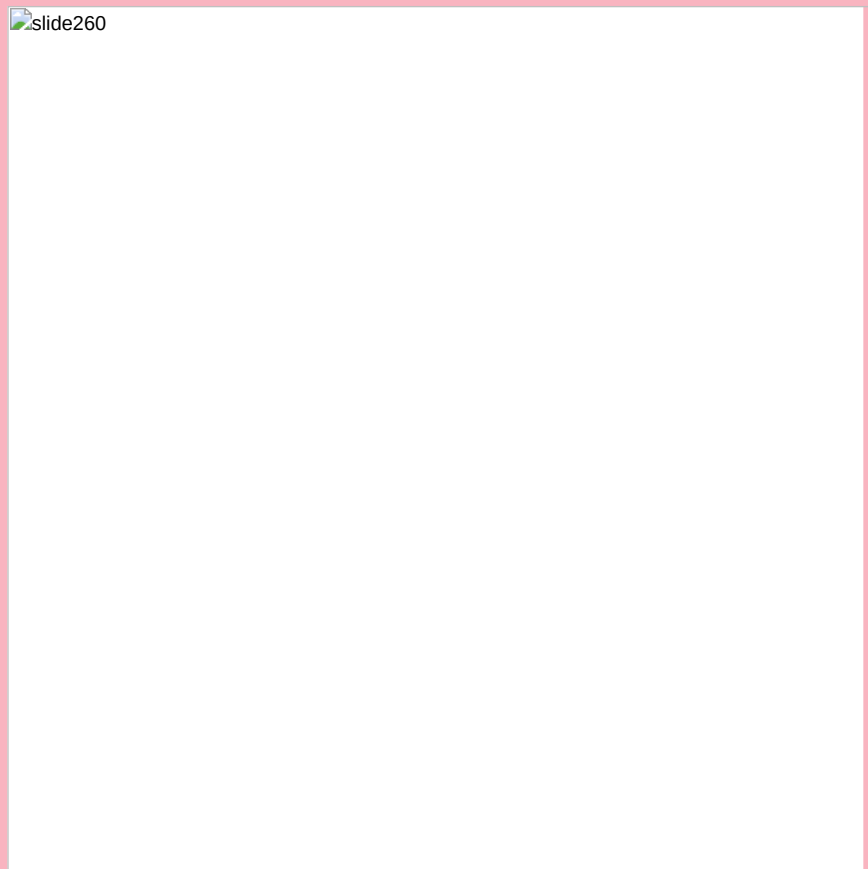
provisions hereof.





IN WITNESS WHEREOF, the parties hereto have caused this Agreement Supplemental Indenture to be duly executed as of the date first above written. 241 #96352060v15 #96352060v15

 slide260



#96416139v3 Exhibit B [FORM OF] COMMITTED LOAN NOTICE Date: . 20 Bank of America, N.A., as Administrative Agent under the Credit Agreement Bank of America, N.A. 2380 Performance Dr - Building C Mail code: TX2-984-03-23 Richardson, TX, 75082 Attn: Joanna Tarango Phone: 469-201-8731 Email: ecredit\_dedicated@bofa.com CC: Joanna.tarango@bofa.com Ladies and Gentlemen: The undersigned refers to the Credit Agreement, dated as of March 6, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement", the terms defined therein being used herein as therein defined), by and among Primo Water Corporation, a corporation organized under the federal laws of Canada (the "Parent Borrower"), Colt Holdings Inc., a Delaware corporation ("CHI" or a "Subsidiary Borrower") and Eden Springs Nederland B.V., a private limited liability company incorporated under the laws of the Netherlands, having its corporate seat in Rotterdam, the Netherlands, registered with the Dutch Chamber of Commerce under number 27198876 ("Eden Springs" or a "Subsidiary Borrower"), certain Subsidiaries of Parent Borrower designated as Subsidiary Borrowers pursuant to Section 2.18 thereof (each a "Subsidiary Borrower" and, together with CHI, Eden Springs and Parent Borrower, the "Borrowers" and each individually a "Borrower"), Bank of America, N.A., as Administrative Agent and Collateral Agent, each L/C Issuer and each Lender from time to time party thereto, and hereby gives you irrevocable notice pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a [Borrowing] [conversion] [continuation] under the Credit Agreement, and sets forth below the information relating to such [Borrowing] [conversion] [continuation] (the "Proposed [Borrowing] [Conversion] [Continuation]") as required by Section 2.02(a) of the Credit Agreement: (i) The Business Day of the Proposed [Borrowing] [Conversion] [Continuation] is . 20 .

slide261

#96416139v3 (ii) The Facility under which the Proposed [Borrowing] [Conversion] [Continuation] is requested is the Facility.1 (iii) The Type of Loans comprising the Proposed [Borrowing] [Conversion] [Continuation] is [Base Rate Loans] [Term SOFR Loans]. (iv) The aggregate principal amount and currency of the Proposed [Borrowing] [Conversion] [Continuation] is and .2 (v) For the account of [ ]. (vi) The location and number of the account to which funds are to be disbursed is: Bank: ABA #: Account #: Account Name: [3 (vii) [The initial Interest Period for each Term SOFR Loan made as part of the Credit Extension or the date on which Incremental Revolving Credit Commitments are established (but not drawn) is month[s].4] [The undersigned hereby certifies that the following statements will be true on the date of the Proposed Borrowing: (A) The representations and warranties contained in each Loan Document shall be true and correct in all material respects on and as of the date of the Credit Extension or the date on which Incremental Revolving Credit Commitments are established (but not drawn), provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date, provided further that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates. 1 Insert Class of proposed Borrowing, conversion or continuation. 2 Must be a minimum of the Borrowing Minimum (\$1,000,000 with respect to Term SOFR Loans and \$100,000 with respect to Base Rate Loans) or a whole multiple of the Borrowing Multiple (\$100,000), in excess thereof for either Term SOFR Loans or Base Rate Loans. 3 To include for Borrowings after the Closing Date only. 4 The Interest Period may be one, three or six months, or such other period that is twelve months or less requested by Parent Borrower and consented to by all the Lenders.



#96416139v3 (B) No Default exists or would result from such proposed Credit Extension or from the application of the proceeds therefrom. 5 Delivery of an executed counterpart of this Committed Loan Notice by facsimile or electronic transmission shall be effective as delivery of an original executed counterpart of this Committed Loan Notice. [Signature page follows] 5 Do not include for (x) a conversion of Loans to Term SOFR Loans, or a continuation of Term SOFR Loans, (y) a Credit Extension of Incremental Term Loans in connection with a Permitted Acquisition or other Investment or (z) the initial Credit Extension made on the Closing Date.

 slide263



#96416139v3 Very truly yours, PRIMO WATER CORPORATION, as Parent Borrower By: Name Title


 slide264

Exhibit C #96416490v3 FORM OF COMMITTED LOAN NOTICE (Alternative Currency Loans) Date: \_\_\_\_\_ 1 To: Bank of America, N.A., as Administrative Agent Bank of America, N.A. 2380 Performance Dr - Building C Mail  
code: TX2-984-03-23 Richardson, TX, 75082 Attn: Joanna Tarango Phone: 469-201-8731 Email: ecredit\_dedicated@bofa.com CC: Joanna.tarango@bofa.com Ladies and Gentlemen: Reference is made to that certain Credit Agreement,  
dated as of March 6, 2020 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement;" the terms defined therein being used herein as therein defined), among Primo Water  
Corporation, a corporation organized under the federal laws of Canada, Cott Holdings Inc., a Delaware corporation, Eden Springs Nederland B.V., a private limited liability company incorporated under the laws of the Netherlands, having its  
corporate seat in Rotterdam, the Netherlands, registered with the Dutch Chamber of Commerce under number 27198876, certain Subsidiaries of Parent Borrower designated as Subsidiary Borrowers pursuant to Section 2.18 thereof (each of  
the foregoing, a "Borrower"), the Lenders from time to time party thereto, the other parties from time to time party thereto and Bank of America, N.A., as Administrative Agent and Collateral Agent. The undersigned hereby requests (select  
one)2: Revolving Credit Facility Indicate: Borrowing or Continuation Indicate: Borrower Name Indicate: Requested Amount Indicate: Currency Indicate: Alternative Currency Daily Rate Loan, Eurocurrency Rate Loan or Alternative Currency  
Term Rate Loan For Alternative Currency Term Rate Loans or Eurocurrency Rate Loans, Indicate: Interest Period (e.g., 1, 3 or 6 month interest 1 Note to Borrower. All requests submitted under a single Committed Loan Notice must be  
effective on the same date. If multiple effective dates are needed, multiple Committed Loan Notices will need to be prepared and signed. 2 Note to Borrower. For multiple borrowings and/or continuations for a particular facility, fill out a new  
row for each borrowing and/or continuation.


slide265

2 #96416490v3 period) Term Loans Indicate: Borrowing or Continuation Indicate: Borrower Name Indicate: Requested Amount Indicate: Currency Indicate: Alternative Currency Daily Rate Loan or Alternative Currency Term Rate Loan For Alternative Currency Term Rate Loans. Indicate: Interest Period (e.g., 1, 3 or 6 month interest period) The location and number of the account to which funds are to be disbursed is: Bank: [ ] ABA #: [ ] Account #: [ ] Account Name: [ ] The Borrowing, if any, requested herein complies with the requirements set forth in the Credit Agreement. [BORROWER] By: Name: [Type Signatory Name] Title: [Type Signatory Title]

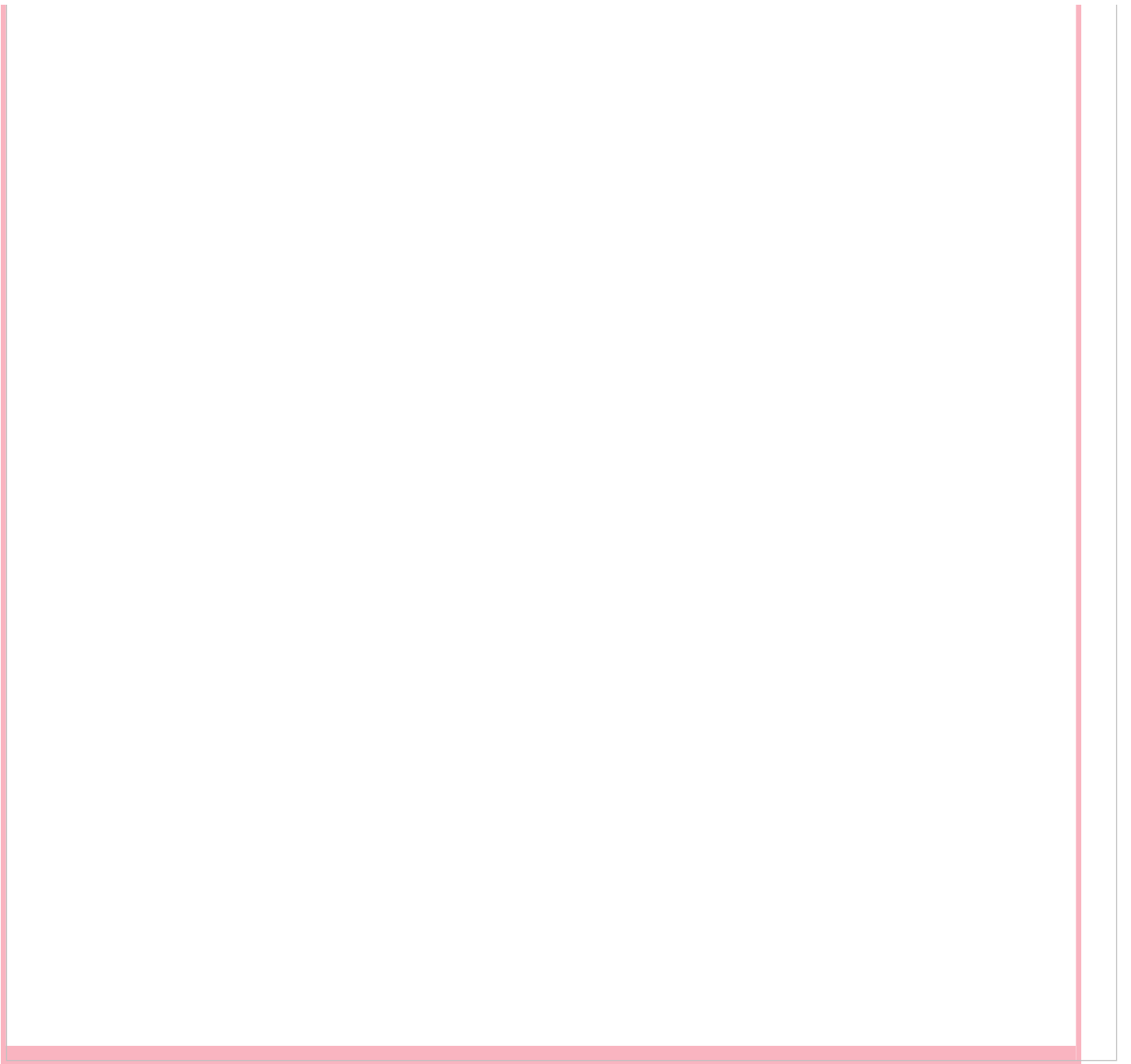
 slide266



#96366369v9 SCHEDULE 10.02 ADMINISTRATIVE AGENT'S OFFICE, PRINCIPAL OFFICE, CERTAIN ADDRESSES FOR NOTICES If to any Loan Party: c/o Primo Water Corporation 1150 Assembly Drive, Suite 800 Tampa, FL 33607  
Attention: Shane Perkey Email: SPerkey@cott.com with a copy to: Kirkland & Ellis LLP 601 Lexington Avenue New York, NY 10022 Facsimile (212) 446-4900 Attention: Ashley Gregory Email: gregorya@kirkland.com If to Administrative  
Agent, Bank of America, N.A. Syndicate and Corporate Lending - Agency Management 2380 Performance Dr - Building C Mail code: TX2-984-03-23 Richardson, TX, 75082 Attn: David J. Smith Phone: 214-209-4124 Email:  
david.smith2@bofa.com Email for Borrowing Requests and Interest Election Requests: ecredit\_dedicated@bofa.com with a copy to: Joanna Tarango@bofa.com Bank of America, N.A. 2380 Performance Dr - Building C Mail code: TX2-984-  
03-23 Richardson, TX, 75082 Attn: Joanna Tarango Phone: 469-201-8731

 slide267





US 354419247.02 3 #96366369v9 If to Bank of America, N.A. as an L/C Issuer: Bank of America Trade Operations Mail Code: PA6-580-02-30 1 Fleet Way Scranton, PA 18507 Tel: 570-496-9619 Email: [tradeclientserviceteam@bofa.com](mailto:tradeclientserviceteam@bofa.com)  
Attn: Michael Grizzanti Phone: 570-496-9621 Email: [Michael.a.grizzanti@bofa.com](mailto:Michael.a.grizzanti@bofa.com) Email for Borrowing Requests and Interest Election Requests: [ecredit\\_dedicated@bofa.com](mailto:ecredit_dedicated@bofa.com) with a copy to: [Joanna.tarango@bofa.com](mailto:Joanna.tarango@bofa.com) Bank of America,  
N.A. 2380 Performance Dr - Building C Mail code: TX2-984-03-23 Richardson, TX, 75082 Attn: Joanna Tarango Phone: 469-201-8731

**Exhibit 10.7**

**PRIMO WATER HOLDINGS INC.**

By: /s/ Mike James  
Name: Mike James  
Title: Assistant Secretary

**PRIMO WATER FINANCING ONE LLC**  
as a Guarantor

By: /s/ Mike James  
Name: Mike James  
Title: Assistant Secretary

**BNY TRUST COMPANY OF CANADA,**  
as Canadian Trustee

By: /s/ Bhawna Dhayal  
Name: Bhawna Dhayal  
Title: Vice President

**THE BANK OF NEW YORK MELLON,**  
as U.S. Trustee

By: /s/ Esther Antoine  
Name: Esther Antoine  
Title: Vice President

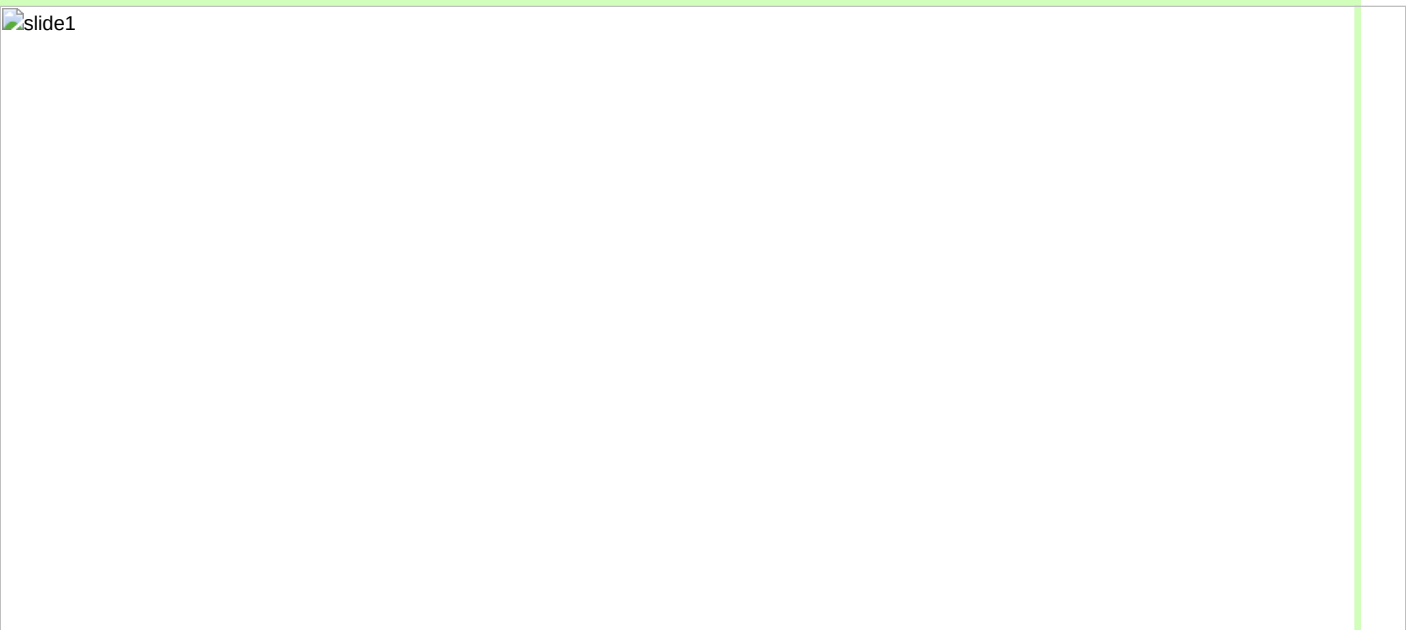
May 6th, 2015  
3

Jason Ausher

18636 Avenue Capri

Lutz, FL

slide1



33558

Anne Melaragni Via E-mail May 4, 2021 Dear Jason:

Anne: I am very pleased to outline in this letter (the "Offer Letter" "Offer Letter") the terms and conditions on which we are offering you the position of Chief Accounting Human Resources Officer ("CHRO") of Cott Corporation Primo Water Holdings Inc. (the "Company" "Company"), a subsidiary of Primo Water Corporation. This Offer Letter will not constitute an agreement until it has been fully executed by both parties. Please note that this Offer Letter does not contemplate a contract or promise of employment for any specific term; you will be an at will at-will employee at all times.

#### 1. Position and Duties.

**1.1 Position.** 1.1. Position. Subject to the terms and conditions hereof, you will be employed by the Company as its Chief Accounting Officer, CHRO, effective as of May 15th, 2015 May 4, 2021 (the "Employment Date") and continuing until terminated by you or the Company. Effective as of the Employment Date,).

#### 1.2 Responsibilities.

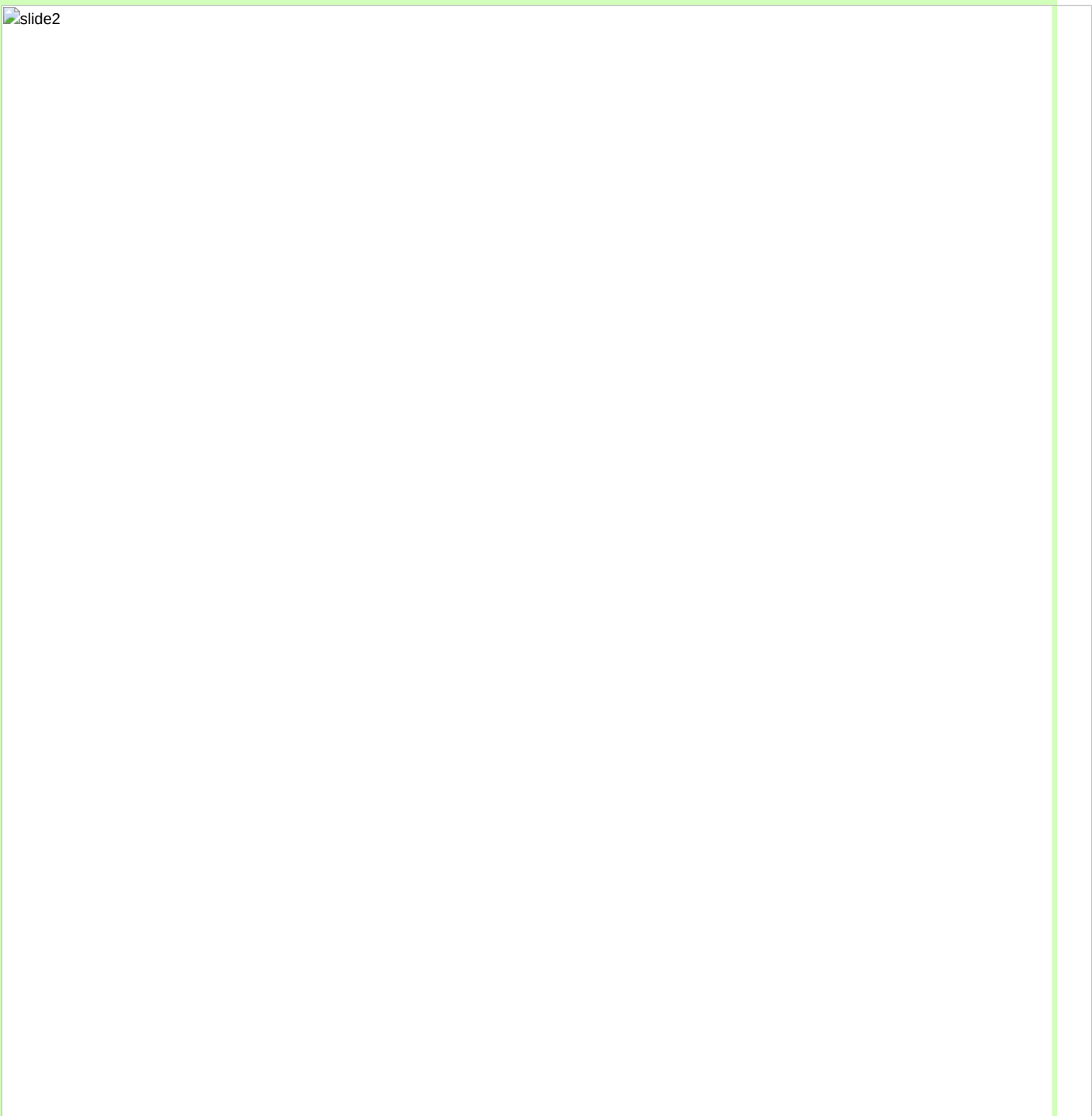
your principal place of employment will be Tampa, Florida. 1.2. Responsibilities. (a) As the Company's Chief Accounting Officer, CHRO, you will report to the Company's Chief Financial Executive Officer ("CEO") and have such duties and responsibilities as may be assigned to you from time to time by the Chief Financial Officer.

CEO. (b) You agree to devote substantially all of your business time and attention to the business and affairs of the Company and to discharging the responsibilities assigned to you. This shall not preclude you from (i) serving on the boards of directors of a reasonable number of charitable organizations, (ii) engaging in charitable activities and

community affairs, and (iii) managing your personal affairs, so long as these activities do not interfere with the performance of your duties and responsibilities as the Company's Chief Accounting Officer.

**1.3 CHRO. 1.3. No Employment Restriction.**Restriction. You hereby represent and covenant that, except as disclosed to the Company, your employment by the Company does not violate any agreement or covenant to which you are subject or by which you are bound and that there is no such agreement or covenant that could restrict or impair your ability to perform your duties or discharge your responsibilities to the Company. You agree and understand that if you represent to the Company that none exist or apply, and the Company discovers at any subsequent time that a restrictive 1

---





covenant does or did in fact exist or apply (regardless of the eventual enforceability or lack of enforceability of the restrictive covenant), the Company may opt to terminate your employment for "Cause" (for purposes of the Severance and Non-Competition Plan, in addition to how Cause is defined in the Severance and Non-Competition Plan) without triggering any severance or further payment obligations to you under this Offer Letter, any document referenced hereunder, or any legal theory. 2. **Remuneration.**

**2.1 Remuneration. 2.1. Base Salary.** Salary. Your annual base salary will initially be at the rate of US \$250,000 \$410,000.00 per year ("Annual Base Salary" Salary), paid on a bi-weekly basis, pro-rated prorated for any partial periods based on the actual number of days in the applicable period. Your performance will be evaluated at least annually, and any increase to the level of your Annual Base Salary will be determined as part of the regular annual review process.

**2.2 Bonus. 2.2. Bonus.** You will be eligible to participate in the Company's annual bonus plan and may earn a bonus based upon the achievement of specified performance goals. The amount of your target bonus is 50% 75% of your Annual Base Salary. The bonus year is the Company's fiscal year and any payments made to you for the bonus year 2021 will be weighted 50% on Primo Water Corporation consolidated results and 50% on Primo Water North America results. Currently the maximum potential payout permitted under the bonus plan is two (2) times the applicable target bonus for achievement of performance goals significantly in excess of the target goals, as established by the Human Resources and Compensation Committee of the Company's Board of Directors. Directors (the "HRCC"). Please note that the bonus plan is entirely discretionary, and the Company reserves in its absolute discretion the right to terminate or amend it or any other bonus plan that may be established.

You must be actively employed on the actual pay date of the bonus to be eligible to receive it or any portion of it. **2.3. One-Time LTI Grant.** You will be entitled to receive a one-time long-term incentive ("LTI") award equivalent to US \$400,000 comprised of time-based restricted share units, granted to you on your Employment Date. The time-based restricted share units will vest in two equal annual installments from the grant date. The LTI award, including the vesting terms, will be governed by the terms of the Primo Water Corporation equity incentive plan under which the award is made (the "Equity Plan") and your award agreement. You will be eligible for future LTI awards that will be based on your performance. Annual grants are issued following approval by the HRCC at its regularly scheduled meetings in December. 3. **Benefits.**

**3.1 Benefits. 3.1. Benefit Program.** Programs. You will be eligible to participate in the Company's benefit programs generally available to other senior executives of the Company. Our benefit programs include our 401(k) plan and health, disability and life insurance benefits. Employee contributions are required for our benefit program. You will also be eligible to be reimbursed or the Company will pay directly for the costs of an annual medical examination in an amount not to exceed US \$1,500 per year.

**3.2 401(k) Plan.** programs. 3.2. ESPP. In addition, you will continue to be eligible to participate in the Company's 401(k) Savings and Retirement Plan. Employee 2

slide3

US.355779675.01

**3.3 Vacation.** Stock Purchase Plan (the "ESPP"), through which you can purchase Company common shares at a discount through payroll deductions. **3.3. Vacation.** You will be entitled to four (4) **weeks weeks** vacation per calendar year. You are encouraged to take vacation in the calendar year it is earned. All earned vacation must be taken in the year in which it is earned; otherwise it may be forfeited. If you should leave the Company, the value of any unearned vacation taken by you will be considered a debt to the **Company.** Company and you expressly authorize the Company to deduct from your final paycheck to the maximum extent permitted by law the value of taken but unearned vacation. All vacation periods require the approval of the **Chief Financial Officer.**

**3.4 Reimbursement.** **CEO.** **3.4. Reimbursement.** You will be reimbursed for expenses reasonably incurred in connection with the performance of your duties in accordance with the Company's policies as established from time to time.

**3.5 It is your obligation to submit to the Company expense reimbursement requests and evidence of such expenses in order to receive reimbursements for such expenses.** **3.5. Relocation.** As a condition of your employment, you are required to relocate to the Tampa, Florida area on a permanent basis by no later than November 1, 2021 ("Relocation Date"). Failure to relocate by this deadline shall constitute "Cause" for your termination including for purposes of the Severance and Non-Competition Plan (in addition to how Cause is defined in the Severance and Non-Competition Plan). This deadline may only be extended by a writing signed by the Company's CEO. To assist you in your relocation, the Company will pay you a relocation bonus in the amount of US \$200,000.00 and will be paid at least 3 months prior to the Relocation Date. You agree to promptly reimburse the Company 100% of the relocation bonus in the event you: (a) fail to relocate to the Tampa area on a permanent basis by the deadline provided (or extended deadline, as may be applicable); or (b) resign your employment for any reason or are terminated by the Company for Cause (as defined herein or in the Severance and Non-Competition Plan) prior to the first anniversary of the Relocation Date (or actual relocation date if extended, whichever is later). You further agree to repay the Company the relocation bonus in full by the following deadlines: (a) if repayment is owed due to your failure to timely relocate, full repayment shall be due on or before the 90th day after the deadline to relocate; or (b) if repayment is owed due to your resignation for any reason or termination for Cause prior to the anniversary of the Relocation Date (or actual relocation date if extended, whichever is later), full repayment shall be due on or before the 90th day after the date of your resignation or termination. **3.6. Allowances.** You will receive an annual vehicle allowance in the amount of US \$13,500.00. **3.7. No Other Benefits.** **You** Benefits. Other than benefits generally available to all full-time employees, you will not be entitled to any benefit or perquisite other than as specifically set out in this Offer Letter or separately agreed to in writing by the Company.

#### 4. Termination; Payments and Entitlements Upon a Termination. Termination. 3

##### 4.1 Termination.

 slide4

4.1. Termination. The Company may terminate your employment: (a) for Cause (as defined herein or in Exhibit A), the Severance and Non-Competition Plan); or (b) upon your Disability (as defined in Exhibit A), or (c) for any reason or no reason, in all cases, upon reasonable notice to you. Your employment with the Company will terminate upon your death.

4.2 Involuntary Termination. Subject You are able to Sections 4.3, 8.9, and 10.11, if resign your employment, is terminated following as provided in the date of this Offer Letter (i) by Severance and Non-Competition Plan. 4.2. Involuntary Termination. Upon the Company without Cause other than by reason of your Disability or (ii) by Employment Date, you for Good Reason (either (i) or (ii), an "Involuntary Termination"), you will shall be entitled to the following payments benefits of and entitlements:

(a) Cash be bound by the obligations under the Amended and Restated Severance Payment. You will receive and Non-Competition Plan (the "Severance and Non-Competition Plan") (a copy of which is attached hereto) as a cash payment in an amount equal to six months of your then Annual Base Salary (the "Severance Amount"). The Severance Amount will be paid in a lump sum, less all applicable withholding taxes, within thirty (30) days after the Involuntary Termination, except "Level 2 Employee" in the case event your employment terminates as result of an Involuntary Termination that is part (as defined in the Severance and Non-Competition Plan). 4.3. Change in Control. If (1) your LTI awards are continued, assumed, or replaced by the surviving or successor entity, and, within two years after the Change of a group Control (as defined in the Equity Plan), you experience an involuntary termination program, of employment for reasons other than Cause (as defined in which case the payment shall be made within sixty (60) days. The Severance Amount Equity Plan), or you terminate your employment for Good Reason (as defined in the Equity Plan), or (2) such awards are not continued, assumed or replaced by the surviving or successor entity, then (i) your unvested options will not be considered as compensation for purposes immediately become vested and exercisable, (ii) all of determining benefits under your unvested time-based and performance-based restricted share units will immediately vest, and (iii) any other qualified or non-qualified plans of the Company.

(b) Accrued Salary and Vacation. You performance objectives applicable to awards will be paid all salary and accrued vacation pay earned through the date deemed to have been satisfied at your "target" level of your termination, less all applicable withholding taxes, on the first regular pay date following the date of your termination.

(c) No Other Payments. Upon payment of the amounts to be paid pursuant to Sections 4.2(a) and 4.2(b), the Company shall have no further liability hereunder.

4.3 Release Required. You will not be entitled to receive the payment set forth in Section 4.2(a) and, if applicable, Section 7, unless you execute, at least seven days before the date payment is due to be made, and do not revoke, a release in the form of Exhibit B in favor of the Company and related parties relating to all claims or liabilities of any kind relating to your employment with the Company and the Involuntary Termination of such employment.

5. Other Termination. If your employment is terminated by (a) your resignation, (b) your death, or (c) by the Company for Cause or as a result of your Disability, then you shall not be entitled to receive any severance or other payments, entitlements or benefits other than Annual Base Salary earned through the date of termination and reimbursement for expenses through the date of termination and, in either case, not yet paid. For greater certainty, with respect to a termination by reason of death or by reason of a Disability, nothing in this Offer Letter shall derogate from any rights and/or entitlements that you may be entitled to receive under any other equity compensation or benefit plan of the Company applicable to you.

6. Resignation. performance. 4.4. Resignation. If you are a director an officer of the Company or a director or an officer of a company affiliated or related to the Company at the time of your termination, you will be deemed to have resigned all such positions, and you agree that upon termination you will execute such tenders of resignation as may be requested by the Company to evidence such resignations.

**7. Rights under Equity Plans.** The provisions **4.5. Return** of this Offer Letter are subject to the terms of the Company's equity plans in effect from time to time. Any equity awards granted to you under the equity plans shall be forfeited or not, vest or not, and, in the case of stock options and stock appreciation rights, become exercisable or not, as provided by and subject to the terms of the applicable equity plan.

## **8. Restrictive Covenants.**

US.355779675.01

---

### **8.1 Confidentiality.**

(a) You acknowledge that in the course of carrying out, performing and fulfilling your obligations to the Company hereunder, you will have access to and will be entrusted with information that would reasonably be considered confidential to the Company or its Affiliates, the disclosure of which to competitors of the Company or its Affiliates or to the general public, will be highly detrimental to the best interests of the Company or its Affiliates. Such information includes, without limitation, trade secrets, know-how, marketing plans and techniques, cost figures, client lists, software, and information relating to employees, suppliers, customers and persons in contractual relationship with the Company. Except as may be required in the course of carrying out your duties hereunder, you covenant and agree that you will not disclose, for the duration of your employment or at any time thereafter, any such information to any person, other than to the directors, officers, employees or agents of the Company that have a need to know such information, nor shall you use or exploit, directly or indirectly, such information for any purpose other than for the purposes of the Company, nor will you disclose or use for any purpose, other than for those of the Company or its Affiliates, any other information which you may acquire during your employment with respect to the business and affairs of the Company or its Affiliates. Notwithstanding all of the foregoing, you shall be entitled to disclose such information if required pursuant to a subpoena or order issued by a court, arbitrator or governmental body, agency or official, provided that you shall first have:

(i) notified the Company;

(ii) consulted with the Company on whether there is an obligation or defense to providing some or all of the requested information;

(iii) if the disclosure is required or deemed advisable, cooperate with the Company in an attempt to obtain an order or other assurance that such information will be accorded confidential treatment.

(b) Notwithstanding the foregoing, you may disclose information relating to your own compensation and benefits to your spouse, attorneys, financial advisors and taxing authorities. Please note that pursuant to rules promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934 in effect on the date hereof, the amount and components of your compensation may be required to be publicly disclosed on an annual basis.

**8.2 Inventions.** You acknowledge and agree that all right, title and interest in and to any information, trade secrets, advances, discoveries, improvements, research materials and databases made or conceived by you prior to or during your employment relating to the business or affairs of the Company, shall belong to the Company. In connection with the foregoing, you agree to execute any assignments and/or acknowledgements as may be requested by the Chief Financial Officer from time to time.

**8.3 Corporate Opportunities.** Any business opportunities related to the business of the Company which become known to you during your employment with the Company must be fully disclosed and made available to the Company by you, and you agree not to take or attempt to take any action if the result would be to divert from the Company any opportunity which is within the scope of its business.

### **8.4 Non-Competition and Non-Solicitation.**

(a) You will not at any time, without the prior written consent of the Company, during your employment with the Company and for a period after the Property. Upon resignation/termination of your employment that for any reason, you agree to immediately return all Company property in your possession, custody, or control (e.g., Company-issued computer, telephone, badge, keys, equipment, vehicle, etc.). You expressly authorize the Company to deduct the value or replacement cost (whichever is equal less) of any unreturned Company property from your severance payment (if receiving one) or final paycheck to the number of months used maximum extent permitted by law. 5. Restrictive Covenants. Severance and Non-Competition Plan. You shall be bound by the restrictive covenants contained in the calculation of the Severance Payment under Section 4.2(a) (regardless of the reason for such termination or whether the Severance Payment is made), either individually or in partnership, jointly or in conjunction with any person or persons, firm, association, syndicate, corporation or company, whether as agent, shareholder, employee, consultant, or in any manner whatsoever, directly or indirectly:

(i) anywhere in the Territory, engage in, carry on or otherwise have any interest in, advise, lend money to, guarantee the debts or obligations of, permit your name to be used in connection with any business which is competitive to the Business or which provides the same or substantially similar services as the Business;

(ii) for the purpose, or with the effect, of competing with any business of the Company, solicit, interfere with, accept any business from or render any services to anyone who is a client or a prospective client of the Company or any Affiliate at the time you ceased to be employed by the Company or who was a client during the 12 months immediately preceding such time;

(iii) solicit or offer employment to any person employed or engaged by the Company or any Affiliate at the time you ceased to be employed by the Company or who was an employee during the 12-month period immediately preceding such time.

(b) Nothing in this Offer Letter shall prohibit or restrict you from holding or becoming beneficially interested in up to one (1%) percent of any class of securities in any company provided that such class of securities are listed on a recognized stock exchange in Canada or the United States or on the NASDAQ.

(c) If you are at any time in violation of any provision of this Section 8.4, then each time limitation set forth in this Section 8.4 shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from any such violation, then the covenants set forth shall be extended for a period of time equal to the pendency of the proceeding in which relief is sought, including all appeals therefrom.

**8.5 Insider and Other Policies.** You will comply with all applicable securities laws and the Company's Insider Trading Policy and Insider Reporting Procedures in respect of any securities of the Company that you may acquire, and you will comply with all other of the Company's policies that may be applicable to you from time to time.

**8.6 Non-Disparagement.** You will not disparage the Company or any of its affiliates, directors, officers, employees or other representatives in any manner and will in all respects avoid any negative criticism of the Company.

**8.7 Injunctive Relief.**

(a) You acknowledge and agree that in the event of a breach of the covenants, provisions and restrictions in this Section 8, the Company's remedy in the form of monetary damages will be inadequate and that the Company shall be, and is hereby, authorized and entitled, in addition to all other rights and remedies available to it, to apply for and obtain from a court of competent jurisdiction interim and permanent injunctive relief and an accounting of all profits and benefits arising out of such breach.

(b) The parties acknowledge that the restrictions in this Section 8 are reasonable in all of the circumstances and you acknowledge that the operation of restrictions contained in this Section 8 may seriously constrain your freedom to seek other remunerative employment. If any of the restrictions are determined to be unenforceable as going beyond what is reasonable in the circumstances for the protection of the interests of the Company but would be valid, for example, if the scope of their time periods or geographic areas were limited, the parties consent to the court making such modifications as may be required and such restrictions shall apply with such modifications as may be necessary to make them valid and effective.

**8.8 Survival of Restrictions.** Each and every provision of this Section 8 shall survive the termination of this Offer Letter or your employment (regardless of the reason for such termination).

**8.9 Forfeiture.** Notwithstanding the provisions of Section 4.2, if following any Involuntary Termination it shall be determined that the you have breached (either before or after such termination) any of the agreements in this Section 8, the Company shall have no obligation or liability or otherwise to make any further payment under Section 4.2 from and after the date of such breach, except for payments, if any, that cannot legally be forfeited.

**9. Non-Competition Plan 6. Code Section 409A.**

**9.1 409A. 6.1. In General.** General. This Section 9 shall apply to you if you are subject to Section 409A of the United States Internal Revenue Code of 1986 (the "Code"), but only with respect to any payment due hereunder that is subject to Section 409A of the Code.

**9.2 Release. 6.2. Release.** Any requirement that you execute and not revoke a release to receive a payment hereunder shall apply to a payment described in Section 9.1 6.1 only if the 4

Slide5

Company provides the release to you on or before the date of your Involuntary Termination.

**9.3 6.3. Payment Following Involuntary Termination.** Notwithstanding any other provision herein to the contrary, any payment described in **Section 9.1 the Severance and Non-Competition Plan** that is due to be paid within a stated period following your Involuntary Termination shall be paid:

(a) If, at the time of your Involuntary Termination, you are a "specified employee" as defined in Section 409A of the Code and such payment is subject to (and not exempt from) Section 409A of the Code, such payment shall be made as of the later of (i) the date payment is due hereunder, or (ii) the earlier of the date which is six months after your "separation from service" (as defined under Section 409A of the Code), or the date of your death; or

(b) In any other case, on the later of (i) last day of the stated period, or if such stated period is not more than 90 days, at any time during such stated period as determined by the Company without any input from you, or (ii) the date of your "separation from service" (as defined under Section 409A of the Code).

**9.4 Reimbursements.** **6.4. Reimbursements.** The following shall apply to any reimbursement that is a payment described in Section 9.1: 6.1: (a) with respect to any such reimbursement under Section 10.8,

7.8, reimbursement shall not be made unless the expense is incurred during the period beginning on your effective hire date and ending on the sixth anniversary of your death; (b) the amount of expenses eligible for reimbursement during your taxable year shall not affect the expenses eligible for reimbursement in any other year; and (c) the timing of all such reimbursements shall be as provided herein, but not later than the last day of your taxable year following the taxable year in which the expense was incurred.

**9.5 Offset.** **6.5. Offset.** If payments to you under this Agreement are subject to Section 409A of the Code, any offset under Section 10.11 7.11 shall apply to a payment described in Section 9.1 6.1 only if the debt or obligation was incurred in the ordinary course of your employment with the Company, the entire amount of the set-off in any taxable year of the Company does not exceed \$5,000, and the set-off is made at the same time and in the same amount as the debt or obligation otherwise would have been due and collected from you.

**9.6 Interpretation.** **6.6. Interpretation.** This Offer Letter shall be interpreted and construed so as to avoid the additional tax under Section 409A(a)(1)(B) of the Code to the maximum extent practicable.

**10. General Provisions.**

**10.1 7. General Provisions. 7.1. Entire Agreement.** Agreement. This Offer Letter, together with the plans and documents referred to herein, constitutes and expresses the whole agreement of the parties hereto with reference to any of the matters or things herein provided for or herein before discussed or mentioned with reference to your employment. employment and supersedes any prior offer letters or severance arrangements offered by the Company or any of its affiliates (including that Offer Letter dated July 13, 2020). All promises, representation, collateral agreements and undertakings not expressly incorporated in this Offer Letter are hereby superseded by this Offer Letter. 5

**10.2 Amendment.**

slide6



**7.2. Amendment.** This Offer Letter may be amended or modified only by a writing signed by both of the parties hereto.

**10.3 Assignment. 7.3. Assignment.** This Offer Letter may be assigned by the Company to any successor to its business or operations. Your rights hereunder may not be transferred by you except by will or by the laws of descent and distribution and except insofar as applicable law may otherwise require. Any purported assignment in violation of the preceding sentence shall be void.

**10.4 7.4. Governing Law; Consent to Personal Jurisdiction and Venue. Venue.** This Offer Letter takes effect upon its acceptance and execution by the Company. The validity, interpretation, and performance of this Offer Letter shall be governed, interpreted, and construed in accordance with the laws of the State of Florida without giving effect to the principles of comity or conflicts of laws thereof. You hereby consent to personal jurisdiction and venue, for any action brought by the Company arising out of a breach or threatened breach of this Offer Letter or out of the relationship established by this Offer Letter, exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida; and, if applicable, the federal and state courts in any jurisdiction where you are employed or reside; you hereby agree that any action brought by you, alone or in combination with others, against the Company, whether arising out of this Offer Letter or otherwise, shall be brought exclusively in the United States District Court for the Middle District of Florida, Tampa Division, or in the Circuit Court in and for Hillsborough County, Florida.

**10.5 Severability. 7.5. Severability.** The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this Offer Letter shall not affect the enforceability of the remaining portions of the Offer Letter or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event that any one or more

of the words, phrases, sentences, clauses or sections contained in the Offer Letter shall be declared invalid, the Offer Letter shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted.

US.355779675.01

**10.6 7.6. Section Headings and Gender.**Gender. The section headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine or neuter, as the identity of the person or persons may require.

**10.7 7.7. No Term of Employment.**Employment. Nothing herein obligates the Company to continue to employ you. Where lawfully permitted in any jurisdiction in which you perform employment responsibilities on behalf of the Company, your employment shall be at will.

**10.8 Indemnification.** 7.8. Indemnification. The Company will indemnify and hold you harmless to the maximum extent permitted by applicable law against judgments, fines, amounts paid in settlement and reasonable expenses, including reasonable attorneys' fees, in connection with the defense of, or as a result of any action or proceeding (or any appeal from any action or proceeding) in which you are made or are threatened to be made a party by reason of the fact that you are or were an officer of the Company or any **Affiliate.** Affiliate (as defined in the Severance and Non- Competition Plan). In 6

slide7

addition, the Company agrees that you shall be covered and insured up to the maximum limits provided by any insurance which the Company maintains to indemnify its directors and officers (as well as any insurance that it maintains to indemnify the Company for any obligations which it incurs as a result of its undertaking to indemnify its officers and directors).

**10.9 Survivorship.** 7.9. Survivorship. Upon the termination your employment, the respective rights and obligations of the parties shall survive such termination to the extent necessary to carry out the intended preservation of such rights and obligations.

**10.10 Taxes.** 7.10. Taxes. All payments under this Offer Letter shall be subject to withholding of such amounts, if any, relating to tax or other payroll deductions as the Company may reasonably determine and should withhold pursuant to any applicable law or regulation.

**10.11 Set-Off.** 7.11. Set-Off. Except as limited by Section 9.5, 6.5, the Company may set off any amount or obligation which that may be owing by you to the Company against any amount or obligation owing by the Company to you.

**10.12 Records.** 7.12. Records. All books, records, and accounts relating in any manner to the Company or to any suppliers, customers, or clients of the Company, whether prepared by you or otherwise coming into your possession, shall be the exclusive property of the Company and immediately returned to the Company upon termination of employment or upon request at any time.

**10.13 Counterparts.** 7.13. Counterparts. This Offer Letter may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

**10.14 7.14. Consultation with Counsel.** Counsel. You acknowledge that you have conferred been advised, and have had a sufficient opportunity to, confer with your own counsel with respect to this Offer Letter, and that you understand the restrictions and limitations that it imposes upon your conduct.

Jason, please Please indicate your acceptance of this offer by returning one signed original of this Offer Letter.

Yours truly,

/s/ Jay Wells

Jay Wells, CFO Cott Corporation

slide8

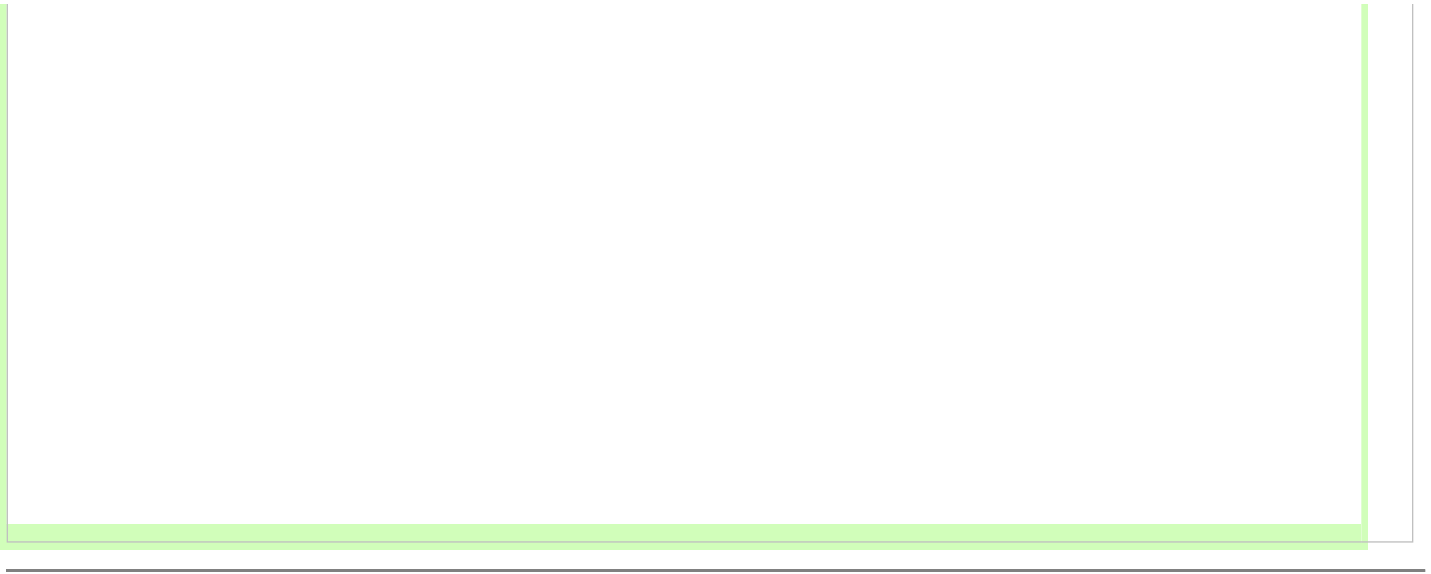
/s/ Jason Ausher

5/6/2015

Jason Ausher

Date

 Slide9



 slide1



US.355779675.01

#### **Exhibit A**

#### **Definitions**

**"Affiliate"** shall mean, PRIMO WATER CORPORATION AMENDMENT NO. 3 TO THE PRIMO WATER CORPORATION 2018 EQUITY INCENTIVE PLAN RECITALS A. Pursuant to section 17(a) of the Primo Water Corporation 2018 Equity Incentive Plan (the "Plan"), the board of directors of Primo Water Corporation (the "Company") wish to amend the Plan as hereinafter set forth. NOW THEREFORE, this Amendment No. 3 is hereby adopted on this 31st day of October 2023: 1. Section 3(j) of the Plan is hereby amended to add the following to the end of that section: Notwithstanding anything in this Section to the contrary, with respect to any person or entity (herein the **"first party"**), any other person or entity that directs or indirectly controls, or is controlled by, or is under common control with, such first party. The term **"control"** as used herein (including the terms **"controlled by"** and **"under common control with"**) means the possession, directly or indirectly, Award subject to Section 409A of the power to: (i) vote 50% Code, Date of Termination or more of the outstanding voting securities of such person or entity, or (ii) otherwise direct or significantly influence the management or policies of such person or entity by contract or otherwise.

**"Business" Termination** shall mean the business Grantee's **"separation from service"** (as such term is defined for purposes of manufacturing, selling or distributing carbonated soft drinks, juices, water and other non-alcoholic beverages to the extent such other non-alcoholic beverages contribute, or are contemplated or projected to contribute, materially to the profits Section 409A of the Company at the time of termination of your employment).

**"Cause"** shall mean your:

(a) willful failure to properly carry out your duties and responsibilities or to adhere to the policies Code). 2. Section 3(m) of the Company after written notice by the Company of the failure Plan is hereby amended and restated in full to do so, and such failure remaining uncorrected following an opportunity for you to correct the failure within ten (10) days of the receipt of such notice;

(b) theft, fraud, dishonesty or misappropriation, or the gross negligence or willful misconduct, involving the property, business or affairs of the Company, or in the carrying out of your duties, including, without limitation, any breach of the representations, warranties and covenants contained herein;

(c) conviction of or plea of guilty to a criminal offence that involves fraud, dishonesty, theft or violence;

(d) breach of a fiduciary duty owed to the Company; or

(e) refusal to follow the lawful written reasonable and good faith direction of the Board.

**"Disability"** shall mean any incapacity or inability by you, including any physical or mental incapacity, disease, illness or affliction, which has prevented or which will likely prevent you from performing the essential duties of your position for six (6) consecutive months or for any cumulative period of 125 business days (whether or not consecutive) in any two (2) year period.

**"Good Reason"** read as follows: (m) "Good Reason" shall mean any of the following:

(a) (1) a material diminution in your the Grantee's title or duties or assignment to you the Grantee of materially inconsistent duties;

(b) (2) a reduction in your then-current Annual Base Salary the Grantee's then current annual base salary or target bonus opportunity as a percentage of Annual Base Salary, annual base salary, unless such reduction in target bonus opportunity is made applicable to all senior executives;

(c) other Grantees serving in substantially the same capacity; (3) relocation of your the Grantee's principal place of employment to a location that is more than 50 miles away from your the Grantee's principal place of employment on the Employment Date, Grantee's date of hire, unless such relocation is effected at your the Grantee's request and or with your the Grantee's approval;

(d) (4) a material breach by the Company or a Subsidiary of any provisions of this Offer Letter, or any employment agreement to which you the Grantee and the Company or Subsidiary are parties, after written notice by you of the breach and such failure remaining uncorrected following an opportunity for the Company to correct such failure within ten (10) days of the receipt of such notice; or

(e) parties; (5) the failure of the Company or Subsidiary to obtain the assumption in writing of its obligation an employment agreement to perform this Offer Letter which the Grantee and the Company or Subsidiary are parties by any successor to all or substantially all of the business or assets of the Company within fifteen (15) days after a merger, consolidation, sale or similar transaction.

**"Territory"** shall mean the countries in which the Company and its subsidiaries conduct the Business Subsidiary; or in which the Company plans to conduct the Business within the following 12 months.

US.355779675.01

## **Exhibit B**

### **Form of Release**

In consideration (6) Any other action that constitutes good reason for resignation or termination from or of the mutual promises, payments and benefits provided for in the Offer Letter between COTT Corporation (the "Corporation") and Jason Ausher (the "Employee") dated May 6<sup>th</sup>, 2015 the Corporation and the Employee agree to the terms of this Release Agreement. Capitalized terms used and not defined in this Release Agreement shall have the meanings assigned thereto in the Offer Letter.

1. The Employee acknowledges and agrees that the Corporation is under no obligation to offer the Employee the payments and benefits set forth in Section 4.2 of the Offer Letter unless the Employee consents to the terms of this Release Agreement. The Employee further acknowledges that he/she is under no obligation to consent to the terms of this Release Agreement and that the Employee has entered into this agreement freely and voluntarily.



2. In consideration of the payment and benefits set forth in the Offer Letter and the Corporation's release set forth in paragraph 5, the Employee voluntarily, knowingly and willingly releases and forever discharges the Corporation and its Affiliates, together with its and their respective officers, directors, partners, shareholders, employees and agents, and each of its and their predecessors, successors and assigns (collectively, "Releasees"), from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Employee or his/her executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have against the Releasees by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Employee. The release being provided by the Employee in this Release Agreement includes, but is not limited to, any rights or claims relating in any way to the Employee's employment relationship with the Corporation or any its Affiliates, or the termination thereof, or under any statute, including, but not limited to the *Employment Standards Act, 2000*, the *Human Rights Code*, the *Workplace Safety and Insurance Act* re-employment provisions, the *Occupational Health & Safety Act*, the *Pay Equity Act*, the *Labor Relations Act*, Title VII of the *Civil Rights Act of 1964*, the *Age Discrimination in Employment Act*, as amended by the *Older Workers' Benefit Protection Act*, the *Family and Medical Leave Act*, and the *Americans With Disabilities Act*, or pursuant to any other applicable law or legislation governing or related to his/her employment or other engagement with the Corporation. The Employee is aware of his rights under the *Human Rights Code* and represents, warrants, and hereby confirms that he is not asserting such rights, alleging that any such rights have been breached, or advancing a human rights claim or complaint. In no event shall this Release apply to the Employee's right, if any, to indemnification, under the Employee's employment agreement or otherwise, that is in effect on the date of this Release and, if applicable, to the Corporation's obligation to maintain in force reasonable director and officer insurance in respect of such indemnification obligations.
3. The Employee acknowledges and agrees that he/she shall not, directly or indirectly, seek or further be entitled to any personal recovery in any lawsuit or other claim against the Corporation or any other Releasee based on any event arising out of the matters released in paragraph 2.
4. Nothing herein shall be deemed to release: (i) any of the Employee's continuing rights under the Offer Letter; or (ii) any of the vested benefits that the Employee has accrued prior to the date this Release Agreement is executed by the Employee under the employee benefit plans and arrangements of the Corporation or any of its Affiliates; or (iii) any claims that may arise after the date this Release Agreement is executed.

US.355779675.01

5. In consideration of the Employee's release set forth in paragraph 2, the Corporation knowingly and willingly releases and forever discharges the Employee from any and all charges, complaints, claims, promises, agreements, controversies, causes of action and demands of any nature whatsoever that the Corporation now has or hereafter can, shall or may have against him/her by reason of any matter, cause or thing whatsoever arising prior to the time of signing of this Release Agreement by the Corporation, provided, however, that nothing herein is intended to release (i) any claim the Corporation may have against the Employee for any illegal conduct or arising out of any illegal conduct, (ii) any recovery of incentive compensation paid to the Employee pursuant to the Dodd-Frank Wall Street and Consumer Protection Act, the Sarbanes-Oxley Act of 2002, rules, regulations and listing standards promulgated thereunder, or Company policies implementing the same as may be in effect from time to time.
6. The Employee acknowledges that he has carefully read and fully understands all of the provisions and effects of the Offer Letter and this Release Agreement. The Employee also acknowledges that the Corporation, by this paragraph 6 and elsewhere, has advised him/her to consult with an attorney of his/her choice prior to signing this Release Agreement. The Employee represents that, to the extent he/she desires, he/she has had the opportunity to review this Release Agreement with an attorney of his/her choice.
7. The Employee acknowledges that he/she has been offered the opportunity to consider the terms of this Release Agreement for a period of at least forty-five (45) days, although he/she may sign it sooner should he/she desire. The Employee further shall have seven (7) additional days from the date of signing this Release Agreement to revoke his/her consent hereto by notifying, in writing, the General Counsel of the Corporation. This Release Agreement will not become effective until seven days after the date on which the Employee has signed it without revocation.

Dated:

Jason Ausher (Employee)

**COTT CORPORATION**

Per:

Name:

Title:

Jason Ausher

Via Email

December 22, 2020

Dear Jason:

Primo Water Corporation (the "**Company**") recently amended and restated its Severance and Non-Competition Plan (the "**Plan**"). We believe the amendments made to the Plan are generous, and would like to offer you the opportunity to become a participant in the Plan. However, the terms of your May 6, 2015 Offer Letter with Cott Corporation, now Primo Water Corporation ("**Offer Letter**") already provide you with certain defined severance benefits (*i.e.*, 6 months of your annual base salary) if your employment is terminated by the Company without Cause (other than for reason of disability) or by you for Good Reason. (See Section 4.2 of Offer Letter.) For that reason, your participation in the Plan would be in lieu of the severance benefits currently provided in your Offer Letter.

As amended and restated, the Plan provides tiered severance benefits, based on a severance multiplier of a participant's current base salary plus target bonus. As a participant, you would be eligible for severance benefits as a "Level 3 Employee", which has a severance multiplier of 1.0, and the other benefits (*e.g.*, outplacement services) set forth in the Plan. (A copy of the amended and restated Plan is attached hereto.)

Should you elect to accept the Company's offer to participate in the Plan, your Offer Letter will be amended such that, upon your execution of this letter agreement, the term "Company" used in the Offer Letter shall refer to "Primo Water Corporation", and Sections 4.2, 8.4, and 8.6 of your Offer Letter shall be deleted and replaced with the language below:

**4.2. Involuntary Termination.** You shall be entitled to the benefits of and be bound by the obligations under the Amended and Restated Severance and Non-Competition Plan (the "Severance and Non-Competition Plan") as a "Level 3 Employee" in the event your employment terminates as a result of an Involuntary Termination (as defined in the Severance and Non-Competition Plan, a copy of which is attached).

**8.4. Non-Competition and Non-Solicitation.**

- (a) You shall be bound by the restrictive covenants contained in the Severance and Non-Competition Plan.
- (b) Nothing in this Offer Letter shall prohibit or restrict you from holding or becoming beneficially interested in up to one (1%) percent of any class of securities in any company provided that such class of securities are listed on a recognized stock exchange in Canada or the United States.
- (c) If you are at any time in violation of any restrictive covenant contained in the Severance and Non-Competition Plan, then each time limitation set forth in the restrictive covenant at issue shall be extended for a period of time equal to the period of time during which such violation or violations occur. If the Company seeks injunctive relief from any such violation, then the covenants set forth shall be extended for a period of time equal to the pendency of the proceeding in which relief is sought, including all appeals therefrom.

**8.6 Non-Disparagement.** You shall be bound by the Non-Disparagement provision set forth in the Severance and Non-Competition Plan.

All other terms and conditions of your Offer Letter shall remain unchanged, provided that if there is any conflict between a term in the Offer Letter and the Severance and Non-Competition Plan, you agree that the Company may resolve such conflict by applying the term providing greater protection to the Company and its interests.

Should you accept the terms of this letter agreement, including the amendments to your Offer Letter described above, please acknowledge your understanding and agreement by signing below.

Yours truly,

/s/ Jay Wells

Jay Wells

Chief Financial Officer

I wish to participate in the Plan. I acknowledge and agree that Sections 4.2, 8.4, and 8.6 of my Offer Letter have been amended as described in this letter and that all other terms of my Offer Letter remain unchanged.

/s/ Jason Ausher 12/22/2020

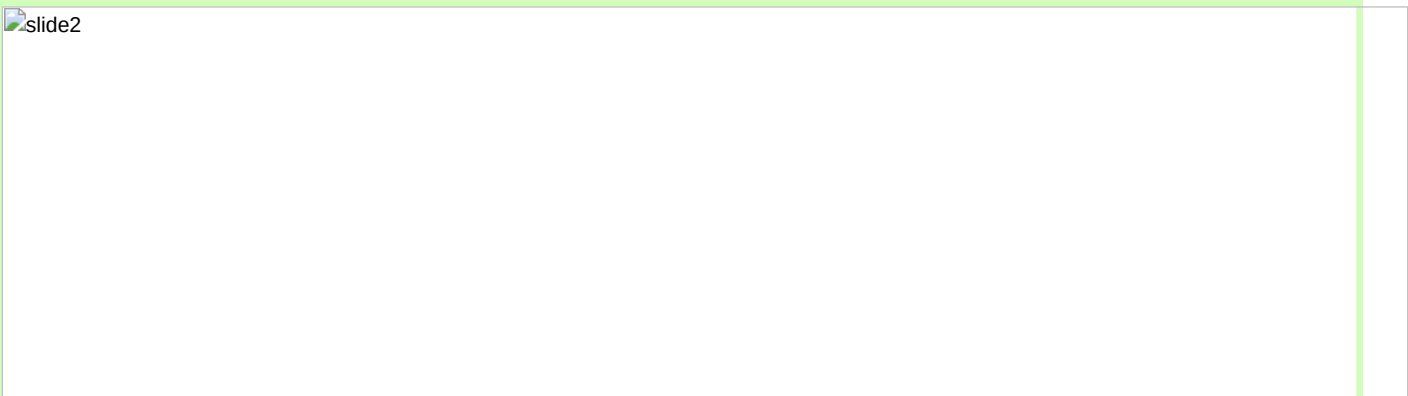
Jason Ausher Date

US.355779675.01

Exhibit 10.12

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the "Agreement") is entered into by and between **Cate Gutowski** ("Associate") and **Primo Water Holdings, Inc.** (the "Company"). This Agreement constitutes the complete and final settlement of any and all disputes which either party may have against the other arising from or relating to Associate's **Grantee's** employment with the Company and **or**



Subsidiary under any **claims** other agreement to which the Grantee is a party or **actions** either party has brought or could have brought against under applicable law. Notwithstanding anything in this Section 3(m) to the **other or contrary**, for an event to be considered "Good Reason" under the **RELEASEES** (as defined below). **This Agreement Plan, (x) the Grantee must be returned by Associate no later than 21 days after providing to Associate.**

**WITNESSETH:**

**WHEREAS**, the parties have enjoyed a mutually beneficial relationship and neither party has made or suggested any claim for legal liability against the other party;

**WHEREAS**, notify the Company recognizes the achievements of such event within 90 days of the Associate and that she has met milestones set by Grantee's knowledge of the Company;

**WHEREAS**, each party acknowledges that the other party is releasing and waiving rights that occurrence of such party holds, which party is not otherwise obligated to release or waive;

**WHEREAS**, the parties are party to a formal written employment agreement dated September 16, 2021 (the "Offer Letter") and Associate event and the Company wish must be provided with a reasonable opportunity to enter an agreement to evidence their intent to sever their employment relationship effective on the Termination Date (as defined below) cure such occurrence and resolve any and all claims or potential claims that either party may have against the other party or the RELEASEES (as defined below), from the beginning of time through the date which both parties have signed this Agreement;

**WHEREAS**, (y) if the Company and Associate, each as a matter of policy in terminating its relationship with the other expressly deny any wrongdoing whatsoever including, but does not limited to, with respect to the Company denial, any conduct with respect to any aspect of Associate's employment, attendant employment benefits and/or termination of employment and any violation of any federal, state or local statute, ordinance or law which pertains to employment and/or attendant employment benefits, and with respect to the Associate denial, any conduct with respect to any aspect of Associate's employment in accordance with her terms of employment or in accordance with any applicable laws, rules or regulations; and

**WHEREAS**, Associate, with full and fair opportunity and advisement to consult with an attorney of Associate's choosing, and the Company reached an amicable and final resolution of all claims, if any, of Associate against the Company or the Company against Associate, in order to avoid the expense and inconvenience of any litigation or further proceedings.

**NOW, THEREFORE**, in consideration of the obligations upon Associate and the Company as set forth in this Agreement, the continued employment, compensation and benefits received by Associate through the Termination Date (as defined herein), and in full settlement of any claims that each party has, had, may have or may have had against the other party or the RELEASEES as specifically set forth herein, Associate and the Company agree to the following:

**1. Consideration to Associate:**

-1-

ACTIVE.126833628.02

(a) Contingent upon full execution by the parties, including Associate timely returning to the Company an executed original or copy of this Agreement- without revoking it - the Company shall:

- i. pay Associate all salary and accrued, unused vacation pay earned through the Termination Date, less all applicable withholding taxes. Such payments shall be made via the Company's regular payroll process (for the avoidance of doubt, unless the parties agree to extend the Termination Date, Associate shall not be entitled to any portion of a bonus for services rendered during 2023);
- ii. and hereby does waive any claims that Company may have under the Offer Letter or otherwise to pursue reimbursement of relocation expenses incurred by Associate in relocating to the Tampa, Florida area;
- iii. and hereby does waive any obligation of Associate to hold any minimum amount of the Company's Common Shares (as defined below);
- iv. and pay Associate the 2022 annual cash performance bonus on or before April 15, 2023 in recognition for services provided and contributions made in 2022.

(b) Subject to Associate executing (and not revoking) a release consistent with the provisions of Section 2 of this Agreement, on the Termination Date, the Company shall cause to be vested immediately 136,335 restricted share units ("RSUs") which Associate currently holds as the unvested remainder of the RSUs awarded on October 27, 2021.

(c) The Company represents and warrants that all RSUs granted to Associate which have or hereafter vest are in common shares of the Company (the "Common Shares") and that Associate is free (immediately after vesting required, if any, with respect to any vesting requirement to which Associate is bound regarding any award of her RSUs), to sell, transfer or otherwise convey, without limit or other restriction, and at any time or times, any or all her rights in any or all the Company's Common Shares granted pursuant to the Offer Letter or this Agreement, whether acquired directly or via other securities **cure** such as RSUs, subject to compliance with applicable law. The Associate acknowledges receipt of a memorandum dated January 13, 2023 titled "Continuing Reporting Obligations and Transaction Restrictions After Ceasing to be a Section 16 Reporting Person in Respect of Primo Water Corporation."

(d) Upon the termination of Associate's employment due to the voluntary resignation, death or disability of Associate before the Termination Date, for purposes of clarity, such event shall not be deemed Cause for termination (as defined in the Amended and Restated Primo Water Corporation Severance and Non-Competition Plan (the "Severance Plan")), and notwithstanding anything to the contrary all rights of Associate to be paid any consideration pursuant to this Agreement shall be paid in full without reduction, restriction or subject to any repayment arising from any such termination, to Associate if then living or otherwise upon her death to the designee that Associate specifies in writing to Company to be the transferee on death (and if none, to Associate's spouse, if then surviving, and if not, to her estate) at the time it would be otherwise paid to Associate had such termination not occurred, subject to the terms of this Agreement (including execution of a release consistent with the provisions of Section 2 of this Agreement), except that the salary for Associate shall be payable until such termination date.

-2-

ACTIVE.126833628.02

Further, no termination for Cause shall be effective unless and until written notice is delivered to Associate, providing the factual bases for Cause with specificity, and unless Associate fails to cure any default or other noncompliance **occurrence** within 30 days, of receipt of such notice.

2. **General Release and Dismissal of Claims:** In exchange for the promises and payments made by the Company and Associate as outlined in this Agreement, the parties further agree as follows:

(a) Associate hereby warrants, represents and certifies that Associate has not filed or instituted (and, no person or agency has filed or instituted on Associate's behalf and/or at Associate's direction – and if filed not at Associate's direction, Associate will seek dismissal of) any complaints, lawsuits, actions, causes of action, in law or equity, administrative charges, claims, controversies, demands, grievances and/or proceedings whatsoever against any RELEASEE, in any forum including, but not limited to, any federal, state and local court, the New York Stock Exchange ("NYSE"), the National Association of Securities Dealers ("NASD"), the Connecticut Commission on Human Rights and Opportunities, the Connecticut Department of Labor, the Georgia Commission on Equal Opportunity, the Georgia Department of Labor, the United States Department of Labor and the United States Equal Employment Opportunity Commission ("EEOC") or any other equivalent state government agency and, to the extent that any administrative charge has been or is filed with the EEOC or any other equivalent state government agency by or on Associate's behalf, Associate agrees not to seek or in any way obtain or accept any monetary award, recovery or settlement therefrom and agrees that Associate understands that such limitation does not in any way restrict Associate's ability to pursue such charge.

(b) Each party hereby releases and forever discharges the other party and with respect to such release and discharge of the Company, its insurers, affiliates, divisions, parents, subsidiaries, any merged entity or merged entities, prior and successor entities, and/or its and their present and former officers, partners, directors, employees, agents, shareholders and/or successors, assigns, trustees, heirs, administrators, executors, representatives and/or principals thereof (together referred to as "RELEASEES"), from all claims, actions, causes of action, lawsuits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, bonuses, controversies, agreements, promises, claims, charges, complaints and demands whatsoever, whether in law or equity, known or unknown, against either party or the RELEASEES, that the other party, and, if any, its heirs, executors, administrators, successors, and assigns, may now have or hereafter later determine that a party has or had upon, or by reason of, any cause or thing whatsoever, including, but not limited to, with respect to claims of Associate, claims arising under the Americans With Disabilities Act ("ADA"), the National Labor Relations Act ("NLRA"), the Fair Labor Standards Act ("FLSA"), the Equal Pay Act

("EPA"), the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq., as amended including, but not limited to, breach of fiduciary duty and equitable claims brought under § 1132(a)(3) ("ERISA"), the Worker Adjustment and Retraining Notification Act (state or federal), as amended, Title VII of the Civil Rights Act of 1964, the Vocational Rehabilitation Act of 1973, the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), the Civil Rights Acts of 1866, 1871 and 1991, including Section 1981 of the Civil Rights Act, the Older Workers' Benefit Protection Act ("OWBPA"), the Family Medical Leave Act (to the extent permitted by law), and/or with respect to claims of any party, claims arising under any other federal, state or local human rights, civil rights, wage-hour, pension, whistleblower, or labor law, rule, statute, regulation, constitution or ordinance and/or public policy, contract or tort law, or any claim of retaliation under such laws, or any claim of breach of any contract (whether express, oral, written or implied from any source), or any claim of intentional or negligent infliction of emotional distress, tortious interference with contractual relations, wrongful or abusive or constructive discharge, defamation, discrimination, failure to accommodate, interference with leave rights (including but not limited to family, medical,

-3-

ACTIVE.126833628.02

sick, or personal leaves), retaliation, harassment, failure to retain records, prima facie tort, fraud, negligence, loss of consortium, malpractice, breach of duty of care, breach of fiduciary duty or any action similar thereto against Associate, the Company, or any of other RELEASEES, including any claim for attorneys' fees, expenses or costs based upon any conduct from the beginning of the world up to and including the Effective Date of this Agreement; provided, however, that Associate does not waive any right to file an administrative charge with the EEOC, subject to the condition that Associate agrees not to seek, or in any way obtain or accept, any monetary award, recovery or settlement therefrom; and further provided, however, that Associate does not waive any rights with respect to, or release the Company from, payments of any and all benefits and/or monies earned, accrued, vested or otherwise owing, if any, to Associate under the terms of the Company's retirement, savings, deferred compensation and/or profit sharing plan(s) or any claims for state Disability or Workers' Compensation benefits (except that Associate hereby releases and waives any claims that Associate's termination was to avoid payment of such benefits or payments or that, as a result of Associate's termination, Associate is entitled to additional benefits or payments); and further provided, however, that Associate does not release any claim of breach of the terms of this Agreement. Additionally, for clarity, the Company confirms that Associate does not release or waive any claims arising out of facts or events occurring after her execution of this Agreement.

(c) Associate is entitled in the remainder of her term of employment to accept and serve on up to three (3) seats at any time on the boards of directors of other companies, subject to compliance with the restrictive covenants set forth in the Offer Letter and Severance Plan;

(d) Thus, for the purpose of implementing a full and complete release and discharge of the parties and RELEASEES, each party hereto expressly acknowledges that this general release is intended to include in its effect, without limitation, all claims which a party does not know or suspect to exist in such party's favor at the time of execution hereof, and that this general release contemplates the extinguishment of any such claim or claims.

(e) Associate agrees to immediately seek and obtain dismissal with prejudice of any complaint, lawsuit, action, cause of action, administrative charge, claim, controversy, demand, grievance or proceeding (unless such proceeding is a class action, in which case Associate agrees to "opt out" of the class and not participate in the class action and such proceeding is at or initiated by the EEOC) in the event that, for any reason, any complaint, lawsuit, action, cause of action, administrative charge, claim, controversy, demand, grievance or proceeding covered by Paragraphs 2 is currently pending or is instituted hereafter in violation of Associate's obligations in this Agreement on Associate's behalf, and to not, unless required by law to do so (and then subject to the terms of Paragraph 2 and Paragraph 3), testify, provide documents or otherwise participate or request others to participate on Associate's behalf in any such proceeding or litigation arising therefrom or associated therewith, except to the extent compelled by law including but not limited to, if subject to legal sanction or penalty imposed by judicial or statutory requirements, and, subject to only such exception, in no event, from any such source or proceeding whatsoever, to seek, or in any way obtain or accept any monetary award, recovery, settlement or relief therefrom. Associate's obligation to dismiss and/or withdraw any and all complaints includes, but is not limited to, any complaint made internally to the Company or any of the RELEASEES – via any medium including, but not limited to, the Company's Ethics Point hotline – either in Associate's own name or anonymously, about any of the RELEASEES or any associate, employee, agent, or representative of any of the RELEASEES. Should Associate file or otherwise bring a claim in violation of Paragraph 2 or fail to seek and obtain such dismissal or withdrawal or "opt out" in accordance with the terms of this Agreement, Associate will, at the option of the Company, be considered in material breach of this Agreement.

(f) **Promise Not to Sue:** A “promise not to sue” means that a party promises not to knowingly sue any other party (which in the case of barring Associate from suing, includes barring Associate from suing either the Company or any other RELEASEE) in court for any claim which has been released under this Agreement or pursuant to any release signed as it requires. This is different

-4-

ACTIVE.126833628.02

from the General Release above. Besides releasing claims covered by that General Release, Associate and Company each agrees never to knowingly sue the other (and further, Associate agrees not to knowingly sue any other RELEASEE) for any reason covered by that General Release or any other release that the parties sign as this Agreement requires. Despite this Promise Not to Sue, however, Associate or the Company may file suit to enforce their respective rights under or arising out of this Agreement or the Offer Letter or the Severance Plan. If Associate or the Company sues the other, or if Associate sues any other RELEASEE, in violation of this Agreement, the party so violating such commitment shall be required to pay that other party's reasonable attorneys' fees and other litigation costs incurred in defending against violator's suit.

(g) **Any and All Work-Related Injuries and Accidents Reported:** By signing this Agreement, Associate affirmatively represents that as of the date of Associate signing this Agreement, Associate has already reported any and all work-related injuries that Associate has ever sustained, and/or accidents Associate has ever been involved in, during Associate's employment with the Company, to the extent Associate had ever incurred any work-related injuries or been involved in any work-related accidents.

(h) **RELEASEE Claims Against Associate:** Notwithstanding anything to the contrary in this Agreement, if any RELEASEE were to bring, induce any third party to bring, or aid or abet any third party to bring, any claim or other action against Associate, nothing is intended to prevent or in any way restrict Associate from defending against such claim or other action in any lawful manner, and such rights of Associate shall include, but not be limited to, filing and prosecuting counter-claims or cross-claims regarding the subject matter of the claim or other action against Associate, regardless of any releases or other terms of this Agreement, to seek to enforce all rights and assert all defenses available at law or in equity to or for the benefit of Associate.

3. **Separation of Employment:** Associate recognizes and agrees that Associate's last day of employment and effective termination date shall be July 1, 2023 (“Termination Date”). Associate further recognizes and agrees that Associate's employment relationship with the Company and/or any of the other RELEASEES has been permanently and irrevocably severed as of the Termination Date. Accordingly, Associate agrees that Associate will not seek and hereby waives any claim for employment, reinstatement, re-employment, assignment or otherwise (as a full-time or part-time employee, temporary worker, independent contractor or consultant or any other position in which Associate receives payment either directly or indirectly from the Company) **Grantee must Terminate service** with the Company or any of its affiliated companies or any merged or acquired entity or entities, at any time in **Subsidiary within 120 days after the future**, and that, if offered such employment, re-employment, assignment or work, Associate will decline such offer, and that this Agreement shall be a complete bar to any such application for employment or re-employment; **provided, however**, that the terms and application of this paragraph may be waived in writing by a duly authorized representative **first occurrence** of the employing entity at issue in its sole discretion, which writing makes specific reference to this Agreement. Associate agrees that any refusal to hire **applicable grounds for good reason**, or engage Associate in the future shall be pursuant to the Parties' mutual agreement embodied in this Agreement and shall not be actionable as unlawful in any way. Moreover, Associate agrees that as of the date hereof, Associate **Grantee** will be deemed to have resigned all corporate officer or director positions held by Associate with **waived** the Company and any **Grantee's right to have a Termination** of the other RELEASEES as of the date hereof, and Associate agrees to execute written tenders of resignation as may be requested by the Company to evidence such resignations. Finally, Associate agrees that, as of the date hereof, she is no longer an “executive officer” or “reporting insider” **Service** for purposes of applicable securities laws.

4. **Non-Disparagement and Employment Verification:**

(a) In addition to the non-disparagement terms of Associate's Offer Letter (which shall survive this Agreement), each party agrees to not disparage or impugn the reputation of the other party or, **Good Reason** with respect to Associate's own actions, of any other RELEASEE, and to not post any

-5-



negative comments about the other party, or with respect to Associate's own actions, of any RELEASEE, on any social media platform including any in-person, electronic, or online chatrooms or message boards (e.g., Facebook, Linked-In, Craigslist, AOL, etc.).

(b) Associate and the Company also agree that, for employment verification purposes, Associate may direct prospective employers to the Company at the contact below and that the Company will confirm with the prospective employer only Associate's dates of employment and last position held, without substantive commentary on Associate's performance:

Human Resources  
Primo Water Corporation  
1150 Assembly Drive, Suite 800  
Tampa, FL 33607

5. Return of Property: Associate warrants that Associate has returned to the Company all property belonging to the Company including, but not limited to, any proprietary or confidential information such grounds. 3. Section 5(e) of the Company in Associate's possession, custody or control. By signing this Agreement, Associate warrants that Associate has retrieved and returned all such property in Associate's possession, custody or control as required above. To Plan is hereby amended to remove the extent any Company property remains in the possession of Associate after the date hereof in violation language "or Section 162(m) of the terms above, and Associate fails to return such Company property within 3 business days of the Company demanding return of the property, Associate agrees Code" from that the Company shall be entitled to injunctive relief to enforce its rights or may reduce the payments made hereunder to replace such Company property and that Associate waives any claim to entitlement of payment of that reduced amount.

6. Ongoing Obligations Survive Termination: Associate understands, acknowledges and agrees that Associate has certain ongoing obligations including, but not limited to, obligations under the Company's Code of Conduct (including, without limitation, obligations with regard to the confidentiality of trade secrets and confidential and proprietary information), and she reaffirms those obligations and agrees that she shall be bound by them at all times going forward, for so long as by their terms they apply. Associate further agrees to continue to discharge Associate's duty of confidentiality with respect to all trade secrets and confidential and proprietary information which Associate received by virtue of Associate's employment with the Company. Additionally, Associate agrees that Associate has advised the Company of all facts of which Associate is aware that Associate believes may constitute a violation of the Company's Code of Conduct and/or the Company's legal obligations. Associate also understands, acknowledges, and agrees that Associate has certain ongoing obligations as set forth in section. 4. Section 5 of the Offer Letter and Section 7 of the Severance Plan which shall survive Associate's termination of employment, and shall remain in effect according to the terms of the Offer Letter and the Severance Plan. Associate agrees that any breach of these ongoing obligations shall be subject to a claim for damages or equitable relief (or both), including but not limited to injunctive relief.

7. Payment of All Compensation Due: Other than bonuses or incentive consideration due pursuant to the Offer Letter or this Agreement, future payroll, reimbursement and other amounts not yet accrued and due, Associate warrants, represents, agrees and certifies that Associate has been paid and/or has received any and all compensation, salary, wages, overtime, regular straight time wages, minimum wages, bonuses, commissions, expense reimbursements, and/or benefits to which Associate is, was, may be, or may have ever been entitled from the Company and/or any other RELEASEES under any Canadian (federal or provincial) or U.S. federal, state, or local statute, law, or ordinance, or common law, or contract. Associate further agrees that Associate has been properly paid for all hours ever worked for the Company and that Associate regularly exercised significant discretion and independent judgment with respect to matters of significance throughout Associate's employment with the Company.

8. **Cooperation:** The Company or other RELEASEE(S) may be, or may become, involved in disputes with third parties or regulatory/governmental agencies concerning matters relating to Associate's employment or former employment or current or former areas of responsibility at the Company, including its parent company or subsidiaries. Additionally, the Company may need Associate's assistance with other operational or regulatory matters, including assistance with the completion of the Company's proxy statements and other filings. In such events, through the Termination Date, and provided that the Company has complied with all its obligations to Associate, subject to all other obligations of Associate, Associate agrees to undertake good faith efforts to be available by phone for consultation with the Company to provide information which Associate has readily available.

9. **Governing Law and Choice of Venue:** The Parties further agree that this Agreement will be governed by the laws of the State of Florida, to the extent not preempted by federal law, and the parties will submit to the jurisdiction of the state and/or federal courts located within Tampa, Florida for the resolution of any dispute which may arise hereunder and that the parties waive any right they may have to trial by jury in any such dispute.

10. **Effect of Invalidation of a Provision of this Agreement:** The Parties further agree that if any of the provisions, terms, clauses, waivers and releases of claims and rights contained in this Agreement are declared illegal, unenforceable or ineffective in a legal forum of competent jurisdiction, such provisions, terms, clauses, waivers and releases of claims or rights shall be modified, if possible, in order to achieve, to the extent possible, the intentions of the Parties, and, if necessary, such provisions, terms, clauses, waivers and releases of claims and rights shall be deemed severable, such that all other provisions, terms, clauses, waivers and releases of claims and rights contained in this Agreement shall remain valid and binding upon both Parties; provided, however, that notwithstanding any other provision of this Agreement, if any portion of the waiver or release of claims or rights or the confidentiality terms is held to be unenforceable, the Company, at its option, may seek modification or severance of such portion solely to the extent consistent with the intention of the parties' hereto.

11. **Modification:** The Parties further agree that this Agreement may not be altered, amended, modified, superseded, canceled or terminated except by an express written agreement duly executed by all the Parties or their attorneys on their behalf, which makes specific reference to this Agreement.

12. **Complete Negotiated Agreement Between the Parties:** This Agreement set forth the entire agreement between the Parties, and fully supersedes any and all prior agreements or understandings between them pertaining to the subject matter thereof (subject to Paragraph 6 above). The Parties agree that this Agreement is a negotiated agreement because it is voluntary, deliberate, and informed, provides consideration of value to Associate, and Associate has been given notice and an opportunity to retain an attorney or is represented by an attorney. In the event of any conflict between the terms of this Agreement and any other agreement, including without limitation the Offer Letter or Severance or Equity Plans, the terms and conditions of this Agreement shall control and supersede any inconsistent terms or conditions.

13. **Opportunity to Review, Knowing and Voluntary Release, and Revocation Right:** Associate understands and agrees that:

- (a) Associate has been provided a full and fair opportunity, indeed a full twenty-one (21) days after receipt of this Agreement, within which to review, consider, and negotiate this Agreement, and Associate's execution and return of this Agreement prior to the expiration of this review period shall constitute a knowing and voluntary waiver of the days remaining in the review period provided;

- 7 -

ACTIVE.126833628.02

- (b) Associate has been advised to consult with an attorney which Associate may freely choose prior to executing this Agreement to decide whether to sign this Agreement and accept the benefits that have been offered to Associate under this Agreement;

- (c) Associate may revoke Associate's execution of this Agreement within seven (7) days of Associate's execution by hand delivering written notice of revocation that specifically and expressly references this Agreement to the Company contact provided in Paragraph 17 below;
- (d) Associate has carefully read and fully understands the provisions of this negotiated Agreement;
- (e) Associate is, through and in accordance with the terms set forth in this Agreement, releasing RELEASEES from any and all claims Associate has or may come to have against the RELEASEES arising up through the date of her execution of this Agreement;
- (f) Associate knowingly and voluntarily agrees to all the terms set forth in this negotiated Agreement, without duress, coercion or undue influence;
- (g) Associate is not waiving any rights or claims that may arise after this Agreement is executed; and
- (h) Associate is, by reason of this Agreement and the release of claims herein, receiving from the Company good and sufficient consideration in addition to anything of value to which Associate is already entitled.

14. **Effective Date:** Associate understands and agrees that – assuming Associate timely returns this Agreement fully executed – by virtue of the seven-day revocation period provided in Paragraph 13(c) and assuming Associate does not revoke Associate's acceptance, this Agreement shall become effective as to Associate as of the eighth day following the date on which Associate timely executes this Agreement (the "Effective Date"), and thereafter Associate may not change Associate's decision or seek any other remuneration in any form.

15. **Confirmation:** The Company acknowledges that the Associate is still in the process of relocating. Specifically, the Associate is still in temporary living (3-bedroom apartment with her family), and the Company acknowledges that the Associate's relocation still needs to be completed. The Company shall complete the delivery of household goods to Associate's house in Tampa, Florida per the Company's relocation program, which specifies the following: (a) delivery and unpacking of ordinary household goods, (b) normal hookup and disassembly of appliances (washer, dryer, stove, microwave, refrigerator), (c) insurance replacement value, (4), shuttle service as needed, (d) third party services capped at \$1,000, and (e) debris pick-up .

16. **Binding Effect:** All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and assigns. The Company represents and warrants that the person signing this Agreement has the full authority, including any necessary consent of the Board of the Directors of the Company, necessary or appropriate to enter into this Agreement and for the Company to fulfill its obligations hereunder.

17. **Notices:** All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such

-8-

ACTIVE.126833628.02

notice) hand delivered by messenger or courier service, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to

If to Associate: Cate Gutowski, 160 W. Tyler St., Unit 806, Tampa, FL 33602, until March 1, 2023, and thereafter to: 3317 Elizabeth Court, Tampa, FL 33629,

with a copy to (which shall not constitute notice): Ronald N. Rosenwasser, O'Hagan Meyer, 111 Huntington Avenue, Suite 2860, Boston, MA 02199,

-and-

If to the Company, Primo Water Corporation, 1150 Assembly Drive, Suite 800, Tampa, FL, 33607, ATTN: CEO,

with a copy to (which shall not constitute notice): Employment Counsel, Primo Water Corporation, 1150 Assembly Drive, Suite 800, Tampa, FL 33607

or to such other address as any party may designate by notice complying with the terms of this Section. Each such notice is considered delivered: (a) on the date delivered if by personal delivery; (b) on the date of transmission either by email or telefax, in each case with confirmed answer back or other reasonably confirmed receipt; or (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered.

18. **Enforcement Costs:** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provision of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees, court costs and all expenses even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to arbitration, appellate, bankruptcy and post-judgment proceedings), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled. Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party.

19. **Execution in Counter-Parts and Delivery of Agreement:** The Parties agree that this Agreement may be executed in counter-parts, with the same force and effect as if executed by all Parties on the same paper. The Parties further agree that Associate shall submit this executed Agreement to the two contacts listed below with a scanned copy sent to both via email to the email address, if any, set forth immediately below each of the following parties:

Human Resources Primo Water Corporation 1150 Assembly Drive, Suite 800 Tampa, FL 33607	Employment Counsel Primo Water Corporation 1150 Assembly Drive, Suite 800 Tampa, FL 33607 CLO@primowater.com
---	---

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE TO FOLLOW]**

-9-

ACTIVE.126833628.02

To signify their agreement to the terms of this Agreement, the Parties have executed this Agreement on the date beside their signatures which appear below.

Dated: January 20, 2023 /s/ Cate Gutowski  
Cate Gutowski

-10-

ACTIVE.126833628.02

Dated: January 20, 2023/s/ Anne Melaragni  
Primo Water Holdings, Inc.  
By: Anne Melaragni

**PRIMO WATER CORPORATION**

**AMENDMENT NO. 4 TO THE AMENDED AND RESTATED PRIMO WATER CORPORATION EQUITY INCENTIVE PLAN**

**RECITALS**

A. Pursuant to section 16(a) of the Amended and Restated Primo Water Corporation Equity Incentive Plan dated effective April 30, 2013, as amended on May 5, 2015, May 3, 2016, and March 13, 2020 (collectively, the "Plan"), the board of directors of Primo Water Corporation (the "Company") wish to amend the Plan as hereinafter set forth.

NOW THEREFORE, this Amendment No. 4 is hereby adopted on this 4<sup>th</sup> day of August 2020, to reflect the following amendments effective as of such date:

1. Section 3(bb) 11 of the Plan is hereby amended and restated in full as follows:

(bb) "Retirement" means termination of employment or service with the Company at the election 11. Minimum Vesting Requirement. Notwithstanding any other provision of the Grantee after Plan to the Grantee has both contrary, Awards granted under the Plan (other than cash-based awards) shall vest no earlier than the first anniversary of the date on which the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) attained age 60, and (ii) completed ten (10) continuous years of service substitute Awards granted in connection with awards that are assumed, converted or substituted pursuant to a merger, acquisition or similar transaction entered into by the Company or its Subsidiaries. For purposes any of this section 3(bb), a "year of service" shall mean each consecutive twelve-month period of service with the Company or its Subsidiaries, beginning (ii) Shares delivered in lieu of fully vested cash obligations, (iii) Awards to Nonemployee Directors that vest on earlier of the Grantee's first one-year anniversary of the date of employment grant and the next annual meeting of stockholders which is at least 50 weeks after the immediately preceding year's annual meeting, and (iv) any additional Awards the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 4(a) (subject to adjustment under Section 14); and, provided, further, that the foregoing restriction does not apply to the Committee's discretion to provide for accelerated exercisability or service with the Company vesting of any Award, including in cases of Retirement, death, disability or a Subsidiary and each anniversary thereof. The Committee shall have sole authority to determine whether a Grantee has met Change in Control, in the requirements for Retirement.

2. Clause (A) of Section 11 terms of the Plan is amended to read as follows:

(A) to a termination of employment due to Retirement, death Award Agreement or disability;

3. otherwise. 5. Section 12 17 of the Plan is hereby amended and restated in full as follows:

**12. Consequences of Termination.**

(a) **Options/Stock Appreciation Rights (Not Performance-Based).** Unless otherwise determined by the Committee, outstanding Options and/or Stock Appreciation Rights that are held by a Grantee (or the executors or administrators of such Grantee's estate, and any person or persons who acquire the right to exercise Options and/or Stock Appreciation Rights directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination and are not subject to vesting conditions based upon the satisfaction of Performance Objectives shall be subject to the following clauses (1), (2) and (3), as applicable, except that in all events, the period for exercise of Options and/or Stock Appreciation Rights shall end no later than the last day of the maximum term thereof established under Section 6(h) or 7(d), as applicable.

(1) In the case of a Grantee's death, or the Grantee's resignation with Good Reason, or the Grantee's Termination without Cause, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination and (y) those of Grantee's

outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Grantee's Date of Termination shall become vested and exercisable as of the later of the Date of Termination and the one year anniversary of the Effective Date of the Award thereof and thereafter shall continue to be exercisable for the remaining portion of the period ending on the three (3) year anniversary of the Date of Termination.

US.128724708.04

(2) In the case of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the 90 day period following such Date of Termination.

(3) In the case of a Grantee's Termination due to Retirement, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination and (y) any employment requirements under Section 6(f) and 7(b) shall not apply, and those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Grantee's Date of Termination shall become vested and exercisable on the date or dates on which such Options and/or Stock Appreciation Rights would have become vested if the Grantee had continued in employment with the Company or its Subsidiaries through such date or dates, and thereafter shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination.

Options and/or Stock Appreciation Rights that are not exercised prior to the expiration of the exercise period following a Grantee's Date of Termination permitted under this Section 12(a) shall automatically expire on the last day of such period.

**(b) Options/Stock Appreciation Rights (Performance-Based).** Unless otherwise determined by the Committee, outstanding Options and/or Stock Appreciation Rights that are held by a Grantee (or the executors or administrators of such Grantee's estate, and any person or persons who acquire the right to exercise Options and/or Stock Appreciation Rights directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination and are subject to vesting conditions based upon the satisfaction of Performance Objectives shall be subject to the following clauses (1), (2) and (3), as applicable, except that in all events, the period for exercise of Options and/or Stock Appreciation Rights shall end no later than the last day of the maximum term thereof established under Section 6(h) or 7(d), as applicable.

(1) In the case of a Grantee's death, or the Grantee's resignation with Good Reason, or the Grantee's Termination without Cause, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination and (y) any employment requirements under Section 6(f) and 7(b) shall not apply, in which case the number of Options and/or Stock Appreciation Rights that become vested on each subsequent applicable vesting date (subject to satisfaction of the applicable Performance Objective) shall equal the pro rata number of Options and/or Stock Appreciation Rights that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable Performance Period during which the Grantee was actually employed and thereafter shall continue to be exercisable for the remaining portion of the period ending on the three (3) year anniversary of the Date of Termination.

(2) In the case of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y)

US.128724708.04

those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the 90 day period following such Date of Termination.

(3) In the case of a Grantee's Termination due to Retirement, (x) those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have become vested prior to the Grantee's Date of Termination shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination and (y) any employment requirements under Section 6(f) and 7(b) shall not apply, and those of the Grantee's outstanding Options and/or Stock Appreciation Rights that have not become vested prior to the Grantee's Date of Termination shall become vested and exercisable (subject to satisfaction of the applicable Performance Objective) on the date or dates on which such Options and/or Stock Appreciation Rights would have become vested if the Grantee had continued in employment with the Company or its Subsidiaries through such date or dates, and thereafter shall continue to be exercisable during the period ending on the three (3) year anniversary of the Date of Termination.

Options and/or Stock Appreciation Rights that are not exercised prior to the expiration of the exercise period following a Grantee's Date of Termination permitted under this Section 12(b) shall automatically expire on the last day of such period.

**(c) Restricted Shares, Restricted Share Units, Performance Shares and Performance Units.** Unless otherwise determined by the Committee, outstanding Restricted Shares, Restricted Share Units, Performance Shares and Performance Units of the Grantee (and the executors and administrators of such Grantee's estate, and any person or persons acquiring any interest directly from the Grantee by bequest or inheritance) as of the Grantee's Date of Termination shall be subject to the following clauses (1), (2) and (3), as applicable.

(1) In the case of a Grantee's death or Termination without Cause or resignation with Good Reason, any employment requirements of Section 8(c) and 9(h) and the applicable Award Agreement shall not apply, in which case the number of Restricted Shares, Restricted Share Units, Performance Shares and Performance Units to be deemed earned by such Grantee on each subsequent applicable vesting date shall equal the pro rata number of Restricted Shares, Restricted Share Units, Performance Shares and Performance Units that he or she would have earned on that vesting date had he or she been continuously employed through such date, as calculated by reference to the portion of the applicable Restricted Period or Performance Period during which the Grantee was actually employed (subject to satisfaction of any applicable Performance Objective), provided that time-based Restricted Share Units shall be settled according to the foregoing formula promptly after termination.

(2) In the event of a Grantee's Termination due to the Grantee's resignation voluntarily (other than upon Retirement or with Good Reason), all of the Grantee's unvested Restricted Shares, Restricted Share Units, Performance Shares and Performance Units will be forfeited immediately.

(3) In the case of a Grantee's Termination due to Retirement, any employment requirements under Section 8(c) and 9(h) shall not apply, and all of the Grantee's unvested Restricted Shares, Restricted Share Units, Performance Shares and Performance Units shall become vested on the date or dates on which such Awards would have become vested if the Grantee had continued in employment with the Company or its Subsidiaries through such date or dates (subject to satisfaction of any applicable Performance Objective).

US.128724708.04

**(d) Termination for Cause.** Notwithstanding any other provision hereof or in any instrument of grant, in the case of a Grantee's Termination for Cause, any and all then outstanding Awards (other than Stock Payments) granted to the Grantee, whether or not vested, shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given.

4. Section 17(d) is amended to add a new subsection **(5)(g)** to read as follows:



(5) (g) Forfeiture and Compensation Recovery. Awards Subject and any compensation associated therewith will be made subject to Code Section 409A. Notwithstanding anything forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in the Plan or an Award Agreement response to the contrary, for requirements of Section 10D of the Exchange Act and any Award that provides for deferred compensation subject to Code Section 409A (and is not implementing rules and regulations thereunder, or as otherwise exempt from the provisions of Code Section 409A), upon a Change in Control that also qualifies as a change in control for purposes of Treas. Reg. Section 1.409A-3(a)(5), then (i) subsection (2) shall apply to all such Awards and (ii) any settlement of or payment due with respect to such Award shall be made within the time frame required by Code Section 409A.

5. Section 17 is law. Any Agreement may be unilaterally amended to add a new subsection (f) to read as follows:

- (f) **Forfeiture for Violation of Restrictive Covenants.** The Committee may provide in an Award Agreement for conditions of forfeiture of a Grantee's rights with respect to such Award in the event of the Grantee's breach of such restricted covenants (e.g., non-competition and confidentiality restrictions) as may apply to the Grantee. Such conditions of forfeiture may include, in the discretion of by the Committee (a) suspension or cancellation of the Grantee's right to exercise an Option or Stock Appreciation Right (whether or not then otherwise exercisable), (b) suspension or cancellation of the Grantee's pending right to receive an issuance of Shares or cash payment in settlement of comply with any Award, (c) the forfeiture of any Restricted Shares, Restricted Share Units, Performance Shares or Performance Units held by the Grantee or (d) following the issuance of Shares or payment of cash upon exercise, vesting or payment of an Award, either (1) cancellation of the Shares so issued (and repayment to the Grantee of the full purchase price, if any, paid for such shares) or (2) requiring the Grantee to pay to the Company in cash an amount equal to the gain realized by the Grantee from such Award (measured by the value (on the date of receipt) of any property and/or amount of cash received by the Grantee under the Award, to the extent in excess of any amount paid by the Grantee). The Company may deduct from any amounts the Company may owe a Grantee from time to time any amounts the Grantee may owe the Company under this subsection (f) and any related Award Agreements.compensation recovery policy.

Slide3



LIST OF SUBSIDIARIES OF PRIMO WATER CORPORATION

	Name of Subsidiary	Jurisdiction of Incorporation or Organization	Direct or Indirect Percentage of Ownership
1	Aimia Foods Limited	United Kingdom	100%
2	Aquaterra Corporation	Canada	100%
3	Bibo Limited	United Kingdom	10%
4	Café Espresso Italia Ltd	Israel	100%
5	Carbon Luxembourg S.à r.l	Luxembourg	100%
6	Chateau d'Eau SAS	France	100%
7	Chateaud'eau Sarl	Luxembourg	100%
8	Clearwater Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság	Hungary	100%
9	Cott Beverages Luxembourg S.à r.l.	Luxembourg	100%
10	Cott (Barbados) IBC Ltd.	Barbados	100%

11	Cott Cayman	Cayman Islands	100%
12	Cott Retail Brands Limited	United Kingdom	100%
13	Cott Switzerland GmbH	Switzerland	100%
14	Decantae Mineral Water Limited	United Kingdom	100%
15	Dispensing Coffee Club (IAI-2003) Ltd	Israel	100%
16	DS Services of America, Inc.	Delaware	100%
17	Eden Springs (Denmark) AS	Denmark	100%
18	Eden Springs (Deutschland) GmbH	Germany	100%
19	Eden Springs (Norway) AS	Norway	100%
20	Eden Springs (Sweden) AB	Sweden	100%
21	Eden Springs (Switzerland) SA	Switzerland	100%
22	Eden Springs Espana S.A.U	Spain	100%
23	Eden Springs Estonia OÜ	Estonia	100%
24	Eden Springs i Porla Brunn AB	Sweden	100%
25	Eden Springs Latvia SIA	Latvia	100%
26	Eden Springs Netherlands B.V.	Netherlands	100%
27	Eden Springs OY Finland	Finland	100%
28	Eden Springs Portugal S.A.	Portugal	100%
29	Eden Springs Scandinavia AB	Sweden	100%
30	Eden Springs sp. z o.o.	Poland	100%
31	Eden Springs UK Limited	United Kingdom	100%
32	Eden Water and Coffee Deutschland GmbH	Germany	100%
33	Entrepure Industries LLC	Colorado	100%
34	Fairview HK Ltd.	Hong Kong	100%
35	Fonthill Waters Limited	United Kingdom	100%
36	Garraways Ltd	United Kingdom	100%
37	GW Services, LLC	California	100%
38	Hydropure Distribution Ltd	United Kingdom	100%
39	John Farrer & Company (Kendal) Limited	United Kingdom	100%

40	Kafevend Group Limited	United Kingdom	100%
41	Kafevend Holdings Limited	United Kingdom	100%
42	Mey Eden Ltd	Israel	100%
43	Nowa Woda Sp. Zo o.	Poland	100%
44	Old WCS (Bottlers) Limited	United Kingdom	100%
45	Pauza Coffee Services Ltd	Israel	100%
46	Primo Customer Care, LLC	Delaware	100%
47	Primo European Central Services SL	Spain	100%
48	Primo Products, LLC	North Carolina	100%
49	Primo Refill, LLC	North Carolina	100%
50	Primo Water Europe S.L.U.	Spain	100%
51	Primo Water Holdings Inc.	Delaware	100%
52	Primo Water Holdings UK Limited	United Kingdom	100%
53	Pure Choice Watercoolers Ltd	United Kingdom	100%
54	SEMD, Société des eaux minérales de Dorénaz SA	Switzerland	100%
55	SIA << OCS Services >>	Latvia	100%
56	Sip-Well NV	Belgium	100%

57	Tea UK Limited	United Kingdom	100%
58	The Interesting Drinks Company Limited	United Kingdom	100%
59	The Shakespeare Coffee Company Ltd	United Kingdom	100%
60	TWS Bidco 1 Limited	United Kingdom	100%
61	UAB Eden Springs Lietuva	Lithuania	100%
62	Wax Water Limited	United Kingdom	34.5%
63	Water Coolers (Scotland) Limited	United Kingdom	100%
64	Distribution, Exploitation de Fontaine d'EAU de Source SAS	France	100%
65	Eureau Sources Holding	France	100%
66	Eureau Sources	France	100%

	<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation or Organization</b>	<b>Direct or Indirect Percentage of Ownership</b>
1	Aimia Foods Limited	United Kingdom	100%
2	Aquaterra Corporation	Canada	100%
3	Bibo Limited	United Kingdom	10%
4	Café Espresso Italia Ltd	Israel	100%
5	Cott Beverages Luxembourg S.à r.l.	Luxembourg	100%
6	Cott (Barbados) IBC Ltd.	Barbados	100%
7	Cott Cayman	Cayman Islands	100%
8	Cott Retail Brands Limited	United Kingdom	100%
9	Cott Switzerland GmbH	Switzerland	100%
10	Decantae Mineral Water Limited	United Kingdom	100%
11	Dispensing Coffee Club (IAI-2003) Ltd	Israel	100%
12	DS Services of America, Inc.	Delaware	100%
13	Eden Springs Portugal S.A.	Portugal	100%
14	Eden Springs UK Limited	United Kingdom	100%
15	Entrepure Industries LLC	Colorado	100%
16	Fonthill Waters Limited	United Kingdom	100%
17	Garraways Ltd	United Kingdom	100%
18	GW Services, LLC	California	100%
19	Hydropure Distribution Ltd	United Kingdom	100%
20	John Farrer & Company (Kendal) Limited	United Kingdom	100%
21	Kafevend Group Limited	United Kingdom	100%
22	Kafevend Holdings Limited	United Kingdom	100%
23	Mey Eden Ltd	Israel	100%
24	Old WCS (Bottlers) Limited	United Kingdom	100%
25	Primo Customer Care, LLC	Delaware	100%
26	Primo Products, LLC	North Carolina	100%
27	Primo Refill, LLC	North Carolina	100%
28	Primo Water Financing One LLC	Delaware	100%
29	Primo Water Holdings Inc.	Delaware	100%
30	Primo Water Holdings UK Limited	United Kingdom	100%
31	Pure Choice Watercoolers Ltd	United Kingdom	100%
32	Tea UK Limited	United Kingdom	100%
33	The Interesting Drinks Company Limited	United Kingdom	100%
34	The Shakespeare Coffee Company Ltd	United Kingdom	100%
35	TWS Bidco 1 Limited	United Kingdom	100%
36	Wax Water Limited	United Kingdom	69.5%
37	Water Coolers (Scotland) Limited	United Kingdom	100%

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-264315, 333-224772, 333-204286, 333-204285, 333-188735, and 333-166507) 333-188735) and Form S-3 (No. 333-204287) of Primo Water Corporation of our report dated March 1, 2023 February 28, 2024 relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Tampa, Florida  
March 1, 2023 February 28, 2024

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas J. Harrington, Robbert Rietbroek, certify that:

1. I have reviewed this annual report on Form 10-K of Primo Water 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.

/s/ ~~Thomas J. Harrington~~ ~~Robbert Rietbroek~~

---

~~Thomas J. Harrington~~ ~~Robbert Rietbroek~~

Chief Executive Officer

Dated: ~~March 1, 2023~~ February 28, 2024

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Hass, certify that:

1. I have reviewed this annual report on Form 10-K of Primo Water 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.

/s/ David Hass

---

David Hass

Chief Financial Officer

Dated: ~~March 1, 2023~~ February 28, 2024

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION  
906 OF THE SARBANES-OXLEY ACT OF 2002.**

The undersigned, **Thomas J. Harrington**, **Robbert Rietbroek**, Chief Executive Officer of Primo Water Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 30, 2023** (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the **1<sup>st</sup>** **28<sup>th</sup>** day of **March, 2023** **February, 2024**.

/s/ **Thomas J. Harrington** **Robbert Rietbroek**

---

**Thomas J. Harrington** **Robbert Rietbroek**  
Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION  
906 OF THE SARBANES-OXLEY ACT OF 2002.**

The undersigned, David Hass, Chief Financial Officer of Primo Water Corporation (the "Company"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Company's Annual Report on Form 10-K for the year ended **December 31, 2022** **December 30, 2023** (the "Report").

The undersigned hereby certifies that to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the **1<sup>st</sup>** **28<sup>th</sup>** day of **March, 2023** **February, 2024**.

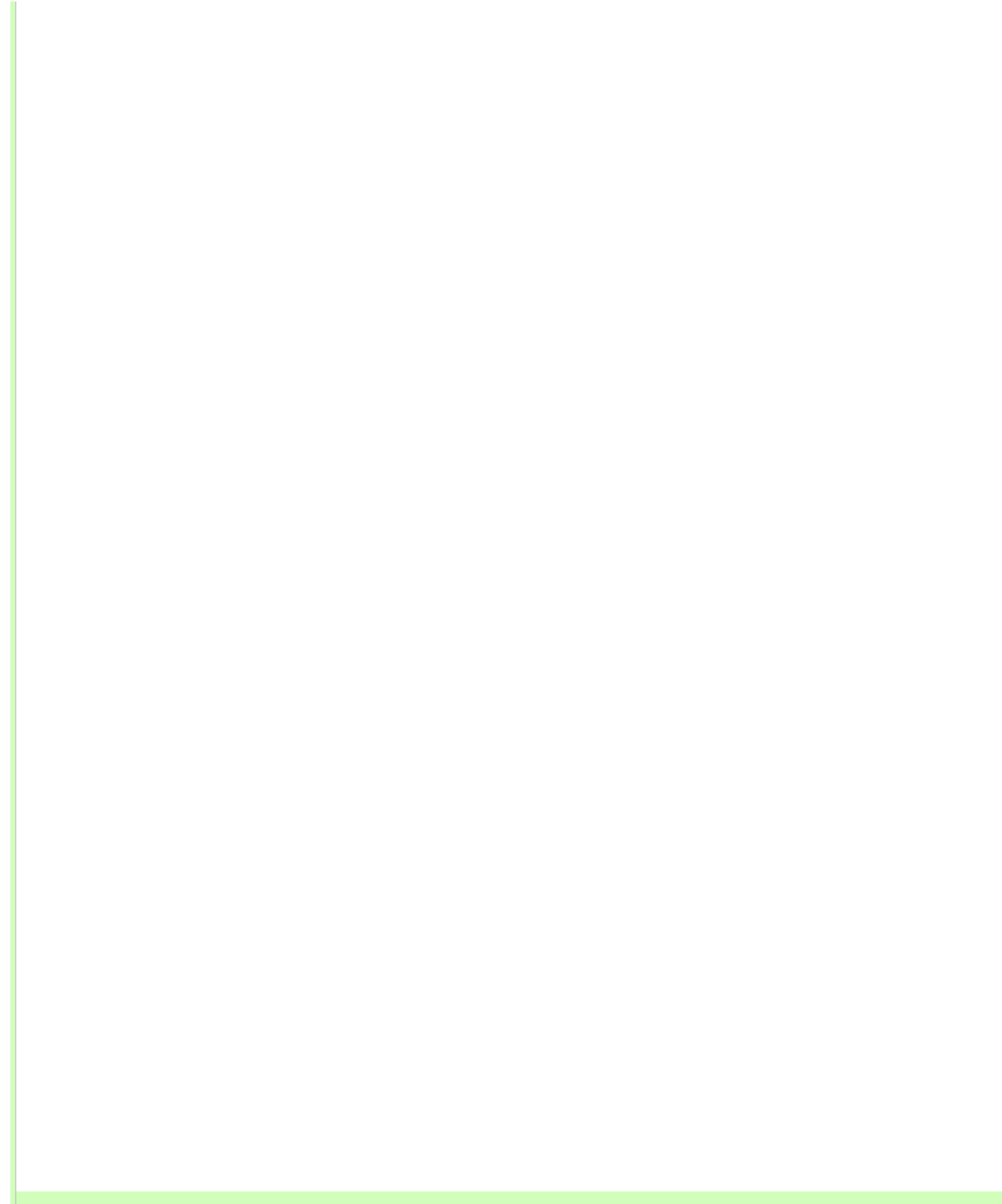
/s/ **David Hass**

---

**David Hass**  
Chief Financial Officer



slide1



US 360035328.01 Primo Water Corporation Amended and Restated Executive Incentive Compensation Recoupment Policy 1. ADMINISTRATION AND APPLICATION. This policy shall be administered by the Human Resources and Compensation Committee (the "Committee") of Primo Water Corporation (the "Company"). This policy applies to all current and former "executive officers" as such term is defined in accordance with Section 16a-1(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Securities and Exchange Commission regulations promulgated thereunder, and applicable New York Stock Exchange ("NYSE") listing standards. Subject to and in accordance with the terms of this policy, upon a Recoupment Event, each Covered Associate shall be obligated to return to the Company, reasonably promptly, the amount of Erroneously Awarded Compensation that was received by such Covered

Associate during the Lookback Period. 2. EVENTS THAT PERMIT RECOVERY. As set forth in more detail below, this policy allows the Company to recover Erroneously Awarded Compensation from Covered Associates in the event of a required Accounting Restatement of a financial statement of the Company (whether or not it is based on misconduct). 3. AMOUNT OF RECOVERY. In the event of a Recoupment Event, the Committee will promptly determine the amount of Erroneously Awarded Compensation for each Covered Associate, and the Company will provide each such Covered Associate with a written notice of such amount and a demand for repayment or return. Upon receipt of such notice, each affected Covered Associate shall promptly repay or return such Erroneously Awarded Compensation to the Company. 4. TEMPORAL AND OTHER LIMITS ON RECOVERY. The right to recovery shall be limited to Incentive-Based Compensation received by the Covered Associate during the Lookback Period. Erroneously Awarded Compensation will be recovered in accordance with this policy unless the Committee determines that recovery would be impracticable and one of the following conditions is met: (i) the direct expense paid to a third party to assist in enforcing this policy would exceed the amount to be recovered, provided the Company has first made a reasonable effort to recover the Erroneously Awarded Compensation, or (ii) the recovery would likely cause a U.S. tax-qualified retirement plan to fail to meet the requirements of Internal Revenue Code Sections 401(a)(13) and 411(a) and the regulations thereunder; or



slide2



US 360035328.01, if the recovery would violate applicable provincial or federal Canadian law that was in effect before November 28, 2022, and the Company provides the exchange with an acceptable opinion of counsel to that effect; if any of the above exemptions are relied upon, the Company will further comply with applicable listing standards, including without limitation, documenting the reason for the impracticability and providing required documentation to NYSE. 5. MEANS OF COLLECTING RECOVERY. If the repayment or return of Erroneously Awarded Compensation is not made by a Covered Associate within a reasonable time after receipt of written notice as provided by Section 3, the Company shall recover such amounts in a reasonable and prompt manner using any lawful method, which may include, without limitation: (i) reducing future Incentive-Based Compensation or by seeking repayment or return of prior Incentive-Based Compensation paid or distributed to the Covered Associate; (ii) requiring reimbursement of cash previously paid, as well as any Erroneously Awarded Compensation that is deferred and not yet payable, including any interest or earnings accrued; (iii) seeking recovery of any shares of Company stock that are Erroneously Awarded Compensation; (iv) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; (v) offsetting such amount from any compensation the Company otherwise owes to the Covered Associate; (vi) cancelling outstanding vested or unvested equity awards; (vii) causing the forfeiture of any unpaid, vested or unvested, compensation; and (viii) taking any other remedial and recovery action permitted by law, provided that recovery of any Erroneously Awarded Compensation must be made in compliance with Section 409A and other applicable law. The applicable Covered Associate shall also be required to reimburse the Company for any and all expenses (including legal fees) reasonably incurred by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence. 6. AWARDS SUBJECT TO POLICY. This policy shall apply to all Incentive-Based Compensation received by a Covered Associate (i) on or after October 2, 2023 (even if such Incentive-Based Compensation was approved, awarded or granted prior to the effective date), (ii) after the individual began service as a Covered Associate, (iii) if the individual served as a Covered Associate during the performance period for such Incentive-Based Compensation, and (iv) while the Company has a class of securities listed on a national securities exchange or national securities association.



slide3

US:360035328.01 For purposes of this policy, Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. 7. NOTICE. The Company shall take all appropriate steps to inform Covered Associates of this policy, so that such policy shall be enforceable to the fullest extent legally permissible. These steps may include, but not be limited to providing that this policy shall be acknowledged by Covered Associates and incorporating the terms of this policy into the terms of any incentive plan or incentive award agreement applicable to Covered Associates. In addition, the Company shall take all appropriate steps to disclose this policy in accordance with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and any regulations promulgated with respect thereto. 8. COORDINATION WITH LAW. This policy is designed, and shall be interpreted, to comply with section 954 of the Act, and Rule 10D-1, and, in each case, any regulations promulgated with respect thereto, and in the event that any provision of this policy is inconsistent with any requirement of the Act or any interpretive regulations issued thereunder, the Committee shall administer this policy to comply with the Act and the regulations. In addition, the Committee shall have the authority to amend this policy at any time as the Committee deems necessary or appropriate, as the Committee determines in its sole discretion, to comply with the requirements of the Act and any applicable regulations, rules or standards adopted by SEC or the rules of any securities exchange or securities association on which the Company's securities are listed. 9. DEFINITIONS. ☐ "Accounting Restatement" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a "Big R" restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a "little r" restatement). ☐ "Covered Associate" means each of the Company's current and former executive officers who is or was designated as an officer of the Company in accordance with Rule 16a-1(f) of the Exchange Act. ☐ "Erroneously Awarded Compensation" means, with respect to each Covered Associate in connection with an Accounting Restatement, the excess of the amount of Incentive-Based Compensation received by the Covered Associate during the Lookback Period over the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes.



slide4

US\$360035328.01 paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to NYSE. ☐ "Financial Reporting Measures" are any measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC. ☐ "Incentive-Based Compensation" is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. ☐ "Lookback Period" means the three completed fiscal years immediately preceding the Required Restatement Date and any transition period (that results from a change in the Company's fiscal year) of less than nine months within or immediately following those three completed fiscal years. ☐ A "Recoupment Event" occurs when the Company is required to prepare an Accounting Restatement. ☐ "Required Restatement Date" means the earlier to occur of: (a) the date the Company's Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement. ☐ "Section 409A" means Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder. 10. NO INSURANCE OR INDEMNIFICATION. Neither the Company nor any of its affiliates or subsidiaries may indemnify any Covered Associate against the loss of any Erroneously Awarded Compensation (or related expenses incurred by the Covered Associate) pursuant to a recovery of Erroneously Awarded Compensation under this policy, nor will it pay or reimburse a Covered Associate for any insurance premiums on any insurance policy obtained by the Covered Associate to protect against the forfeiture or recovery of any compensation pursuant to this policy.



slide5

US-360035328.01 11. OTHER RECOUPMENT RIGHTS. The Committee intends that this policy will be applied to the fullest extent of the law. Any Incentive-Based Compensation provided for in an employment agreement or any other compensatory plan or agreement shall, as a condition to the grant of any benefit thereunder, be subject to the terms of this policy. Any right of recoupment under this policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement or other compensation plan or agreement and any other legal remedies available to the Company. This policy is in addition to any other clawback or compensation recovery, recoupment or forfeiture policy in effect or that may be adopted by the Company from time to time, or any laws, rules or listing standards applicable to the Company, including, without limitation, the Company's right to recoup any bonus or other compensation subject to Section 304 of the Sarbanes-Oxley Act of 2002. To the extent that application of this policy would provide for recovery of Erroneously Awarded Compensation that the Company recovers pursuant to another policy or provision, the amount that is recovered will be credited to the required recovery under this policy. 12. SEVERABILITY. The invalidity of any one or more of the words, phrases, sentences, clauses or sections contained in this policy shall not affect the enforceability of the remaining portions of this policy or any part thereof, all of which are inserted conditionally on their being valid in law, and, in the event

that any one or more of the words, phrases, sentences, clauses or sections contained in this policy shall be declared invalid, this policy shall be construed as if such invalid word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted. 13. SUCCESSORS. This policy shall be binding and enforceable against all Covered Associate and their beneficiaries, heirs, executors, administrators or other legal representatives. Adopted October 31, 2023



slide6

US 360035328.01 ACKNOWLEDGMENT TO PRIMO WATER CORPORATION AMENDED AND RESTATED EXECUTIVE INCENTIVE COMPENSATION RECOUPMENT POLICY By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Primo Water Corporation (the "Company") Amended and Restated Executive Incentive Compensation Recoupment Policy (as it may be amended and in effect from time to time, the "Policy"). By signing this Acknowledgement, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with, and provision of services to, the Company. In the event of any inconsistency between the Policy and the terms of any employment or other agreement to which the undersigned is a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern. Further, by signing below, the undersigned acknowledges that the Company will not indemnify the undersigned against the loss of any Erroneously Awarded Compensation (as defined in the Policy) and agrees to abide by the terms of the Policy, including, without limitation, by forfeiting, returning and/or reimbursing any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

Signature

Printed Name

Date

#### 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.