

**UNITED STATES**  
**shellSECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**Form 10-Q**

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

for the quarterly period ended February 29, 2024

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

for the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 1-13146

**THE GREENBRIER COMPANIES, INC.**  
(Exact name of registrant as specified in its charter)

**Oregon**  
(State of Incorporation)

**One Centerpointe Drive, Suite 200, Lake Oswego, OR**  
(Address of principal executive offices)

**93-0816972**  
(I.R.S. Employer Identification No.)

**97035**  
(Zip Code)

**(503) 684-7000**  
(Registrant's telephone number, including area code)

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 Stock without par value	GBX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ 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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of the registrant's common stock, without par value, outstanding on April 1, 2024 was 31,130,943 shares.



FORM 10-Q

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## Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements, other than statements of historical fact included in this report, concerning our plans, objectives, goals, strategies, future events, future performance, financing needs, plans or intentions relating to business trends and other information referred to under "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. We use words such "affect," "anticipate," "assume," "backlog," "be," "believe," "commit," "can," "contingent," "continue," "could," "due to," "estimate," "expect," "future," "intend," "likely," "may," "ongoing," "opinion," "optimize," "plan," "potential," "trend," "realize," "result," "seek," "should," "strategy," "will," "would," and similar expressions to identify forward-looking statements. Forward-looking statements are not guarantees of future performance.

Forward-looking statements are based on our current expectations and beliefs and on currently available operating, financial and market information and are subject to various risks and uncertainties, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations and beliefs are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that our expectations or beliefs will result or be achieved and actual future results and trends may differ materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties and other important factors that could cause our actual results to differ materially from the forward-looking statements contained in this report. Such risks, uncertainties and important factors include but are not limited to the following:

- an economic downturn or economic uncertainty;
- shortages of skilled labor, increased labor costs, or a failure to maintain good relations with our workforce;
- price volatility for supplies to our business as well as goods and services in our industry;
- mismatch of supply and demand, interruptions of supply lines, inefficient or overloaded logistics platforms, among other factors which may cause the markets for the inputs to our business to fail to operate effectively or efficiently;
- undertaking and management of capital expenditures;
- creation, implementation and use of information technology systems;
- cybersecurity threats and incidents;
- equipment failures, technological failures, costs and inefficiencies associated with changing of production lines, or transfer of production between facilities;
- monetary and other policy interventions by governments and central banks, including the increase of interest rates;
- changes in demand for our railcar equipment and services;
- changes in our product mix or revenue due to shifts in demand;
- the cyclical nature of our business;
- the loss of, or reduction of, business from one or more of our limited number of customers;
- impacts from international conflicts or other geopolitical events, including the war in Ukraine;
- our ability to realize the anticipated benefits of our enhanced leasing strategy;
- inflation, including wage inflation and a rise in prices for energy and other inputs;
- a decline in performance, or increase in efficiency, of the rail freight industry;
- risks related to our operations outside of the United States (U.S.) including enforcement actions by regulators related to tax, environmental, labor, safety, or other regulations;
- governmental policy changes impacting international trade and corporate tax;
- a material delay in the movement of our products to customer delivery points;
- our inability to lease railcars at satisfactory rates, remarket leased railcars on favorable terms upon lease termination, or realize the expected residual values for end of life railcars due to changes in scrap prices; and
- the COVID-19 coronavirus pandemic, the governmental reaction to COVID-19 and the related significant global volatility in general economic activity.

There may be other factors that may cause our actual results to differ materially from the forward-looking statements, including the risks, uncertainties and factors described in more detail in Part I Item 1A "Risk Factors" in our most recent Annual Report on Form 10-K which are incorporated herein by reference. You should evaluate all forward-looking statements made in this report in the context of these risks, uncertainties and factors. You are cautioned not to place undue reliance on any forward-looking statements, which reflect management's opinions only as of the date hereof. Except as otherwise required by law, we do not assume any obligation to update any forward-looking statements.

## PART I. FINANCIAL INFORMATION

### Item 1. Condensed Consolidated Financial Statements

#### Condensed Consolidated Balance Sheets

(In millions, except number of shares which are reflected in thousands, unaudited)

	February 29, 2024	August 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 252.0	\$ 281.7
Restricted cash	20.0	21.0
Accounts receivable, net	519.1	529.9
Income tax receivable	20.9	42.2
Inventories	827.0	823.6
Leased railcars for syndication	134.4	187.4
Equipment on operating leases, net	1,160.5	1,000.0
Property, plant and equipment, net	636.1	619.2
Investment in unconsolidated affiliates	90.0	88.7
Intangibles and other assets, net	255.6	255.8
Goodwill	128.0	128.9
	<u>\$ 4,043.6</u>	<u>\$ 3,978.4</u>
<b>Liabilities and Equity</b>		
Revolving notes	\$ 300.8	\$ 297.1
Accounts payable and accrued liabilities	649.3	743.5
Deferred income taxes	79.7	114.1
Deferred revenue	81.5	46.2
Notes payable, net	1,421.8	1,311.7
Commitments and contingencies (Note 14)		
Contingently redeemable noncontrolling interest	56.0	55.6
<b>Equity:</b>		
Greenbrier		
Preferred stock - without par value; 25,000 shares authorized; none outstanding	—	—
Common stock - without par value; 50,000 shares authorized; 31,131 and 30,880 shares outstanding at February 29, 2024 and August 31, 2023	—	—
Additional paid-in capital	366.1	364.4
Retained earnings	942.7	897.5
Accumulated other comprehensive loss	(8.9)	(7.3)
Total equity – Greenbrier	1,299.9	1,254.6
Noncontrolling interest	154.6	155.6
Total equity	<u>1,454.5</u>	<u>1,410.2</u>
	<u>\$ 4,043.6</u>	<u>\$ 3,978.4</u>

*The accompanying notes are an integral part of these financial statements*

# Condensed Consolidated Statements of Income

(In millions, except number of shares which are reflected in thousands and per share amounts, unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
<b>Revenue</b>				
Manufacturing	\$ 735.8	\$ 968.6	\$ 1,411.7	\$ 1,615.1
Maintenance Services	75.2	98.0	159.0	183.5
Leasing & Management Services	51.7	55.4	100.8	89.9
	862.7	1,122.0	1,671.5	1,888.5
<b>Cost of revenue</b>				
Manufacturing	656.2	901.2	1,257.1	1,505.7
Maintenance Services	69.2	89.6	140.8	169.2
Leasing & Management Services	15.1	14.4	30.1	27.3
	740.5	1,005.2	1,428.0	1,702.2
<b>Margin</b>	122.2	116.8	243.5	186.3
Selling and administrative expense	63.6	59.0	119.9	112.4
Net gain on disposition of equipment	(4.9)	(9.6)	(4.8)	(12.9)
Impairment of long-lived assets	—	—	—	24.2
<b>Earnings from operations</b>	63.5	67.4	128.4	62.6
<b>Other costs</b>				
Interest and foreign exchange	24.6	21.6	47.8	41.2
Earnings before income tax and earnings from unconsolidated affiliates	38.9	45.8	80.6	21.4
Income tax expense	(9.3)	(11.9)	(19.3)	(8.1)
Earnings before earnings from unconsolidated affiliates	29.6	33.9	61.3	13.3
Earnings from unconsolidated affiliates	4.0	2.9	5.5	6.2
Net earnings	33.6	36.8	66.8	19.5
Net earnings attributable to noncontrolling interest	(0.2)	(3.7)	(2.2)	(3.1)
<b>Net earnings attributable to Greenbrier</b>	<u>\$ 33.4</u>	<u>\$ 33.1</u>	<u>\$ 64.6</u>	<u>\$ 16.4</u>
Basic earnings per common share	\$ 1.08	\$ 1.01	\$ 2.08	\$ 0.50
Diluted earnings per common share	\$ 1.03	\$ 0.97	\$ 1.99	\$ 0.49
<b>Weighted average common shares:</b>				
Basic	31,117	32,588	31,071	32,654
Diluted	32,570	34,400	32,676	33,654

The accompanying notes are an integral part of these financial statements

**Condensed Consolidated Statements of Comprehensive Income**  
(In millions, unaudited)

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Net earnings	\$ 33.6	\$ 36.8	\$ 66.8	\$ 19.5
Other comprehensive income (loss)				
Translation adjustment	(1.8)	5.4	(1.8)	10.9
Reclassification of derivative financial instruments recognized in net earnings <sup>1</sup>	(4.0)	(1.6)	(7.5)	(2.1)
Unrealized gain on derivative financial instruments <sup>2</sup>	2.8	6.1	7.1	15.0
Other (net of tax effect)	0.5	0.1	0.6	0.1
	(2.5)	10.0	(1.6)	23.9
Comprehensive income	31.1	46.8	65.2	43.4
Comprehensive income attributable to noncontrolling interest	(0.2)	(3.7)	(2.2)	(3.1)
Comprehensive income attributable to Greenbrier	<u>\$ 30.9</u>	<u>\$ 43.1</u>	<u>\$ 63.0</u>	<u>\$ 40.3</u>

<sup>1</sup> Net of tax effect of \$1.0 million and \$0.7 million for the three months ended February 29, 2024 and February 28, 2023, respectively, and \$1.9 million and \$1.0 million for the six months ended February 29, 2024 and February 28, 2023, respectively.

<sup>2</sup> Net of tax effect of \$(0.8 million) and \$(3.8 million) for the three months ended February 29, 2024 and February 28, 2023, respectively, and \$(1.8 million) and \$(6.8 million) for the six months ended February 29, 2024 and February 28, 2023, respectively.

*The accompanying notes are an integral part of these financial statements*

**Condensed Consolidated Statements of Equity**  
(In millions, except per share amounts, unaudited)

	Attributable to Greenbrier				Total Equity - Greenbrier	Noncontrolling Interest	Total Equity	Contingently Redeemable Noncontrolling Interest
	Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss				
<b>Balance August 31, 2023</b>	30.9	\$ 364.4	\$ 897.5	\$ (7.3)	\$ 1,254.6	\$ 155.6	\$ 1,410.2	\$ 55.6
Net earnings	—	—	64.6	—	64.6	1.8	66.4	0.4
Other comprehensive loss, net	—	—	—	(1.6)	(1.6)	—	(1.6)	—
Noncontrolling interest adjustments	—	—	—	—	—	1.6	1.6	—
Joint venture partner distribution declared	—	—	—	—	—	(4.4)	(4.4)	—
Restricted stock awards (net of cancellations)	0.2	14.1	—	—	14.1	—	14.1	—
Unamortized restricted stock	—	(19.2)	—	—	(19.2)	—	(19.2)	—
Stock based compensation expense	—	8.1	—	—	8.1	—	8.1	—
Repurchase of stock	—	(1.3)	—	—	(1.3)	—	(1.3)	—
Cash dividends (\$0.60 per share)	—	—	(19.4)	—	(19.4)	—	(19.4)	—
<b>Balance February 29, 2024</b>	<u>31.1</u>	<u>\$ 366.1</u>	<u>\$ 942.7</u>	<u>\$ (8.9)</u>	<u>\$ 1,299.9</u>	<u>\$ 154.6</u>	<u>\$ 1,454.5</u>	<u>\$ 56.0</u>

	Attributable to Greenbrier				Total Equity - Greenbrier	Noncontrolling Interest	Total Equity	Contingently Redeemable Noncontrolling Interest
	Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss				
<b>Balance November 30, 2023</b>	31.1	\$ 361.3	\$ 919.1	\$ (6.4)	\$ 1,274.0	\$ 157.1	\$ 1,431.1	\$ 56.5
Net earnings	—	—	33.4	—	33.4	0.7	34.1	(0.5)
Other comprehensive loss, net	—	—	—	(2.5)	(2.5)	—	(2.5)	—
Noncontrolling interest adjustments	—	—	—	—	—	1.2	1.2	—
Joint venture partner distribution declared	—	—	—	—	—	(4.4)	(4.4)	—
Restricted stock awards (net of cancellations)	—	3.7	—	—	3.7	—	3.7	—
Unamortized restricted stock	—	(3.6)	—	—	(3.6)	—	(3.6)	—
Stock based compensation expense	—	4.7	—	—	4.7	—	4.7	—
Cash dividends (\$0.30 per share)	—	—	(9.8)	—	(9.8)	—	(9.8)	—
<b>Balance February 29, 2024</b>	<u>31.1</u>	<u>\$ 366.1</u>	<u>\$ 942.7</u>	<u>\$ (8.9)</u>	<u>\$ 1,299.9</u>	<u>\$ 154.6</u>	<u>\$ 1,454.5</u>	<u>\$ 56.0</u>

	Attributable to Greenbrier				Total Equity - Greenbrier	Noncontrolling Interest	Total Equity	Contingently Redeemable Noncontrolling Interest
	Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss				
<b>Balance August 31, 2022</b>	32.6	\$ 424.8	\$ 897.7	\$ (45.6)	\$ 1,276.9	\$ 152.2	\$ 1,429.1	\$ 27.7
Net earnings	—	—	16.4	—	16.4	3.3	19.7	(0.2)
Other comprehensive income, net	—	—	—	23.9	23.9	—	23.9	—
Noncontrolling interest adjustments	—	(7.9)	—	—	(7.9)	(2.0)	(9.9)	—
Joint venture partner distribution declared	—	—	—	—	—	(8.9)	(8.9)	—
Restricted stock awards (net of cancellations)	0.2	9.0	—	—	9.0	—	9.0	—
Unamortized restricted stock	—	(11.4)	—	—	(11.4)	—	(11.4)	—
Stock based compensation expense	—	5.9	—	—	5.9	—	5.9	—
Repurchase of stock	(0.5)	(17.4)	—	—	(17.4)	—	(17.4)	—
Cash dividends (\$0.54 per share)	—	—	(18.1)	—	(18.1)	—	(18.1)	—
<b>Balance February 28, 2023</b>	<u>32.3</u>	<u>\$ 403.0</u>	<u>\$ 896.0</u>	<u>\$ (21.7)</u>	<u>\$ 1,277.3</u>	<u>\$ 144.6</u>	<u>\$ 1,421.9</u>	<u>\$ 27.5</u>

	Attributable to Greenbrier				Total Equity - Greenbrier	Noncontrolling Interest	Total Equity	Contingently Redeemable Noncontrolling Interest
	Common Stock Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss				
<b>Balance November 30, 2022</b>	32.8	\$ 425.6	\$ 871.9	\$ (31.7)	\$ 1,265.8	\$ 152.1	\$ 1,417.9	\$ 27.7
Net earnings	—	—	33.1	—	33.1	3.9	37.0	(0.2)
Other comprehensive income, net	—	—	—	10.0	10.0	—	10.0	—
Noncontrolling interest adjustments	—	(7.9)	—	—	(7.9)	(7.5)	(15.4)	—
Joint venture partner distribution declared	—	—	—	—	—	(3.9)	(3.9)	—
Restricted stock awards (net of cancellations)	—	0.5	—	—	0.5	—	0.5	—
Unamortized restricted stock	—	(0.5)	—	—	(0.5)	—	(0.5)	—
Stock based compensation expense	—	2.7	—	—	2.7	—	2.7	—
Repurchase of stock	(0.5)	(17.4)	—	—	(17.4)	—	(17.4)	—
Cash dividends (\$0.27 per share)	—	—	(9.0)	—	(9.0)	—	(9.0)	—
<b>Balance February 28, 2023</b>	<u>32.3</u>	<u>\$ 403.0</u>	<u>\$ 896.0</u>	<u>\$ (21.7)</u>	<u>\$ 1,277.3</u>	<u>\$ 144.6</u>	<u>\$ 1,421.9</u>	<u>\$ 27.5</u>

The accompanying notes are an integral part of these financial statements



**Condensed Consolidated Statements of Cash Flows**  
(In millions, unaudited)

	Six Months Ended	
	February 29, 2024	February 28, 2023
<b>Cash flows from operating activities</b>		
Net earnings	\$ 66.8	\$ 19.5
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Deferred income taxes	(35.5)	(33.9)
Depreciation and amortization	54.3	52.9
Net gain on disposition of equipment	(4.8)	(12.9)
Stock based compensation expense	8.1	5.9
Impairment of long-lived assets	—	24.2
Noncontrolling interest adjustments	1.6	2.3
Other	2.0	1.9
Decrease (increase) in assets:		
Accounts receivable, net	12.2	(57.8)
Income tax receivable	21.3	17.4
Inventories	(8.4)	(90.4)
Leased railcars for syndication	(6.7)	(40.1)
Other assets	2.5	(12.8)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(93.8)	(9.7)
Deferred revenue	34.8	37.1
Net cash provided by (used in) operating activities	54.4	(96.4)
<b>Cash flows from investing activities</b>		
Proceeds from sales of assets	25.9	62.1
Capital expenditures	(190.5)	(169.7)
Investments in and advances to / repayments from unconsolidated affiliates	—	(3.5)
Cash distribution from unconsolidated affiliates and other	1.5	5.9
Net cash used in investing activities	(163.1)	(105.2)
<b>Cash flows from financing activities</b>		
Net change in revolving notes with maturities of 90 days or less	28.5	(64.4)
Proceeds from revolving notes with maturities longer than 90 days	114.5	220.0
Repayments of revolving notes with maturities longer than 90 days	(140.2)	(145.0)
Proceeds from issuance of notes payable	178.6	75.0
Repayments of notes payable	(68.2)	(18.2)
Debt issuance costs	(2.9)	(0.2)
Repurchase of stock	(1.3)	(16.7)
Dividends	(19.7)	(18.1)
Cash distribution to joint venture partner	(4.4)	(6.4)
Tax payments for net share settlement of restricted stock	(5.2)	(2.3)
Net cash provided by financing activities	79.7	23.7
Effect of exchange rate changes	(1.7)	18.4
<b>Decrease in Cash and cash equivalents and Restricted cash</b>	<b>(30.7)</b>	<b>(159.5)</b>
<b>Cash and cash equivalents and restricted cash</b>		
Beginning of period	302.7	559.1
End of period	<u>\$ 272.0</u>	<u>\$ 399.6</u>
<b>Balance sheet reconciliation</b>		
Cash and cash equivalents	\$ 252.0	\$ 379.9
Restricted cash	20.0	19.7
Total cash and cash equivalents and restricted cash as presented above	<u>\$ 272.0</u>	<u>\$ 399.6</u>
<b>Cash paid during the period for</b>		
Interest	\$ 42.5	\$ 31.3
Income taxes paid, net	\$ 31.7	\$ 19.5
<b>Non-cash activity</b>		
Transfers between Leased railcars for syndication and Inventories and Equipment on operating leases, net	\$ 64.8	\$ 39.7
Capital expenditures accrued in Accounts payable and accrued liabilities	\$ 13.0	\$ 4.4
Change in Accounts payable and accrued liabilities associated with dividends declared	\$ 0.3	\$ 0.1
Change in Accounts payable and accrued liabilities associated with cash distributions to joint venture partner	\$ —	\$ 2.5
Repurchase of stock accrued in Accounts payable and accrued liabilities	\$ —	\$ 0.7

The accompanying notes are an integral part of these financial statements

**Notes to Condensed Consolidated Financial Statements**  
(Unaudited)

**Note 1 – Interim Financial Statements**

The Condensed Consolidated Financial Statements of The Greenbrier Companies, Inc. and its subsidiaries (Greenbrier or the Company) as of February 29, 2024 and for the three and six months ended February 29, 2024 and February 28, 2023 have been prepared to reflect all adjustments (consisting of normal recurring accruals) that, in the opinion of management, are necessary for a fair presentation of the financial position, operating results and cash flows for the periods indicated. All references to years refer to the fiscal years ended August 31st unless otherwise noted. The results of operations for the three and six months ended February 29, 2024 are not necessarily indicative of the results to be expected for the entire year ending August 31, 2024.

Certain notes and other information have been condensed or omitted from the interim financial statements presented in this Quarterly Report on Form 10-Q. Therefore, these unaudited financial statements should be read in conjunction with the Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended August 31, 2023.

*Management Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. (GAAP) requires judgment on the part of management to arrive at estimates and assumptions on matters that are inherently uncertain. These estimates may affect the amount of assets, liabilities, revenue and expenses reported in the financial statements and accompanying notes and disclosure of contingent assets and liabilities within the financial statements. Estimates and assumptions are periodically evaluated and may be adjusted in future periods. Actual results could differ from those estimates.

*Share Repurchase Program* – The Board of Directors has authorized the Company to repurchase in aggregate up to \$100.0 million of the Company's common stock. The program may be modified, suspended, or discontinued at any time without prior notice and currently has an expiration date of January 31, 2025. Under the share repurchase program, shares of common stock may be purchased from time to time on the open market or through privately negotiated transactions. The timing and amount of purchases is based upon market conditions, securities law limitations and other factors.

During the six months ended February 29, 2024, the Company purchased a total of 38 thousand shares for \$1.3 million. There were no share repurchases during the three months ended February 29, 2024. As of February 29, 2024, the amount remaining for repurchase under the share repurchase program was \$45.1 million. During the three and six months ended February 28, 2023, the Company purchased a total of 575 thousand shares for \$17.4 million.

*Reclassifications* - Certain immaterial reclassifications have been made to the accompanying prior year Condensed Consolidated Financial Statements to conform to the current year presentation.

*Recent Accounting Pronouncements*

Improvements to Reportable Segment Disclosures

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (ASU 2023-07), which requires disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures of significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 and requires retrospective application to all periods presented upon adoption. Early adoption is permitted. The Company is currently evaluating the impact that ASU 2023-07 will have on its consolidated financial statements and disclosures.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (ASU 2023-09), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact that ASU 2023-09 will have on its consolidated financial statements and disclosures.

## Note 2 – Revenue Recognition

### Contract balances

Contract assets primarily consist of work completed for railcar maintenance but not billed at the reporting date. Contract liabilities primarily consist of customer prepayments for new railcars and other management-type services, for which the Company has not yet satisfied the related performance obligations.

The contract balances are as follows:

(in millions)	Balance sheet classification	February 29, 2024	August 31, 2023	\$ change
Contract assets	Accounts Receivable	\$ 0.7	\$ 0.1	\$ 0.6
Contract assets	Inventories	\$ 10.3	\$ 7.0	\$ 3.3
Contract liabilities <sup>(1)</sup>	Deferred revenue	\$ 77.7	\$ 43.3	\$ 34.4

<sup>(1)</sup> Contract liabilities balance includes deferred revenue within the scope of *Revenue from Contracts with Customers* (Topic 606).

For the three and six months ended February 29, 2024, the Company recognized \$6.8 million and \$13.4 million of revenue that was included in Contract liabilities as of August 31, 2023.

### Performance obligations

As of February 29, 2024, the Company has entered into contracts with customers for which revenue has not yet been recognized. The following table outlines estimated revenue related to performance obligations wholly or partially unsatisfied, that the Company anticipates will be recognized in future periods.

(in millions)	February 29, 2024
Revenue type:	
Manufacturing – Railcar sales	\$ 2,725.8
Manufacturing – Sustainable conversions	\$ 52.6
Management services	\$ 133.4
Other	\$ 13.0

Based on current production and delivery schedules and existing contracts, approximately \$1.1 billion of Railcar sales are expected to be recognized in the remainder of 2024 while the remaining amount is expected to be recognized through 2026.

Sustainable conversions represent orders to modernize existing railcars and are expected to be recognized in 2024.

Management services includes management and maintenance service contracts of which approximately 55% are expected to be performed through 2028 and the remaining amount through 2037.

## Note 3 – Inventories

The following table summarizes the Company's Inventories balance:

(in millions)	February 29, 2024	August 31, 2023
Manufacturing supplies and raw materials	\$ 600.1	\$ 638.2
Work-in-process	133.1	138.2
Finished goods	99.7	64.4
Excess and obsolete adjustment	(5.9)	(17.2)
	<u>\$ 827.0</u>	<u>\$ 823.6</u>

#### Note 4 – Intangibles and Other Assets, net

The following table summarizes the Company's identifiable Intangibles and other assets, net balance:

(in millions)	February 29, 2024	August 31, 2023
Intangible assets subject to amortization:		
Customer relationships	\$ 87.5	\$ 87.5
Accumulated amortization	(70.6)	(69.1)
Other intangibles	41.8	43.0
Accumulated amortization	(23.8)	(22.3)
	34.9	39.1
Intangible assets not subject to amortization	2.3	2.3
Prepaid and other assets	50.5	56.4
Operating lease right-of-use assets	70.7	70.6
Nonqualified savings plan investments	56.4	47.7
Debt issuance costs, net	6.4	6.3
Assets held for sale	0.3	0.3
Deferred tax assets	34.1	33.1
	<u>\$ 255.6</u>	<u>\$ 255.8</u>

#### Note 5 – Revolving Notes

Senior secured credit facilities aggregated to \$1.4 billion as of February 29, 2024. The Company had an aggregate of \$329.3 million available to draw down under credit facilities as of February 29, 2024. This amount consists of \$214.6 million available on the North American credit facility, \$43.7 million on the European credit facilities and \$71.0 million on the Mexican credit facilities.

##### Nonrecourse credit facilities

**GBX Leasing** – As of February 29, 2024, a \$550.0 million nonrecourse warehouse credit facility existed to support the operations of GBX Leasing. Advances under this facility bear interest at the Secured Overnight Financing Rate (SOFR) plus 1.85% plus 0.11% as a SOFR adjustment. Interest rate swap agreements cover approximately 99% of the outstanding balance to swap the floating interest rate to a fixed rate. The warehouse credit facility converts to a term loan in August 2025 and matures in August 2027.

##### Other credit facilities

**North America** – As of February 29, 2024, a \$600.0 million revolving line of credit, maturing August 2026, secured by substantially all the Company's U.S. assets not otherwise pledged as security for term loans or the warehouse credit facility, existed to provide working capital and interim financing of equipment, principally for the Company's U.S. and Mexican operations. Advances under this North American credit facility bear interest at SOFR plus 1.75% plus 0.10% as a SOFR adjustment or Prime plus 0.75% depending on the type of borrowing. Available borrowings under the credit facility are generally based on defined levels of eligible inventory, receivables, property, plant and equipment and leased equipment, as well as total debt to consolidated capitalization and fixed charges coverage ratios.

**Europe** – As of February 29, 2024, lines of credit totaling \$75.3 million secured by certain of the Company's European assets, with variable rates that range from Warsaw Interbank Offered Rate (WIBOR) plus 1.2% to WIBOR plus 1.6% and Euro Interbank Offered Rate (EURIBOR) plus 1.9%, were available for working capital needs of the Company's European manufacturing operations. The European lines of credit include \$32.5 million which is guaranteed by the Company. European credit facilities are regularly renewed. Currently, these European credit facilities have maturities that range from June 2024 through November 2025.

**Mexico** – As of February 29, 2024, the Company's Mexican railcar manufacturing operations had lines of credit totaling \$196.0 million for working capital needs, \$96.0 million of which the Company and its joint venture partner have each guaranteed 50%. Advances under these facilities bear interest at variable rates that range from SOFR plus 2.22% to SOFR plus 4.25%. The Mexican credit facilities have maturities that range from June 2024 through January 2027.

Revolving notes consisted of the following balances:

(in millions)	February 29, 2024	August 31, 2023
Nonrecourse credit facility balances		
GBX Leasing	\$ 89.2	\$ 139.9
Other credit facility balances		
North America	55.0	—
Europe	31.6	47.2
Mexico	125.0	110.0
Total Revolving notes	<u>\$ 300.8</u>	<u>\$ 297.1</u>

Outstanding commitments under the North American credit facility included letters of credit which totaled \$7.1 million and \$4.9 million as of February 29, 2024 and August 31, 2023, respectively.

#### Note 6 – Accounts Payable and Accrued Liabilities

(in millions)	February 29, 2024	August 31, 2023
Trade payables	\$ 303.4	\$ 396.8
Accrued payroll and related liabilities	147.9	158.6
Accrued liabilities and other	97.1	87.3
Operating lease liabilities	71.9	72.2
Accrued warranty	23.0	25.6
Income taxes payable	6.0	3.0
	<u>\$ 649.3</u>	<u>\$ 743.5</u>

#### Note 7 – Warranty Accruals

Warranty accruals are included in Accounts payable and accrued liabilities on the Condensed Consolidated Balance Sheets. Warranty accrual activity consisted of the following:

(in millions)	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Balance at beginning of period	\$ 24.0	\$ 23.7	\$ 25.6	\$ 24.0
Charged to cost of revenue, net	1.1	1.7	4.7	2.9
Payments	(2.1)	(1.0)	(7.7)	(2.6)
Currency translation effect	—	0.1	0.4	0.2
Balance at end of period	<u>\$ 23.0</u>	<u>\$ 24.5</u>	<u>\$ 23.0</u>	<u>\$ 24.5</u>

#### Note 8 – Notes Payable, net

(In millions)	February 29, 2024	August 31, 2023
Leasing nonrecourse term loans	\$ 806.0	\$ 640.2
Senior term debt	259.0	266.4
2.875% Convertible senior notes, due 2028	373.8	373.8
2.875% Convertible senior notes, due 2024	—	47.7
Other notes payable	1.6	1.8
	<u>\$ 1,440.4</u>	<u>\$ 1,329.9</u>
Debt discount and issuance costs	(18.6)	(18.2)
	<u>\$ 1,421.8</u>	<u>\$ 1,311.7</u>

Leasing nonrecourse term loans include:

- \$343.0 million of nonrecourse senior term debt, which is secured by a pool of leased railcars. The principal balance as of February 29, 2024 was \$326.6 million.
- \$501.8 million of Asset-backed term notes, as discussed below. The principal balance as of February 29, 2024 was \$479.4 million.

The Company's 2.875% Convertible senior notes, due 2024 (2024 Convertible Notes), matured on February 1, 2024. The outstanding principal balance of \$47.7 million plus accrued interest was settled in cash on the maturity date to retire the 2024 Convertible Notes.

Terms and conditions, including recourse and nonrecourse provisions and scheduled maturities, and other long-term debt are described in Note 13 of our 2023 Annual Report on Form 10-K.

#### Asset-backed term notes

GBX Leasing 2022-1 LLC (GBXL I) was formed as a wholly owned special purpose entity of GBX Leasing to securitize the leasing assets of GBX Leasing. On November 20, 2023, GBXL I (Issuer) issued \$178.5 million of term notes secured by a portfolio of railcars and associated operating leases and other assets, acquired and owned by GBXL I (the 2023 GBXL Notes). Issued debt of GBXL I as of February 29, 2024 includes the \$323.3 million GBXL I Series 2022-1 Notes, as described in Note 3 of our 2023 Annual Report on Form 10-K, and the 2023 GBXL Notes, collectively the GBXL Notes. GBX Leasing used the net proceeds received from the issuance of the term notes to pay down the GBX Leasing warehouse credit facility.

The 2023 GBXL Notes include \$158.9 million of GBXL I Series 2023-1 Class A Secured Railcar Equipment Notes (2023 Class A Notes) and \$19.6 million of GBXL I Series 2023-1 Class B Secured Railcar Equipment Notes (2023 Class B Notes). The 2023 GBXL Notes bear interest at fixed rates of 6.42% and 7.28% for the 2023 Class A Notes and 2023 Class B Notes, respectively. The 2023 GBXL Notes are payable monthly and have a legal maturity date of November 20, 2053. The Company incurred \$2.2 million in debt issuance costs, which will be amortized to interest expense through the expected repayment period. Both 2023 Class A and Class B Notes have an anticipated repayment date of November 20, 2030 and a legal maturity date. While the legal maturity date is in 2053, the cash flows generated from the railcar assets will pay down the 2023 GBXL Notes in line with the agreement, which based on expected cash flow payments, would result in repayment in advance of the legal maturity date. If the principal amount of the 2023 GBXL Notes has not been repaid in full by the anticipated repayment date, then the Issuer will also be required to pay additional interest to the holders at a rate equal to 4.00% per annum.

The GBXL Notes are obligations of the Issuer only and are nonrecourse to Greenbrier. The GBXL Notes are subject to a Master Indenture between the Issuer and U.S. Bank Trust Company, National Association, as trustee, as supplemented by the Series 2022-1 Supplement dated February 9, 2022 and the Series 2023-1 Supplement dated November 20, 2023. The GBXL Notes may be subject to acceleration upon the occurrence of certain events of default.

The following table summarizes the Issuer's net carrying amount of the debt and related assets.

(in millions)	February 29, 2024	August 31, 2023
<b>Assets</b>		
Restricted cash	\$ 7.4	\$ 6.7
Equipment on operating leases, net	\$ 645.2	\$ 388.9
<b>Liabilities</b>		
Notes payable, net	\$ 472.0	\$ 302.1

#### **Note 9 – Accumulated Other Comprehensive Loss**

Accumulated other comprehensive loss, net of tax effect as appropriate, consisted of the following:

(in millions)	Unrealized Gain (Loss) on Derivative Financial Instruments	Foreign Currency Translation Adjustment	Other	Accumulated Other Comprehensive Loss
Balance, August 31, 2023	\$ 27.0	\$ (32.1)	\$ (2.2)	\$ (7.3)
Other comprehensive gain before reclassifications	7.1	(1.8)	0.6	5.9
Amounts reclassified from Accumulated other comprehensive loss	(7.5)	—	—	(7.5)
Balance, February 29, 2024	<u>\$ 26.6</u>	<u>\$ (33.9)</u>	<u>\$ (1.6)</u>	<u>\$ (8.9)</u>

The amounts reclassified out of Accumulated other comprehensive loss into the Condensed Consolidated Statements of Income, with financial statement caption, were as follows:

	Three Months Ended		
(in millions)	February 29, 2024	February 28, 2023	Financial Statement Caption
(Gain) loss on derivative financial instruments:			
Foreign exchange contracts	\$ (0.8)	\$ 0.1	Revenue and Cost of revenue
Interest rate swap contracts	(4.2)	(2.4)	Interest and foreign exchange
	(5.0)	(2.3)	
	1.0	0.7	Income tax expense
	<u>\$ (4.0)</u>	<u>\$ (1.6)</u>	
	Six Months Ended		
(in millions)	February 29, 2024	February 28, 2023	Financial Statement Caption
(Gain) loss on derivative financial instruments:			
Foreign exchange contracts	\$ (0.9)	\$ 0.3	Revenue and Cost of revenue
Interest rate swap contracts	(8.5)	(3.4)	Interest and foreign exchange
	(9.4)	(3.1)	
	1.9	1.0	Income tax expense
	<u>\$ (7.5)</u>	<u>\$ (2.1)</u>	

#### Note 10 – Earnings Per Share

The shares used in the computation of basic and diluted earnings per common share are reconciled as follows:

(In thousands)	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Weighted average basic common shares outstanding	31,117	32,588	31,071	32,654
Dilutive effect of 2.875% convertible notes due 2024 <sup>(1)</sup>	563	821	694	—
Dilutive effect of 2.875% convertible notes due 2028 <sup>(2)</sup>	—	—	—	—
Dilutive effect of restricted stock units <sup>(3)</sup>	890	991	911	1,000
Weighted average diluted common shares outstanding	<u>32,570</u>	<u>34,400</u>	<u>32,676</u>	<u>33,654</u>

(1) The dilutive effect of the 2.875% Convertible notes due 2024 was excluded for the six months ended February 28, 2023 as they were considered anti-dilutive under the “if converted” method as further discussed below. These notes were retired on February 1, 2024.

(2) The dilutive effect of the 2.875% Convertible notes due 2028 was excluded for the three and six months ended February 29, 2024 and February 28, 2023 as the average stock price was less than the applicable conversion price and therefore was considered anti-dilutive. As these notes require cash settlement for the principal, only a premium is potentially dilutive under the “if converted” method as further discussed below.

(3) Restricted stock units and restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved, are included in weighted average diluted common shares outstanding when the Company is in a net earnings position.

Basic earnings per common share (EPS) is computed by dividing Net earnings attributable to Greenbrier by weighted average basic common shares outstanding.

For the three and six months ended February 29, 2024 and February 28, 2023, diluted EPS was calculated using the more dilutive of two methods. The first method includes the dilutive effect, using the treasury stock method, associated with restricted stock units and performance based restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved. The second method supplements the first by also including the “if converted” effect of the 2.875% Convertible notes due 2024 during the periods in which they were outstanding and shares underlying the 2.875% Convertible notes due 2028, when there is a conversion premium. Under the “if converted” method, debt issuance and interest costs, both net of tax, associated with the convertible notes due 2024 are added back to net earnings and the share count is increased by the shares underlying the convertible notes.

	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
<i>(in millions, except number of shares which are reflected in thousands, and per share amounts)</i>				
Net earnings attributable to Greenbrier	\$ 33.4	\$ 33.1	\$ 64.6	\$ 16.4
Weighted average basic common shares outstanding	31,117	32,588	31,071	32,654
<b>Basic earnings per share</b>	<b>\$ 1.08</b>	<b>\$ 1.01</b>	<b>\$ 2.08</b>	<b>\$ 0.50</b>
Net earnings attributable to Greenbrier	\$ 33.4	\$ 33.1	\$ 64.6	\$ 16.4
Add back:				
Interest and debt issuance costs on the 2.875% convertible notes due 2024, net of tax	0.2	0.3	0.5	n/a
Earnings before interest and debt issuance costs on the 2.875% convertible notes due 2024	\$ 33.6	\$ 33.4	\$ 65.1	n/a
Weighted average diluted common shares outstanding	32,570	34,400	32,676	33,654
<b>Diluted earnings per share</b>	<b>\$ 1.03 <sup>(1)</sup></b>	<b>\$ 0.97 <sup>(1)</sup></b>	<b>\$ 1.99 <sup>(1)</sup></b>	<b>\$ 0.49</b>

<sup>(1)</sup> Diluted earnings per share was calculated as follows:

Earnings before interest and debt issuance costs on the 2.875% convertible notes due 2024	
Weighted average diluted common shares outstanding	

## Note 11 – Derivative Instruments

Foreign operations give rise to market risks from changes in foreign currency exchange rates. Foreign currency forward exchange contracts with established financial institutions are utilized to hedge a portion of that risk. Interest rate swap agreements are used to reduce the impact of changes in interest rates on certain current and probable future debt. The Company's foreign currency forward exchange contracts and interest rate swap agreements are designated as cash flow hedges, and therefore the effective portion of unrealized gains and losses is recorded in Accumulated other comprehensive income.

At February 29, 2024 exchange rates, notional amounts of forward exchange contracts for the purchase of Polish Zlotys and the sale of Euros; and the purchase of Mexican Pesos and the sale of U.S. Dollars aggregated to \$110.9 million. The fair value of the contracts is included on the Condensed Consolidated Balance Sheets as Accounts payable and accrued liabilities when in a loss position, or as Accounts receivable, net when in a gain position. As the contracts mature at various dates through April 2026, any such gain or loss remaining will be recognized in manufacturing revenue or cost of revenue along with the related transactions. In the event that the underlying transaction does not occur or does not occur in the period designated at the inception of the hedge, the amount classified in accumulated other comprehensive loss would be reclassified to the results of operations in Interest and foreign exchange at the time of occurrence. At February 29, 2024 exchange rates, approximately \$2.1 million would be reclassified to revenue or cost of revenue in the next year.

At February 29, 2024, interest rate swap agreements maturing from June 2024 through January 2032 had notional amounts that aggregated to \$608.6 million. The fair value of the contracts is included on the Condensed Consolidated Balance Sheets in Accounts payable and accrued liabilities when in a loss position, or in Accounts receivable, net when in a gain position. As interest expense on the underlying debt is recognized, amounts corresponding to the interest rate swap are reclassified from Accumulated other comprehensive loss and charged or credited to interest expense. At February 29, 2024 interest rates, approximately \$13.7 million of gain would be reclassified to reduce interest expense in the next year.

### Fair Values of Derivative Instruments

*(in millions)*

		Asset Derivatives		Liability Derivatives	
		February 29, 2024	August 31, 2023	February 29, 2024	August 31, 2023
Balance sheet location		Fair Value	Fair Value	Balance sheet location	Fair Value
<b>Derivatives designated as hedging instruments</b>					
Foreign forward exchange contracts	Accounts receivable, net	\$ 5.3	\$ 2.5	Accounts payable and accrued liabilities	\$ 0.1
Interest rate swap contracts	Accounts receivable, net	32.1	34.9	Accounts payable and accrued liabilities	0.1
		<u>\$ 37.4</u>	<u>\$ 37.4</u>		<u>\$ 0.2</u>
<b>Derivatives not designated as hedging instruments</b>					
Foreign forward exchange contracts	Accounts receivable, net	\$ —	\$ 0.5	Accounts payable and accrued liabilities	\$ —



**The Effect of Derivative Instruments on the Statements of Income**  
(in millions)

Three months ended February 29, 2024 and February 28, 2023

Derivatives in cash flow hedging relationships		Location of gain (loss) recognized in income on derivatives			Gain (loss) recognized in income on derivatives three months ended		
					February 29, 2024		
					February 28, 2023		
Foreign forward exchange contract		Interest and foreign exchange			\$ — \$ (0.3)		
Derivatives in cash flow hedging relationships	Gain (loss) recognized in OCI on derivatives three months ended		Location of gain (loss) reclassified from accumulated OCI into income	Gain (loss) reclassified from accumulated OCI into income three months ended		Location of gain (loss) on derivatives (amount excluded from effectiveness testing)	Gain (loss) recognized on derivatives (amount excluded from effectiveness testing) three months ended
	February 29, 2024	February 28, 2023		February 29, 2024	February 28, 2023		
Foreign forward exchange contracts	\$ 0.5	\$ 0.5	Revenue	\$ 0.8	\$ (0.5)	Revenue	\$ 0.6
Foreign forward exchange contracts	0.2	0.8	Cost of revenue	—	0.4	Cost of revenue	0.3
Interest rate swap contracts	2.9	8.6	Interest and foreign exchange	4.2	2.4	Interest and foreign exchange	—
	<u>\$ 3.6</u>	<u>\$ 9.9</u>		<u>\$ 5.0</u>	<u>\$ 2.3</u>		<u>\$ 0.9</u>
							<u>\$ 0.8</u>

The following table presents the amounts in the Condensed Consolidated Statements of Income in which the effects of the cash flow hedges are recorded and the effects of the cash flow hedge activity on these line items for the three months ended February 29, 2024 and February 28, 2023:

		For the Three Months Ended			
		February 29, 2024		February 28, 2023	
		Total	Amount of gain (loss) on cash flow hedge activity	Total	Amount of gain (loss) on cash flow hedge activity
Revenue	\$	862.7	\$ 0.8	\$ 1,122.0	\$ (0.5)
Cost of revenue	\$	740.5	\$ —	\$ 1,005.2	\$ 0.4
Interest and foreign exchange	\$	24.6	\$ 4.2	\$ 21.6	\$ 2.4

**The Effect of Derivative Instruments on the Statements of Income**  
(in millions)

Six months ended February 29, 2024 and February 28, 2023

Derivatives in cash flow hedging relationships		Location of gain (loss) recognized in income on derivatives		Gain (loss) recognized in income on derivatives six months ended	
				February 29, 2024	
				February 28, 2023	
Foreign forward exchange contract		Interest and foreign exchange		\$ 0.2 \$ (0.3)	

Derivatives in cash flow hedging relationships	Gain (loss) recognized in OCI on derivatives six months ended		Location of gain (loss) reclassified from accumulated OCI into income	Gain (loss) reclassified from accumulated OCI into income six months ended		Location of gain (loss) on derivatives (amount excluded from effectiveness testing)	Gain (loss) recognized on derivatives (amount excluded from effectiveness testing) six months ended	
	February 29, 2024	February 28, 2023		February 29, 2024	February 28, 2023		February 29, 2024	February 28, 2023
Foreign forward exchange contracts	\$ 2.9	\$ 2.0	Revenue	\$ 1.0	\$ (0.9)	Revenue	\$ 1.2	\$ 0.8
Foreign forward exchange contracts	—	1.1	Cost of revenue	(0.1)	0.6	Cost of revenue	0.6	0.4
Interest rate swap contracts	6.0	19.0	Interest and foreign exchange	8.5	3.4	Interest and foreign exchange	—	—
	<u>\$ 8.9</u>	<u>\$ 22.1</u>		<u>\$ 9.4</u>	<u>\$ 3.1</u>		<u>\$ 1.8</u>	<u>\$ 1.2</u>

The following table presents the amounts in the Condensed Consolidated Statements of Income in which the effects of the cash flow hedges are recorded and the effects of the cash flow hedge activity on these line items for the six months ended February 29, 2024 and February 28, 2023:

	For the Six Months Ended			
	February 29, 2024		February 28, 2023	
	Total	Amount of gain (loss) on cash flow hedge activity	Total	Amount of gain (loss) on cash flow hedge activity
Revenue	\$ 1,671.5	\$ 1.0	\$ 1,888.5	\$ (0.9)
Cost of revenue	\$ 1,428.0	\$ (0.1)	\$ 1,702.2	\$ 0.6
Interest and foreign exchange	\$ 47.8	\$ 8.5	\$ 41.2	\$ 3.4

## Note 12 – Segment Information

The Company operates in three reportable segments: Manufacturing; Maintenance Services; and Leasing & Management Services.

Performance is evaluated based on Earnings (loss) from operations. Corporate includes selling and administrative costs not directly related to goods and services and certain costs that are intertwined among segments due to our integrated business model. The Company does not allocate Interest and foreign exchange or Income tax expense for either external or internal reporting purposes. Intersegment sales and transfers are valued as if the sales or transfers were to third parties. Related revenue and margin are eliminated in consolidation and therefore are not included in consolidated results in the Company's Consolidated Financial Statements.

The information in the following table is derived directly from the segments' internal financial reports used for corporate management purposes.

For the three months ended February 29, 2024:

(in millions)	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 735.8	\$ 61.5	\$ 797.3	\$ 58.8	\$ 3.7	\$ 62.5
Maintenance Services	75.2	9.1	84.3	4.6	—	4.6
Leasing & Management Services	51.7	0.3	52.0	33.2	0.1	33.3
Eliminations	—	(70.9)	(70.9)	—	(3.8)	(3.8)
Corporate	—	—	—	(33.1)	—	(33.1)
	<u>\$ 862.7</u>	<u>\$ —</u>	<u>\$ 862.7</u>	<u>\$ 63.5</u>	<u>\$ —</u>	<u>\$ 63.5</u>

For the six months ended February 29, 2024:

(in millions)	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 1,411.7	\$ 120.0	\$ 1,531.7	\$ 113.1	\$ 8.4	\$ 121.5
Maintenance Services	159.0	18.3	177.3	15.2	—	15.2
Leasing & Management Services	100.8	0.5	101.3	59.5	0.1	59.6
Eliminations	—	(138.8)	(138.8)	—	(8.5)	(8.5)
Corporate	—	—	—	(59.4)	—	(59.4)
	<u>\$ 1,671.5</u>	<u>\$ —</u>	<u>\$ 1,671.5</u>	<u>\$ 128.4</u>	<u>\$ —</u>	<u>\$ 128.4</u>

For the three months ended February 28, 2023:

(in millions)	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 968.6	\$ 96.8	\$ 1,065.4	\$ 46.6	\$ 8.8	\$ 55.4
Maintenance Services	98.0	6.2	104.2	6.8	—	6.8
Leasing & Management Services	55.4	0.5	55.9	40.7	0.1	40.8
Eliminations	—	(103.5)	(103.5)	—	(8.9)	(8.9)
Corporate	—	—	—	(26.7)	—	(26.7)
	<u>\$ 1,122.0</u>	<u>\$ —</u>	<u>\$ 1,122.0</u>	<u>\$ 67.4</u>	<u>\$ —</u>	<u>\$ 67.4</u>

For the six months ended February 28, 2023:

(in millions)	Revenue			Earnings (loss) from operations		
	External	Intersegment	Total	External	Intersegment	Total
Manufacturing	\$ 1,615.1	\$ 141.3	\$ 1,756.4	\$ 43.2	\$ 12.8	\$ 56.0
Maintenance Services	183.5	14.7	198.2	12.3	—	12.3
Leasing & Management Services	89.9	0.7	90.6	56.3	0.1	56.4
Eliminations	—	(156.7)	(156.7)	—	(12.9)	(12.9)
Corporate	—	—	—	(49.2)	—	(49.2)
	<u>\$ 1,888.5</u>	<u>\$ —</u>	<u>\$ 1,888.5</u>	<u>\$ 62.6</u>	<u>\$ —</u>	<u>\$ 62.6</u>

(in millions)	Total assets	
	February 29, 2024	August 31, 2023
Manufacturing	\$ 1,814.5	\$ 1,847.0
Maintenance Services	309.5	294.4
Leasing & Management Services	1,592.2	1,458.1
Unallocated, including cash	327.4	378.9
	<u>\$ 4,043.6</u>	<u>\$ 3,978.4</u>

Reconciliation of Earnings from operations to Earnings before income tax and earnings from unconsolidated affiliates:

(in millions)	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Earnings from operations	\$ 63.5	\$ 67.4	\$ 128.4	\$ 62.6
Interest and foreign exchange	24.6	21.6	47.8	41.2
Earnings before income tax and earnings from unconsolidated affiliates	<u>\$ 38.9</u>	<u>\$ 45.8</u>	<u>\$ 80.6</u>	<u>\$ 21.4</u>

## Note 13 – Leases

### Lessor

Equipment on operating leases is reported net of accumulated depreciation of \$80.7 million and \$68.0 million as of February 29, 2024 and August 31, 2023, respectively. Depreciation expense was \$8.4 million and \$16.2 million for the three and six months ended February 29, 2024, respectively and \$6.8 million and \$12.8 million for the three and six months ended February 28, 2023, respectively. In addition, certain railcar equipment leased-in by the Company on operating leases is subleased to customers under non-cancelable operating leases with lease terms ranging from one to approximately twelve years. Operating lease rental revenues included in the Company's Condensed Consolidated Statements of Income for the three and six months ended February 29, 2024 was \$30.5 million and \$58.1 million, respectively, which included \$5.1 million and \$10.5 million, respectively, of revenue as a result of daily, monthly or car hire utilization arrangements. Operating lease rental revenues included in the Company's Condensed Consolidated Statements of Income for the three and six months ended February 28, 2023 was \$23.8 million and \$43.4 million, respectively, which included \$4.9 million and \$9.7 million, respectively, of revenue as a result of daily, monthly or car hire utilization arrangements.

Aggregate minimum future amounts receivable under all non-cancelable operating leases and subleases at February 29, 2024, will mature as follows:

(in millions)

Remaining six months of 2024	\$	48.5
2025		87.9
2026		79.0
2027		69.3
2028		53.3
Thereafter		107.7
	\$	<u>445.7</u>

### Lessee

The Company leases railcars, real estate, and certain equipment under operating and, to a lesser extent, finance lease arrangements. As of and for the three and six months ended February 29, 2024 and February 28, 2023, finance leases were not a material component of the Company's lease portfolio. The Company's real estate and equipment leases have remaining lease terms ranging from less than one year to 75 years, with some including options to extend up to 7 years. The Company recognizes a lease liability and corresponding right-of-use (ROU) asset based on the present value of lease payments. To determine the present value of lease payments, as most of its leases do not provide a readily determinable implicit rate, the Company's incremental borrowing rate is used to discount the lease payments based on information available at each lease commencement date. The Company gives consideration to its recent debt issuances as well as publicly available data for instruments with similar characteristics when estimating its incremental borrowing rate.

The components of operating lease costs were as follows:

(in millions)	Three Months Ended		Six Months Ended	
	February 29, 2024	February 28, 2023	February 29, 2024	February 28, 2023
Operating lease expense	\$ 4.2	\$ 3.1	\$ 8.4	\$ 6.4
Short-term lease expense	1.7	2.6	3.8	4.4
Total	<u>\$ 5.9</u>	<u>\$ 5.7</u>	<u>\$ 12.2</u>	<u>\$ 10.8</u>

Aggregate minimum future amounts payable under operating leases having initial or remaining non-cancelable terms at February 29, 2024, will mature as follows:

(in millions)

Remaining six months of 2024	\$	7.7
2025		14.2
2026		13.4
2027		10.6
2028		9.7
Thereafter		23.9
Total lease payments	\$	79.5
Less: Imputed interest		(7.6)
Total lease obligations	\$	71.9

The table below presents additional information related to the Company's leases:

Weighted average remaining lease term (years):	
Operating leases	10.6
Weighted average discount rate:	
Operating leases	2.7%

Supplemental cash flow information related to leases were as follows:

(in millions)	Six Months Ended February 29, 2024
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 8.8
ROU assets obtained in exchange for new operating lease liabilities	\$ 7.6

#### Note 14 – Commitments and Contingencies

##### Portland Harbor Superfund Site

The Company's former Portland, Oregon manufacturing facility (the Portland Property) is located adjacent to the Willamette River. In December 2000, the U.S. Environmental Protection Agency (EPA) classified portions of the Willamette River bed known as the Portland Harbor, including the portion fronting the Company's manufacturing facility, as a federal "National Priority List" or "Superfund" site due to sediment contamination (the Portland Harbor Site). The Company and more than 140 other parties have received a "General Notice" of potential liability from the EPA relating to the Portland Harbor Site. The letter advised the Company that it may be liable for the costs of investigation and remediation (which liability may be joint and several with other potentially responsible parties) as well as for natural resource damages resulting from releases of hazardous substances to the site. Ten private and public entities, including the Company (the Lower Willamette Group or LWG), signed an Administrative Order on Consent (AOC) to perform a remedial investigation/feasibility study (RI/FS) of the Portland Harbor Site under EPA oversight, and several additional entities did not sign such consent, but nevertheless contributed financially to the effort. The EPA-mandated RI/FS was produced by the LWG and cost over \$110 million during a 17-year period. The Company bore a percentage of the total costs incurred by the LWG in connection with the investigation. The Company's aggregate expenditure during the 17-year period was not material. Some or all of any such outlay may be recoverable from other responsible parties. The EPA issued its Record of Decision (ROD) for the Portland Harbor Site on January 6, 2017 and accordingly on October 26, 2017, the AOC was terminated.

Separate from the process described above, which focused on the type of remediation to be performed at the Portland Harbor Site and the schedule for such remediation, 96 parties, including the State of Oregon and the federal government, are participating in a non-judicial, mediated allocation process to try to allocate costs associated with remediation of the Portland Harbor Site. The Company will continue to participate in the allocation process. Approximately 110 additional parties signed tolling agreements related to such allocations. On April 23, 2009, the Company and the other AOC signatories filed suit against 69 other parties due to a possible limitations period for some such claims; *Arkema Inc. et al v. A & C Foundry Products, Inc. et al*, U.S. District Court, District of Oregon, Case #3:09-cv-453-PK. All but 12 of these parties elected to sign tolling agreements and be dismissed without prejudice, and the case has been stayed by the court until January 14, 2025.

The EPA's January 6, 2017 ROD identifies a clean-up remedy that the EPA estimates will take 13 years of active remediation, followed by 30 years of monitoring with an estimated undiscounted cost of \$1.7 billion. The EPA typically expects its cost estimates to be accurate within a range of -30% to +50%, but this ROD states that changes in costs are likely to occur. The EPA has identified several Sediment Decision Units within the ROD cleanup area. One of the units, RM9W, includes the nearshore area of the river sediments offshore of the Portland Property as well as downstream of the facility. It also includes a portion of the Portland Property's riverbank. The ROD does not break down total remediation costs by Sediment Decision Unit. The EPA requested that potentially responsible parties enter AOCs during 2019 agreeing to conduct remedial design studies. Some parties have signed AOCs, including one party with respect to RM9W which includes the area offshore of the Portland Property. The Company has not signed an AOC in connection with remedial design, but is assisting in funding a portion of the RM9W remedial design.

The ROD does not address responsibility for the costs of clean-up, nor does it allocate such costs among the potentially responsible parties. Responsibility for funding and implementing the EPA's selected cleanup remedy will be determined at an unspecified later date. Based on the investigation to date, the Company believes that it did not contribute in any material way to contaminants of concern in the river sediments or the damage of natural resources in the Portland Harbor Site and that the damage in the area of the Portland Harbor Site adjacent to the Portland Property precedes the Company's ownership of the Portland Property. Because these environmental investigations are still underway, sufficient information is currently not available to determine the Company's liability, if any, for the cost of any required remediation or restoration of the Portland Harbor Site or to estimate a range of potential loss. Based on the results of the pending investigations and future assessments of natural resource damages, the Company may be required to incur costs associated with additional phases of investigation or remedial action, and may be liable for damages to natural resources.

On January 30, 2017 the Confederated Tribes and Bands of Yakama Nation sued 33 parties including the Company as well as the federal government and the State of Oregon for costs it incurred in assessing alleged natural resource damages to the Columbia River from contaminants deposited in Portland Harbor. *Confederated Tribes and Bands of the Yakama Nation v. Air Liquide America Corp., et al.*, U.S. Court for the District of Oregon Case No. 3:17-CV-00164-SB. The complaint does not specify the amount of damages the plaintiff will seek. The case has been stayed until January 14, 2025.

#### Oregon Department of Environmental Quality (DEQ) Regulation of Portland Property

The Company entered into a Voluntary Cleanup Agreement with the Oregon Department of Environmental Quality (DEQ) in which the Company agreed to conduct an investigation of whether, and to what extent, past or present operations at the Portland Property may have released hazardous substances into the environment. The Company has also signed an Order on Consent with the DEQ to finalize the investigation of potential onsite sources of contamination that may have a release pathway to the Willamette River. The Company's aggregate expenditure has not been material, however it could incur significant expenses for remediation. Some or all of any such outlay may be recoverable from other responsible parties.

#### Sale of Portland Property

The Company sold the Portland Property in May 2023, but remains potentially liable with respect to the above matters. Any of these matters could adversely affect the Company's business and Consolidated Financial Statements. However, any contamination or exacerbation of contamination that occurs after the sale of the property will be the liability of the current and future owners and operators of the Portland Property.

#### Other Litigation, Commitments and Contingencies

From time to time, the Company is involved as a defendant in litigation in the ordinary course of business, the outcomes of which cannot be predicted with certainty. While the ultimate outcome of such legal proceedings cannot be determined at this time, the Company believes that the resolution of pending litigation will not have a material adverse effect on the Company's Consolidated Financial Statements.

As of February 29, 2024, the Company had outstanding letters of credit aggregating to \$7.1 million associated with performance guarantees, facility leases and workers compensation insurance.

## Note 15 – Fair Value Measures

Certain assets and liabilities are reported at fair value on either a recurring or nonrecurring basis. Fair value, for this disclosure, is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

Level 1 - observable inputs such as unadjusted quoted prices in active markets for identical instruments;

Level 2 - inputs, other than the quoted market prices in active markets for similar instruments, which are observable, either directly or indirectly; and

Level 3 - unobservable inputs for which there is little or no market data available, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value on a recurring basis as of February 29, 2024 were:

(in millions)	Total	Level 1	Level 2 <sup>(1)</sup>	Level 3
<b>Assets:</b>				
Derivative financial instruments	\$ 37.4	\$ —	\$ 37.4	\$ —
Nonqualified savings plan investments	56.4	56.4	—	—
Cash equivalents	52.0	52.0	—	—
	<u>\$ 145.8</u>	<u>\$ 108.4</u>	<u>\$ 37.4</u>	<u>\$ —</u>
<b>Liabilities:</b>				
Derivative financial instruments	\$ 0.2	\$ —	\$ 0.2	\$ —

Assets and liabilities measured at fair value on a recurring basis as of August 31, 2023 were:

(in millions)	Total	Level 1	Level 2 <sup>(1)</sup>	Level 3
<b>Assets:</b>				
Derivative financial instruments	\$ 37.9	\$ —	\$ 37.9	\$ —
Nonqualified savings plan investments	47.7	47.7	—	—
Cash equivalents	51.2	51.2	—	—
	<u>\$ 136.8</u>	<u>\$ 98.9</u>	<u>\$ 37.9</u>	<u>\$ —</u>
<b>Liabilities:</b>				
Derivative financial instruments	\$ 0.2	\$ —	\$ 0.2	\$ —

(1)Level 2 assets and liabilities include derivative financial instruments that are valued based on observable inputs. See Note 11 - Derivative Instruments for further discussion.

## Note 16 – Related Party Transactions

The Company has a 41.9% interest in Axis, LLC (Axis), a joint venture. The Company purchased \$2.5 million and \$4.8 million of railcar components from Axis for the three and six months ended February 29, 2024, respectively and \$1.8 million and \$4.5 million for the three and six months ended February 28, 2023, respectively.

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

### Executive Summary

We operate in three reportable segments: Manufacturing; Maintenance Services; and Leasing & Management Services. Our segments are operationally integrated. The Manufacturing segment, which currently operates from facilities in the U.S., Mexico, Poland, and Romania, produces freight railcars, tank cars, intermodal railcars and automotive railcar products. The Maintenance Services segment performs wheel and axle servicing, railcar maintenance and produces a variety of parts for the rail industry in North America. The Leasing & Management Services segment owns approximately 14,600 railcars as of February 29, 2024. We also provide management services for railroads, shippers, carriers, institutional investors and other leasing and transportation companies in North America.

Management identifies the following trends which continue to impact our business and our results for the six months ended February 29, 2024. Overall, demand in the marketplace remains strong for our products and services. Supply chain challenges, rail service congestion, inflation, high interest rates, and labor shortages continue to impact our business. Despite this operating environment, we accomplished the following during the six months ended February 29, 2024:

- Margin has improved \$57.2 million and 30.7% compared to the same period last year driven by operating efficiencies and favorable product mix in our Manufacturing segment. All segments saw improvement in their margins when compared to the six months ended February 28, 2023.
- Net earnings attributable to Greenbrier increased \$48.2 million compared to the same period last year driven in part by operating efficiencies in connection with the ongoing optimization of our industrial footprint to support our strategic plan discussed below.

We believe our results highlight our continued focus on our strategic plan and we remain focused on increasing recurring revenue, expanding our aggregate gross margin, and raising our return on invested capital. Recurring revenue is defined as Leasing & Management Services revenue excluding the impact of syndication transactions.

Our backlog remains strong with railcar deliveries into 2026. Our railcar backlog was 29,200 units with an estimated value of \$3.6 billion as of February 29, 2024. Our backlog includes nearly \$815 million of railcars intended for syndication which are supported by lease agreements with external customers and may be syndicated to third parties or held in our lease fleet depending on a variety of factors. Approximately 3% of backlog units and 2% of estimated backlog value as of February 29, 2024 was associated with our Brazilian manufacturing operations which is accounted for under the equity method.

Our backlog of railcar units is not necessarily indicative of future results of operations. Certain orders in backlog are subject to customary documentation and completion of terms. Customers may attempt to cancel or modify orders in backlog. Historically, little variation has been experienced between the quantity ordered and the quantity actually delivered, though the timing of deliveries may be modified from time to time.

As described in Part I Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended August 31, 2023 the items described above may have a material negative impact on our business, liquidity, results of operations and stock price. Beyond these general observations, we are unable to predict when, how, or with what magnitude these items will impact our business.



### Three Months Ended February 29, 2024 Compared to the Three Months Ended February 28, 2023

#### Overview

Revenue, Cost of revenue, Margin and Earnings from operations (operating profit or loss) presented below, include amounts from external parties and exclude intersegment activity that is eliminated in consolidation.

	Three Months Ended	
	February 29, 2024	February 28, 2023
<i>(in millions, except per share amounts)</i>		
Revenue:		
Manufacturing	\$ 735.8	\$ 968.6
Maintenance Services	75.2	98.0
Leasing & Management Services	51.7	55.4
	862.7	1,122.0
Cost of revenue:		
Manufacturing	656.2	901.2
Maintenance Services	69.2	89.6
Leasing & Management Services	15.1	14.4
	740.5	1,005.2
Margin:		
Manufacturing	79.6	67.4
Maintenance Services	6.0	8.4
Leasing & Management Services	36.6	41.0
	122.2	116.8
Selling and administrative	63.6	59.0
Net gain on disposition of equipment	(4.9)	(9.6)
Earnings from operations	63.5	67.4
Interest and foreign exchange	24.6	21.6
Earnings before income tax and earnings from unconsolidated affiliates	38.9	45.8
Income tax expense	(9.3)	(11.9)
Earnings before earnings from unconsolidated affiliates	29.6	33.9
Earnings from unconsolidated affiliates	4.0	2.9
Net earnings	33.6	36.8
Net earnings attributable to noncontrolling interest	(0.2)	(3.7)
Net earnings attributable to Greenbrier	\$ 33.4	\$ 33.1
Diluted earnings per common share	\$ 1.03	\$ 0.97

Performance for our segments is evaluated based on operating profit or loss. Corporate includes selling and administrative costs not directly related to goods and services and certain costs that are intertwined among segments due to our integrated business model. Management does not allocate Interest and foreign exchange or Income tax expense for either external or internal reporting purposes.

	Three Months Ended	
	February 29, 2024	February 28, 2023
<i>(in millions)</i>		
Operating profit (loss):		
Manufacturing	\$ 58.8	\$ 46.6
Maintenance Services	4.6	6.8
Leasing & Management Services	33.2	40.7
Corporate	(33.1)	(26.7)
	\$ 63.5	\$ 67.4

## Consolidated Results

(in millions)	Three Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	862.7	\$	1,122.0	\$ (259.3)	(23.1 %)
Cost of revenue	\$	740.5	\$	1,005.2	\$ (264.7)	(26.3 %)
Margin (%)		14.2 %		10.4 %	3.8 %	*
Net earnings attributable to Greenbrier	\$	33.4	\$	33.1	\$ 0.3	0.9 %

\* Not meaningful

Through our integrated business model, we provide a broad range of custom products and services in each of our segments, which have various selling prices and margins. The demand for and mix of products and services delivered changes from period to period, which causes fluctuations in our results of operations.

The 23.1% decrease in Revenue for the three months ended February 29, 2024 as compared to the three months ended February 28, 2023 was primarily due to a 24.0% decrease in Manufacturing revenue and 23.3% decrease in Maintenance Services revenue. The decreases were primarily driven by a 26.4% decrease in railcar deliveries including lower syndications and 22.0% lower volumes in our wheels business due to mild winter weather during the three months ended February 29, 2024.

The 26.3% decrease in Cost of revenue for the three months ended February 29, 2024 as compared to the three months ended February 28, 2023 was primarily due to a 27.2% decrease in Manufacturing cost of revenue. The decrease in Manufacturing cost of revenue was primarily attributed to a 26.4% decrease in railcar deliveries including lower syndications during the three months ended February 29, 2024.

Margin as a percentage of revenue was 14.2% and 10.4% for the three months ended February 29, 2024 and February 28, 2023, respectively. Margin as a percentage of revenue was positively impacted by operating efficiencies and favorable product mix within our Manufacturing segment during the three months ended February 29, 2024.

The \$0.3 million increase in Net earnings attributable to Greenbrier for the three months ended February 29, 2024 as compared to the three months ended February 28, 2023 was primarily due to:

- \$5.4 million increase in Margin for the three months ended February 29, 2024 primarily due to operating efficiencies and a favorable product mix.
- \$3.5 million decrease in Net earnings attributable to noncontrolling interest due to lower profitability for the three months ended February 29, 2024.
- \$2.6 million decrease in Income tax expense from lower pre-tax earnings for the three months ended February 29, 2024.

These were partially offset by the following:

- \$4.7 million decrease in Net gain on disposition of equipment from lower sales of assets from our lease fleet during the three months ended February 29, 2024.
- \$4.6 million increase in Selling and administrative expense primarily attributed to an increase in employee related costs for the three months ended February 29, 2024.

## Manufacturing Segment

(In millions, except railcar deliveries)	Three Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	735.8	\$	968.6	\$ (232.8)	(24.0 %)
Cost of revenue	\$	656.2	\$	901.2	\$ (245.0)	(27.2 %)
Margin (%)		10.8%		7.0%	3.8%	*
Operating profit (\$)	\$	58.8	\$	46.6	\$ 12.2	26.2%
Operating profit (%)		8.0%		4.8%	3.2%	*
Deliveries		5,300		7,200	(1,900)	(26.4 %)

\* Not meaningful

Our Manufacturing segment primarily generates revenue from manufacturing a wide range of freight railcars and from the conversion of existing railcars through our facilities in North America and Europe.

Manufacturing Revenue decreased \$232.8 million or 24.0% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease in Revenue was primarily attributed to a 26.4% decrease in railcar deliveries including lower syndications during the three months ended February 29, 2024.

Manufacturing Cost of revenue decreased \$245.0 million or 27.2% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease in Cost of revenue was primarily attributed to a 26.4% decrease in railcar deliveries including lower syndications during the three months ended February 29, 2024.

Manufacturing Margin as a percentage of revenue increased 3.8% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The increase in margin percentage for the three months ended February 29, 2024 was primarily attributed to operating efficiencies and favorable product mix during the three months ended February 29, 2024.

Manufacturing Operating profit increased \$12.2 million for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The increase in operating profit was primarily attributed to improved Margin of \$12.2 million during the three months ended February 29, 2024.

## Maintenance Services Segment

(in millions)	Three Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	75.2	\$	98.0	\$ (22.8)	(23.3 %)
Cost of revenue	\$	69.2	\$	89.6	\$ (20.4)	(22.8 %)
Margin (%)		8.0 %		8.6 %	(0.6 %)	*
Operating profit (\$)	\$	4.6	\$	6.8	\$ (2.2)	(32.4 %)
Operating profit (%)		6.1 %		6.9 %	(0.8 %)	*

\* Not meaningful

Our Maintenance Services segment primarily generates revenue from railcar component manufacturing and servicing and from providing railcar maintenance services.

Maintenance Services Revenue decreased \$22.8 million or 23.3% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease was primarily attributed to 22.0% lower volumes in our wheels business due to mild winter weather during the three months ended February 29, 2024.

Maintenance Services Cost of revenue decreased \$20.4 million or 22.8% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease was primarily due to operating at lower volumes during the three months ended February 29, 2024.

Maintenance Services Margin as a percentage of revenue decreased 0.6% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease in margin percentage was primarily attributed to lower operating efficiencies as a result of operating at lower volumes during the three months ended February 29, 2024.

Maintenance Services Operating profit decreased \$2.2 million for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease in operating profit was primarily attributed to lower operating efficiencies as a result of operating at lower volumes during the three months ended February 29, 2024.

## Leasing & Management Services Segment

(in millions)	Three Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	51.7	\$	55.4	\$ (3.7)	(6.7%)
Cost of revenue	\$	15.1	\$	14.4	\$ 0.7	4.9%
Margin (%)		70.8%		74.0%	(3.2%)	*
Operating profit (\$)	\$	33.2	\$	40.7	\$ (7.5)	(18.4%)
Operating profit (%)		64.2%		73.5%	(9.3%)	*

\* Not meaningful

Our Leasing & Management Services segment generates revenue from leasing railcars from our lease fleet, providing various management services, syndication revenue associated with leases attached to new railcar sales, and interim rent on leased railcars for syndication.

Leasing & Management Services Revenue decreased \$3.7 million or 6.7% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease was primarily attributed to lower syndication activity. This was partially offset by an increase of \$4.0 million in rents associated with a larger fleet during the three months ended February 29, 2024.

Leasing & Management Services Cost of revenue increased \$0.7 million or 4.9% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The increase was primarily due to higher costs from the larger fleet during the three months ended February 29, 2024.

Leasing & Management Services Margin as a percentage of revenue decreased 3.2% for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease in margin percentage was primarily attributed to the lower syndication activity during the three months ended February 29, 2024.

Leasing & Management Services Operating profit decreased \$7.5 million for the three months ended February 29, 2024 compared to the three months ended February 28, 2023. The decrease was primarily attributed to lower syndication activity and \$2.9 million lower Net gain on disposition of equipment during the three months ended February 29, 2024.

## Selling and Administrative Expense

(in millions)	Three Months Ended		Increase (Decrease)	% Change
	February 29, 2024	February 28, 2023		
Selling and administrative expense	\$ 63.6	\$ 59.0	\$ 4.6	7.8%

Selling and administrative expense was \$63.6 million or 7.4% of Revenue for the three months ended February 29, 2024 compared to \$59.0 million or 5.3% of Revenue for the prior comparable period. The \$4.6 million increase was primarily attributed to an increase in employee related costs for the three months ended February 29, 2024.

## Net Gain on Disposition of Equipment

Net gain on disposition of equipment typically includes the sale of assets from our lease fleet (Equipment on operating leases, net) and disposition of property, plant and equipment. Assets are periodically sold in the normal course of business in order to optimize our fleet and to manage risk and liquidity.

Net gain on disposition of equipment was \$4.9 million for the three months ended February 29, 2024 compared to \$9.6 million for the prior comparable period. The decrease in Net gain on disposition of equipment was primarily attributed to fewer sales of assets from our lease fleet during the three months ended February 29, 2024.

## Interest and Foreign Exchange

Interest and foreign exchange expense was composed of the following:

(in millions)	Three Months Ended		Increase (Decrease)
	February 29, 2024	February 28, 2023	
Interest and foreign exchange:			
Interest and other expense	\$ 23.9	\$ 20.9	\$ 3.0
Foreign exchange loss	0.7	0.7	—
	<u>\$ 24.6</u>	<u>\$ 21.6</u>	<u>\$ 3.0</u>

The \$3.0 million increase in Interest and foreign exchange expense for the three months ended February 29, 2024 compared to the three months ended February 28, 2023 was attributed to an increase in interest expense from higher interest rates and borrowings.

## **Income Tax**

For the three months ended February 29, 2024, we had Income tax expense of \$9.3 million on pre-tax income of \$38.9 million for an effective tax rate of 23.9%. The effective tax rate benefited from net favorable adjustments related to our foreign subsidiaries.

For the three months ended February 28, 2023, we had Income tax expense of \$11.9 million on a pre-tax income of \$45.8 million for an effective tax rate of 25.9%. Tax expense included net favorable discrete items in our foreign operations.

The provision for income taxes during interim quarterly reporting periods is based on our estimates of the effective tax rates for the full fiscal year and may be positively or negatively impacted by adjustments that are required to be reported in the quarter. The effective tax rate can fluctuate year-to-year due to changes in the mix of foreign and domestic pre-tax earnings. It can also fluctuate with changes in the proportion of pre-tax earnings attributable to our Mexican railcar manufacturing joint venture. The joint venture is treated as a partnership for tax purposes and, as a result, the partnership's entire pre-tax earnings are included in earnings before income taxes and earnings from unconsolidated affiliates, whereas only our 50% share of the tax is included in Income tax expense.

## **Earnings From Unconsolidated Affiliates**

Through unconsolidated affiliates we produce rail and industrial components and have an ownership stake in a railcar manufacturer in Brazil. We record the results from these unconsolidated affiliates on an after-tax basis.

Earnings from unconsolidated affiliates were \$4.0 million and \$2.9 million for the three months ended February 29, 2024 and February 28, 2023, respectively. The increase was primarily related to \$2.2 million in higher earnings at our Brazil operations for the three months ended February 29, 2024.

## **Noncontrolling Interest**

Net earnings attributable to noncontrolling interest was \$0.2 million for the three months ended February 29, 2024 compared to \$3.7 million for the three months ended February 28, 2023. Net earnings attributable to noncontrolling interest primarily represents our joint venture partner's share in the results of operations of our Mexican railcar manufacturing joint ventures, adjusted for intercompany sales, and our European partner's share of the results of our European operations.

## Six Months Ended February 29, 2024 Compared to the Six Months Ended February 28, 2023

### Overview

Revenue, Cost of revenue, Margin and Earnings from operations (operating profit or loss) presented below, include amounts from external parties and exclude intersegment activity that is eliminated in consolidation.

	Six Months Ended	
	February 29, 2024	February 28, 2023
<i>(in millions, except per share amounts)</i>		
<b>Revenue:</b>		
Manufacturing	\$ 1,411.7	\$ 1,615.1
Maintenance Services	159.0	183.5
Leasing & Management Services	100.8	89.9
	<u>1,671.5</u>	<u>1,888.5</u>
<b>Cost of revenue:</b>		
Manufacturing	1,257.1	1,505.7
Maintenance Services	140.8	169.2
Leasing & Management Services	30.1	27.3
	<u>1,428.0</u>	<u>1,702.2</u>
<b>Margin:</b>		
Manufacturing	154.6	109.4
Maintenance Services	18.2	14.3
Leasing & Management Services	70.7	62.6
	<u>243.5</u>	<u>186.3</u>
Selling and administrative	119.9	112.4
Net gain on disposition of equipment	(4.8)	(12.9)
Asset impairment, disposal, and exit costs	—	24.2
Earnings from operations	128.4	62.6
Interest and foreign exchange	47.8	41.2
Earnings before income taxes and earnings from unconsolidated affiliates	80.6	21.4
Income tax expense	(19.3)	(8.1)
Earnings before earnings from unconsolidated affiliates	61.3	13.3
Earnings from unconsolidated affiliates	5.5	6.2
Net earnings	66.8	19.5
Net earnings attributable to noncontrolling interest	(2.2)	(3.1)
Net earnings attributable to Greenbrier	<u>\$ 64.6</u>	<u>\$ 16.4</u>
Diluted earnings per common share	\$ 1.99	\$ 0.49

Performance for our segments is evaluated based on operating profit or loss. Corporate includes selling and administrative costs not directly related to goods and services and certain costs that are intertwined among segments due to our integrated business model. Management does not allocate Interest and foreign exchange or Income tax expense for either external or internal reporting purposes.

	Six Months Ended	
	February 29, 2024	February 28, 2023
<i>(in millions)</i>		
<b>Operating profit (loss):</b>		
Manufacturing	\$ 113.1	\$ 43.2
Maintenance Services	15.2	12.3
Leasing & Management Services	59.5	56.3
Corporate	(59.4)	(49.2)
	<u>\$ 128.4</u>	<u>\$ 62.6</u>



## Consolidated Results

(in millions)	Six Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$ 1,671.5	\$	1,888.5	\$	(217.0)	(11.5 %)
Cost of revenue	\$ 1,428.0	\$	1,702.2	\$	(274.2)	(16.1 %)
Margin (%)	14.6 %		9.9 %		4.7 %	*
Net earnings attributable to Greenbrier	\$ 64.6	\$	16.4	\$	48.2	*

\* Not meaningful

Through our integrated business model, we provide a broad range of custom products and services in each of our segments, which have various selling prices and margins. The demand for and mix of products and services delivered changes from period to period, which causes fluctuations in our results of operations.

The 11.5% decrease in Revenue for the six months ended February 29, 2024 as compared to the six months ended February 28, 2023 was primarily due to a 12.6% decrease in Manufacturing Revenue. The decrease in Manufacturing Revenue was primarily attributed to a 10.3% decrease in railcar deliveries during the six months ended February 29, 2024.

The 16.1% decrease in Cost of revenue for the six months ended February 29, 2024 as compared to the six months ended February 28, 2023 was primarily due to a 16.5% decrease in Manufacturing Cost of revenue. The decrease in Manufacturing Cost of revenue was primarily attributed to a 10.3% decrease in railcar deliveries during the six months ended February 29, 2024.

Margin as a percentage of revenue was 14.6% and 9.9% for the six months ended February 29, 2024 and February 28, 2023, respectively. Margin as a percentage of revenue was positively impacted by an increase in Manufacturing Margin from 6.8% to 11.0% primarily attributed to operating efficiencies and favorable product mix during the six months ended February 29, 2024.

The \$48.2 million increase in Net earnings attributable to Greenbrier for the six months ended February 29, 2024 as compared to the six months ended February 28, 2023 was primarily due to the following:

- \$57.2 million increase in Margin for the six months ended February 29, 2024 primarily due to operating efficiencies and a favorable product mix.
- \$24.2 million impairment of long-lived assets at our Gunderson facility for the six months ended February 28, 2023.

These were partially offset by the following:

- \$11.2 million increase in Income tax expense associated with higher pre-tax earnings during the six months ended February 29, 2024.
- \$8.1 million decrease in Net gain on disposition of equipment from lower sales of assets from our lease fleet for the six months ended February 29, 2024.
- \$7.5 million increase in Selling and administrative expense primarily attributed to an increase in employee related costs for the six months ended February 29, 2024.
- \$6.6 million increase in Interest and foreign exchange primarily attributed to an increase in interest expense from higher borrowing and interest rates for the six months ended February 29, 2024.

## Manufacturing Segment

(In millions, except railcar deliveries)	Six Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	1,411.7	\$	1,615.1	\$ (203.4)	(12.6 %)
Cost of revenue	\$	1,257.1	\$	1,505.7	\$ (248.6)	(16.5 %)
Margin (%)		11.0 %		6.8 %	4.2 %	*
Operating profit (\$)	\$	113.1	\$	43.2	\$ 69.9	161.8 %
Operating profit (%)		8.0 %		2.7 %	5.3 %	*
Deliveries		10,500		11,700	(1,200)	(10.3 %)

\* Not meaningful

Our Manufacturing segment primarily generates revenue from manufacturing a wide range of freight railcars and from the conversion of existing or in-service railcars through our facilities in North America and Europe.

Manufacturing Revenue decreased \$203.4 million or 12.6% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The decrease in Revenue was primarily attributed to a 10.3% decrease in railcar deliveries during the six months ended February 29, 2024.

Manufacturing Cost of revenue decreased \$248.6 million or 16.5% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The decrease in Cost of revenue was primarily attributed to a 10.3% decrease in the volume of railcar deliveries and operating efficiencies during the six months ended February 29, 2024.

Manufacturing Margin as a percentage of revenue increased 4.2% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase in margin percentage for the six months ended February 29, 2024 was primarily attributed to operating efficiencies and favorable product mix during the six months ended February 29, 2024.

Manufacturing Operating profit increased \$69.9 million for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase in Operating profit was primarily attributed to an increase in Margin during the six months ended February 29, 2024 as well as a \$24.2 million impairment loss during the six months ended February 28, 2023.

## Maintenance Services Segment

(in millions)	Six Months Ended				Increase (Decrease)	% Change
	February 29, 2024		February 28, 2023			
Revenue	\$	159.0	\$	183.5	\$ (24.5)	(13.4 %)
Cost of revenue	\$	140.8	\$	169.2	\$ (28.4)	(16.8 %)
Margin (%)		11.4 %		7.8 %	3.6 %	*
Operating profit (\$)	\$	15.2	\$	12.3	\$ 2.9	23.6 %
Operating profit (%)		9.6 %		6.7 %	2.9 %	*

\* Not meaningful

Our Maintenance Services segment primarily generates revenue from railcar component manufacturing and servicing and from providing railcar maintenance services.

Maintenance Services Revenue decreased \$24.5 million or 13.4% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The decrease was primarily attributed to 19.3% lower volumes in our wheels business due to mild winter weather despite higher average selling prices during the six months ended February 29, 2024.

Maintenance Services Cost of revenue decreased \$28.4 million or 16.8% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The decrease was primarily due to operating at lower volumes during the six months ended February 29, 2024.

Maintenance Services Margin as a percentage of revenue increased 3.6% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase in margin percentage was primarily attributed to favorable pricing during the six months ended February 29, 2024.

Maintenance Services Operating profit increased \$2.9 million for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase in Operating profit was primarily attributed to favorable pricing during the six months ended February 29, 2024.

## Leasing & Management Services Segment

	Six Months Ended					
(in millions)	February 29, 2024		February 28, 2023		Increase (Decrease)	% Change
Revenue	\$	100.8	\$	89.9	\$ 10.9	12.1%
Cost of revenue	\$	30.1	\$	27.3	\$ 2.8	10.3%
Margin (%)		70.1%		69.6%	0.5%	*
Operating profit (\$)	\$	59.5	\$	56.3	\$ 3.2	5.7%
Operating profit (%)		59.0%		62.6%	(3.6%)	*

\* Not meaningful

Our Leasing & Management Services segment generates revenue from leasing railcars from our lease fleet, providing various management services, syndication revenue associated with leases attached to new railcar sales, and interim rent on leased railcars for syndication.

Leasing & Management Services Revenue increased \$10.9 million or 12.1% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase was primarily attributed to higher lease rents due to a larger fleet and improved lease rates during the six months ended February 29, 2024.

Leasing & Management Services Cost of revenue increased \$2.8 million or 10.3% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase was primarily due to higher costs from the larger fleet during the six months ended February 29, 2024.

Leasing & Management Services Margin as a percentage of revenue increased 0.5% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase in margin percentage was primarily attributed to the higher lease rents during the six months ended February 29, 2024.

Leasing & Management Services Operating profit increased \$3.2 million or 5.7% for the six months ended February 29, 2024 compared to the six months ended February 28, 2023. The increase was primarily attributed to the larger fleet and improved lease rates during the six months ended February 29, 2024. This was partially offset by \$4.8 million lower Net gain on disposition of equipment during the six months ended February 29, 2024.

## Selling and Administrative Expense

(in millions)	Six Months Ended		Increase (Decrease)	% Change
	February 29, 2024	February 28, 2023		
Selling and administrative expense	\$ 119.9	\$ 112.4	\$ 7.5	6.7%

Selling and administrative expense was \$119.9 million or 7.2% of Revenue for the six months ended February 29, 2024 compared to \$112.4 million or 6.0% of Revenue for the prior comparable period. The \$7.5 million increase was primarily attributed to an increase in employee related costs during the six months ended February 29, 2024.

## Net Gain on Disposition of Equipment

Net gain on disposition of equipment typically includes the sale of assets from our lease fleet (Equipment on operating leases, net) and disposition of property, plant and equipment. Assets are periodically sold in the normal course of business in order to optimize our fleet and to manage risk and liquidity.

Net gain on disposition of equipment was \$4.8 million for the six months ended February 29, 2024 compared to a gain of \$12.9 million for the prior comparable period. The decrease in Net gain on disposition of equipment was primarily attributed to fewer sales of assets from our lease fleet during the six months ended February 29, 2024.

## Impairment of Long-Lived Assets

The six months ended February 28, 2023 included a \$24.2 million impairment of long-lived assets at our Gunderson facility.

## Interest and Foreign Exchange

Interest and foreign exchange expense was composed of the following:

(in millions)	Six Months Ended		Increase (Decrease)
	February 29, 2024	February 28, 2023	
Interest and foreign exchange:			
Interest and other expense	\$ 45.8	\$ 38.7	\$ 7.1
Foreign exchange loss	2.0	2.5	(0.5)
	<u>\$ 47.8</u>	<u>\$ 41.2</u>	<u>\$ 6.6</u>

The \$6.6 million increase in Interest and foreign exchange expense for the six months ended February 29, 2024 compared to the six months ended February 28, 2023 was primarily attributed to an increase in interest expense from higher interest rates and borrowings.

## Income Tax

For the six months ended February 29, 2024, we had Income tax expense of \$19.3 million on pre-tax income of \$80.6 million for an effective tax rate of 23.9%. The effective tax rate benefited from net favorable adjustments related to our foreign subsidiaries.

For the six months ended February 28, 2023, we had Income tax expense of \$8.1 million on pre-tax income of \$21.4 million for an effective tax rate of 37.8%. Tax expense was negatively impacted by the geographic mix of earnings as well as net unfavorable discrete items including changes in foreign currency exchange rates for our U.S. Dollar denominated foreign operations.

The provision for income taxes during interim quarterly reporting periods is based on our estimates of the effective tax rates for the full fiscal year and may be positively or negatively impacted by adjustments that are required to be reported in the quarter. The effective tax rate can fluctuate year-to-year due to changes in the mix of foreign and domestic pre-tax earnings. It can also fluctuate with changes in the proportion of pre-tax earnings attributable to our Mexican railcar manufacturing joint venture. The joint venture is treated as a partnership for tax purposes and, as a result, the partnership's entire pre-tax earnings are included in earnings before income taxes and earnings from unconsolidated affiliates, whereas only our 50% share of the tax is included in Income tax expense.

## Earnings From Unconsolidated Affiliates

Through unconsolidated affiliates we produce rail and industrial components and have an ownership stake in a railcar manufacturer in Brazil. We record the results from these unconsolidated affiliates on an after-tax basis.

Earnings from unconsolidated affiliates were \$5.5 million and \$6.2 million for the six months ended February 29, 2024 and February 28, 2023, respectively. The decrease was primarily related to a loss at a temporarily idle facility during the six months ended February 29, 2024.

**Noncontrolling Interest**

Net earnings attributable to noncontrolling interest was \$2.2 million for the six months ended February 29, 2024 compared to \$3.1 million for the six months ended February 28, 2023. Net earnings attributable to noncontrolling interest primarily represents our joint venture partner's share in the results of operations of our Mexican railcar manufacturing joint ventures, adjusted for intercompany sales, and our European partner's share of the results of our European operations.

## Liquidity and Capital Resources

(in millions)	Six Months Ended	
	February 29, 2024	February 28, 2023
Net cash provided by (used in) operating activities	\$ 54.4	\$ (96.4)
Net cash used in investing activities	(163.1)	(105.2)
Net cash provided by financing activities	79.7	23.7
Effect of exchange rate changes	(1.7)	18.4
Decrease in Cash and cash equivalents and Restricted cash	<u>\$ (30.7)</u>	<u>\$ (159.5)</u>

We have been financed through cash generated from operations and borrowings. At February 29, 2024 Cash and cash equivalents and Restricted cash were \$272.0 million, an decrease of \$30.7 million from \$302.7 million at August 31, 2023.

### Cash Flows From Operating Activities

The \$150.8 million increase in cash from operating activities for the six months ended February 29, 2024 compared to the six months ended February 28, 2023 was primarily due to a \$71.8 million net change in working capital and a \$47.3 million increase in Net earnings.

### Cash Flows From Investing Activities

Cash used in investing activities primarily related to capital expenditures net of proceeds from the sale of assets and investment activity with our unconsolidated affiliates. The \$57.9 million increase in cash used in investing activities for the six months ended February 29, 2024 compared to the six months ended February 28, 2023 was primarily attributable to a \$36.2 million decrease in proceeds from sales of assets when compared to the six months ended February 28, 2023. Proceeds from the sale of assets primarily relate to fleet sales in our Leasing & Management Services segment.

(in millions)	Six Months Ended	
	February 29, 2024	February 28, 2023
Capital expenditures:		
Leasing & Management Services	\$ (132.3)	\$ (142.6)
Manufacturing	(47.9)	(22.3)
Maintenance Services	(10.3)	(4.8)
Total capital expenditures (gross)	\$ (190.5)	\$ (169.7)
Proceeds from sales of assets	25.9	62.1
Total capital expenditures (net of proceeds)	<u>\$ (164.6)</u>	<u>\$ (107.6)</u>

Capital expenditures primarily relate to additions to our lease fleet and on-going investments into the safety and productivity of our facilities. Proceeds from the sale of assets primarily relate to sales of railcars from our lease fleet within Leasing & Management Services. Assets from our lease fleet are periodically sold in the normal course of business to accommodate customer demand and to manage risk and liquidity. Proceeds from sales of assets are expected to be approximately \$75 million for 2024.

Gross capital expenditures for 2024 are expected to be approximately \$280 million for Leasing & Management Services, approximately \$140 million for Manufacturing and approximately \$15 million for Maintenance Services. Capital expenditures for 2024 primarily relate to additions to our lease fleet reflecting our leasing strategy and continued investments into the safety and productivity of our facilities.

### Cash Flows From Financing Activities

The \$56.0 million increase in cash flow from financing activities for the six months ended February 29, 2024 compared to the six months ended February 28, 2023 was primarily attributed to \$53.6 million higher proceeds from the issuance of notes payable, net of repayments. During the six months ended February 29, 2024 we issued \$178.5 million of asset backed securities and used proceeds to pay down \$139.9 million of our GBX Leasing warehouse facility. We also drew \$89.2 million on the GBX Leasing warehouse facility to grow the fleet. In February 2024, we paid \$47.7 million to retire our 2024 Convertible Notes.

### Dividend & Share Repurchase Program

A quarterly dividend of \$0.30 per share was declared on April 2, 2024.

The Board of Directors has authorized our company to repurchase shares of our common stock. The share repurchase program has an expiration date of January 31, 2025. Under the share repurchase program, shares of common stock may be purchased from time to time on the open market or through privately negotiated transactions. The timing and amount of purchases is based upon market conditions, securities law limitations and other factors. The program may be modified, suspended or discontinued at any time without prior notice. The share repurchase program does not obligate us to acquire any specific number of shares in any period.

During the six months ended February 29, 2024, we purchased a total of 38 thousand shares for \$1.3 million. As of February 29, 2024, the amount remaining for repurchase under the share repurchase program was \$45.1 million. During the six months ended February 28, 2023, we purchased a total of 575 thousand shares for \$17.4 million.

### Cash, Borrowing Availability and Credit Facilities

As of February 29, 2024, we had \$252.0 million in Cash and cash equivalents and \$329.3 million in available borrowings. The available balance to draw under committed credit facilities includes \$214.6 million on the North American credit facility, \$43.7 million on the European credit facilities and \$71.0 million on the Mexican credit facilities.

Senior secured credit facilities aggregated to \$1.4 billion as of February 29, 2024 which consisted of the following components:

**GBX Leasing** – As of February 29, 2024, a \$550.0 million non-recourse warehouse credit facility existed to support the operations of GBX Leasing. Advances under this facility bear interest at SOFR plus 1.85% plus 0.11% as a SOFR adjustment. Interest rate swap agreements cover approximately 99% of the outstanding balance to swap the floating interest rate to a fixed rate. The warehouse credit facility converts to a term loan in August 2025 and matures in August 2027.

**North America** – As of February 29, 2024, a \$600.0 million revolving line of credit, maturing August 2026, secured by substantially all our U.S. assets not otherwise pledged as security for term loans or the warehouse credit facility, existed to provide working capital and interim financing of equipment, principally for our U.S. and Mexican operations. Advances under this North American credit facility bear interest at SOFR plus 1.75% plus 0.10% as a SOFR adjustment or Prime plus 0.75% depending on the type of borrowing. Available borrowings under the credit facility are generally based on defined levels of eligible inventory, receivables, property, plant and equipment and leased equipment, as well as total debt to consolidated capitalization and fixed charges coverage ratios.

**Europe** – As of February 29, 2024, lines of credit totaling \$75.3 million secured by certain of our European assets, with variable rates that range from WIBOR plus 1.2% to WIBOR plus 1.6% and EURIBOR plus 1.9%, were available for working capital needs of our European manufacturing operations. The European lines of credit include \$32.5 million which is guaranteed by us. European credit facilities are regularly renewed. Currently, these European credit facilities have maturities that range from June 2024 through November 2025.

**Mexico** – As of February 29, 2024, our Mexican railcar manufacturing operations had lines of credit totaling \$196.0 million for working capital needs, \$96.0 of which we and our joint venture partner have each guaranteed 50%. Advances under these facilities bear interest at variable rates that range from SOFR plus 2.22% to SOFR plus 4.25%. The Mexican credit facilities have maturities that range from June 2024 through January 2027.

Credit facility balances:

(in millions)	February 29, 2024	August 31, 2023
Nonrecourse credit facility balances		
GBX Leasing	\$ 89.2	\$ 139.9
Other credit facility balances		
North America	55.0	—
Europe	31.6	47.2
Mexico	125.0	110.0
Total Revolving notes	<u>\$ 300.8</u>	<u>\$ 297.1</u>

Outstanding commitments under the North American credit facility included letters of credit which totaled \$7.1 million and \$4.9 million as of February 29, 2024 and August 31, 2023, respectively.



## Other Information

The revolving and operating lines of credit, along with notes payable, contain covenants with respect to us and our various subsidiaries, the most restrictive of which, among other things, limit our ability to: incur additional indebtedness or guarantees; pay dividends or repurchase stock; enter into financing leases; create liens; sell assets; engage in transactions with affiliates, including joint ventures and non U.S. subsidiaries, including but not limited to loans, advances, equity investments and guarantees; enter into mergers, consolidations or sales of substantially all our assets; and enter into new lines of business. The covenants also require certain maximum ratios of debt to total capitalization and minimum levels of fixed charges (interest plus rent) coverage. As of February 29, 2024, we were in compliance with all such restrictive covenants.

From time to time, we may seek to repurchase or otherwise retire or exchange securities, including outstanding convertible notes, borrowings and equity securities, and take other steps to reduce our debt, extend the maturities of our debt or otherwise improve our balance sheet. These actions may include open market repurchases, unsolicited or solicited privately negotiated transactions or other retirements, repurchases or exchanges. Such retirements, repurchases or exchanges of one note or security for another note or security (now or hereafter existing), if any, will depend on a number of factors, including, but not limited to, prevailing market conditions, trading levels of our debt, our liquidity requirements and contractual restrictions, if applicable. The amounts involved in any such transactions may, individually or in the aggregate, be material and may involve all or a portion of a particular series of notes or other indebtedness which may reduce the float and impact the trading market of notes or other indebtedness which remain outstanding.

We have global operations that conduct business in their local currencies as well as other currencies. To mitigate the exposure to transactions denominated in currencies other than the functional currency, we enter into foreign currency forward exchange contracts with established financial institutions to protect the margin on a portion of foreign currency sales in firm backlog.

To mitigate the exposure to changes in interest rates, we have managed a portion of our variable rate debt with interest rate swap agreements, effectively converting \$608.6 million of variable rate debt to fixed rate debt as of February 29, 2024.

Given the strong credit standing of the counterparties, no provision has been made for credit loss due to counterparty non-performance.

We expect existing funds and cash generated from operations, together with proceeds from financing activities including borrowings under existing credit facilities and long-term financings, to be sufficient to fund expected debt repayments, working capital needs, planned capital expenditures, additional investments in our unconsolidated affiliates and dividends during the next twelve months.

## **Off-Balance Sheet Arrangements**

We do not currently have off balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our Consolidated Financial Statements.

## **Critical Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires judgment on the part of management to arrive at estimates and assumptions on matters that are inherently uncertain. These estimates may affect the amount of assets, liabilities, revenue and expenses reported in the financial statements and accompanying notes and disclosure of contingent assets and liabilities within the financial statements. Estimates and assumptions are periodically evaluated and may be adjusted in future periods. Actual results could differ from those estimates.

*Impairment of long-lived assets* - We review our long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. When such events or changes in circumstances occur, a recoverability test is performed based upon estimated undiscounted cash flows expected to be realized over the remaining useful life of the asset group. If the carrying amount of an asset group exceeds the estimated undiscounted future cash flows, an impairment would be measured as the difference between the fair value of the asset group and the carrying amount of the asset group.

An asset group is generally established by identifying the lowest level of cash flows generated by a group of assets that are largely independent of the cash flows of other assets. Determining whether a long-lived asset is impaired requires various estimates and assumptions, including whether a triggering event has occurred, the identification of asset groups, and the determination of the fair value of real and personal property. Estimates of future cash flows are by nature highly uncertain and contemplate factors that may change over time.

*Goodwill* - We evaluate goodwill for possible impairment annually or more frequently if events or changes in circumstances indicate that the carrying amounts of our reporting units exceed their fair value. We determine the fair value of our reporting units based on a weighting of income and market approaches. Under the income approach, we calculate the fair value of a reporting unit based on the present value of estimated future cash flows which incorporates forecasted revenues, long-term growth rate, gross margin percentages,

operating expenses, and the use of discount rates. Under the market approach, we estimate the fair value based on observed market multiples for comparable businesses. If the fair value of a reporting unit is lower than its carrying value, an impairment to goodwill is recorded, not to exceed the carrying amount of goodwill in the reporting unit.

We performed a quantitative assessment for our annual goodwill impairment test during the third quarter of 2023. Based on the results of our assessment, the estimated fair values of all reporting units with goodwill increased from our prior quantitative assessment, and exceeded their carrying values; therefore, we concluded that goodwill was not impaired. Pursuant to the authoritative guidance, we make certain estimates and assumptions to determine our reporting units and whether the fair value for each reporting unit is greater than its carrying value. The above highlighted judgments contemplated estimates and effects of macroeconomic trends that are inherently uncertain. Changes in these estimates, which may include the effects of inflation and policy reactions thereto, increases in pricing of materials and components, changes in demand, or potential macroeconomic events may cause future assessment conclusions to differ.

As of February 29, 2024, our goodwill balance was \$128.0 million, of which \$85.4 million related to our Manufacturing segment and \$42.6 million related to our Maintenance Services segment. Our Manufacturing segment includes the North America Manufacturing reporting unit with a goodwill balance of \$56.3 million and the Europe Manufacturing reporting unit with a goodwill balance of \$29.1 million.

*Income taxes* - The asset and liability method is used to account for income taxes. We are required to estimate the timing of the recognition of deferred tax assets and liabilities, make assumptions about the future deductibility of deferred tax assets and assess deferred tax liabilities based on enacted law and tax rates for each tax jurisdiction to determine the amount of deferred tax assets and liabilities. Deferred income taxes are provided for the temporary effects of differences between assets and liabilities recognized for financial statement and income tax reporting purposes. Valuation allowances reduce deferred tax assets to an amount that will more likely than not be realized. We recognize a tax benefit from uncertain tax positions in the financial statements only when it is more likely than not the position will be sustained upon examination by relevant tax authorities.

Our annual tax rate is based on our income, statutory tax rates, and tax planning opportunities available to us in the various jurisdictions in which we operate. Judgment is required in determining our tax expense and in evaluating our tax positions, as tax laws are complex and subject to different interpretations by taxpayers and government taxing authorities. Our income tax rate is affected by the tax rates that apply to our foreign earnings and could be adversely impacted by higher or lower earnings than anticipated in a particular jurisdiction. In addition to local country tax laws and regulations, our income tax rate depends on the extent that our foreign earnings are taxed by the U.S. through provisions such as the global intangible low-taxed income (GILTI) tax and base erosion and anti-abuse tax (BEAT). We review our deferred tax assets and tax positions quarterly and adjust the balances as new information becomes available.

*Environmental costs* - At times we may be involved in various proceedings related to environmental matters. We estimate future costs for known environmental remediation requirements and accrue for them when it is probable that we have incurred a liability and the related costs can be reasonably estimated based on currently available information. Adjustments to these liabilities are made when additional information becomes available that affects the estimated costs to study or remediate any environmental issues or when expenditures for which reserves are established are made.

Judgments used in determining if a liability is estimable are subjective and based on known facts and our historic experience. If further developments in or resolution of an environmental matter result in facts and circumstances that differ from those assumptions used to develop these reserves, the accrual for environmental remediation could be materially understated or overstated. Due to the uncertain nature of environmental matters, there can be no assurance that we will not become involved in future litigation or other proceedings or, if we were found to be responsible or liable in any litigation or proceeding, that such costs would not be material to us. For further information regarding our environmental costs, see Note 14 to the Condensed Consolidated Financial Statements.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### *Foreign Currency Exchange Risk*

We have global operations that conduct business in their local currencies as well as other currencies. To mitigate the exposure to transactions denominated in currencies other than the functional currency of each entity, we enter into foreign currency forward exchange contracts to protect revenue or margin on a portion of forecasted foreign currency sales and expenses. At February 29, 2024 exchange rates, notional amounts of forward exchange contracts for the purchase of Polish Zlotys and the sale of Euros; and the purchase of Mexican Pesos and the sale of U.S. Dollars aggregated to \$110.9 million. Because of the variety of currencies in which purchases and sales are transacted and the interaction between currency rates, it is not possible to predict the impact that a movement in a single foreign currency exchange rate would have on future operating results.

In addition to exposure to transaction gains or losses, we are also exposed to foreign currency exchange risk related to the net asset position of our foreign subsidiaries. At February 29, 2024, net assets of foreign subsidiaries aggregated to \$153.6 million and a 10% strengthening of the U.S. Dollar relative to the foreign currencies would result in a decrease in equity of \$15.4 million, or 1.2% of Total equity - Greenbrier. This calculation assumes that each exchange rate would change in the same direction relative to the U.S. Dollar.

#### *Interest Rate Risk*

We have managed a portion of our variable rate debt with interest rate swap agreements, effectively converting \$608.6 million of variable rate debt to fixed rate debt. Notwithstanding these interest rate swap agreements, we are still exposed to interest rate risk relating to our revolving debt and a portion of term debt, which are at variable rates. At February 29, 2024, 84% of our outstanding debt had fixed rates and 16% had variable rates. At February 29, 2024, a uniform increase by 10% in variable interest rates would result in approximately \$1.4 million of additional annual interest expense.

### Item 4. CONTROLS AND PROCEDURES

#### *Evaluation of Disclosure Controls and Procedures*

Our management has evaluated, under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective as of such date due to the material weakness in internal control over financial reporting that was disclosed in our Annual Report on Form 10-K for the fiscal year ended August 31, 2023.

#### *Ongoing Remediation of Previously Identified Material Weakness*

The Company's management, under the oversight of the Audit Committee, is designing and implementing corrective actions to remediate the control deficiencies contributing to the material weakness. These remediation actions are ongoing and include:

- Enhancing risk assessment and control design to address potential financial reporting risk related to system implementations;
- Improving policy and procedure documentation related to IT general controls to better define roles and responsibilities, improve control owner understanding, and provide a basis for knowledge transfer upon personnel changes; and
- Enhancing our education concerning the principles and requirements of each control, with a focus on those related to user access, change management, and segregation of duties over IT systems impacting financial reporting.

As we continue to evaluate and enhance our internal control over financial reporting, we may determine that additional measures to address the material weaknesses or adjustments to the remediation plan may be required. Once controls are designed and implemented, the controls must be operating effectively for a sufficient period of time and be tested by management in order to consider them remediated and conclude that the design is effective to address the risks of material misstatement.

#### *Changes in Internal Control over Financial Reporting*

Except for the changes in connection with our implementation of the remediation plans above, there have been no changes in our internal control over financial reporting during the quarter ended February 29, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

There is hereby incorporated by reference the information disclosed in Note 14 to the Condensed Consolidated Financial Statements, Part I of this Quarterly Report on Form 10-Q.

### Item 1A. Risk Factors

This Form 10-Q should be read in conjunction with Part I Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended August 31, 2023. There have been no material changes in the risk factors described in our Annual Report on Form 10-K for the year ended August 31, 2023.

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

The Board of Directors has authorized the Company to repurchase shares of the Company's common stock. The share repurchase program has an expiration date of January 31, 2025. The amount remaining for purchase was \$45.1 million as of February 29, 2024. There were no share repurchases under this program during the three months ended February 29, 2024.

### Item 5. Other Information

#### *Trading Plan Arrangements*

During the three months ended February 29, 2024 the following officer, as defined in Rule 16a-1(f) of the Exchange Act, adopted a "Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, as follows:

On January 22, 2024, Brian Comstock, Executive Vice President and President, The Americas, adopted a Rule 10b5-1 trading arrangement providing for the sale of an aggregate of up to 10,000 shares of our common stock acquired by Mr. Comstock pursuant to our Stock Incentive Plan. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The first date that sales of any shares are permitted to be sold under the trading arrangement will be April 27, 2024, and subsequent sales under the trading arrangement may occur on a regular basis for the duration of the trading arrangement until January 15, 2026, or earlier if all transactions under the trading arrangement are completed.

No other officers or directors, as defined in Rule 16a-1(f), adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, during the three months ended February 29, 2024.

#### *Executive Transitions*

On April 2, 2024, Ms. Tekorius confirmed to the Board that Mr. Downes would cease serving as Senior Vice President, Chief Financial Officer (principal financial officer) on April 8, 2024. In connection therewith, Mr. Downes provided a release to the Company and will receive continued base salary and benefits for 12 months and continued eligibility for an annual bonus for 2024. On April 2, 2024, the Company entered into a Transition and Consulting Agreement with Mr. Downes (the "Consulting Agreement"). The Consulting Agreement provides that Mr. Downes will serve as a strategic adviser to our Chief Executive Officer through March 31, 2025. In exchange for such services, Mr. Downes will continue to vest in his outstanding equity awards through the term of the Consulting Agreement. The foregoing description does not purport to be complete and is qualified in entirety by reference to the full text of the Consulting Agreement, which will be filed as an exhibit to the Company's Form 10-Q for the quarter ended May 31, 2024. Also on April 2, 2024, the Board designated the Company's Chief Executive Officer and President, Lorie L. Tekorius, as the Company's principal financial officer, effective April 8, 2024. Ms. Tekorius will serve as principal financial officer until a successor is appointed by the Board.

#### *Amendment to Bylaws*

On April 2, 2024, the Board of Directors (the "Board") of the Company approved and adopted the amendment and restatement of the Bylaws of the Company (as so amended and restated, the "Bylaws"). The Bylaws revise the requirements for committees of the Board: (i) to permit the Board to establish committees consisting of one or more members of the Board, instead of requiring committees of two or more members of the Board, providing the Board with flexibility in creating committees consistent with current Oregon law, and (ii) to remove from the Bylaws the prescriptive requirements regarding the membership and duties of the audit committee, compensation committee and nominating and corporate governance committee of the Board, as such requirements are provided for in the charters for each such committee, which are publicly available on the Company's investor relations website. The revisions also include certain technical, conforming, modernizing, or clarifying changes to the Bylaws.

The foregoing description of the changes contained in the Bylaws does not purport to be complete and is qualified in its entirety by reference to the full text of the Bylaws, a copy of which is attached hereto as Exhibit 3.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

**Item 6. Exhibits**

(a)List of Exhibits:

- |         |   |
|---------|---|
| 3.1     | <a href="#"><u>Amended and Restated Bylaws of the Registrant dated April 2, 2024.</u></a>   |
| 10.1*   | <a href="#"><u>Amended and Restated The Greenbrier Companies, Inc. Employee Stock Purchase Plan, as amended and restated effective January 5, 2024.</u></a> |
| 31.1    | <a href="#"><u>Certification pursuant to Rule 13a – 14 (a).</u></a>   |
| 31.2    | <a href="#"><u>Certification pursuant to Rule 13a – 14 (a).</u></a>   |
| 32.1    | <a href="#"><u>Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>               |
| 32.2    | <a href="#"><u>Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>               |
| 101.INS | Inline XBRL Instance Document.  |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.   |
| 104     | Cover Page Interactive Data File (Formatted as inline XBRL and contained in Exhibit 101).   |

\* Management contract or compensatory plan or arrangement

## **SIGNATURES**

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

### **THE GREENBRIER COMPANIES, INC.**

Date: April 5, 2024

By: /s/ Adrian J. Downes  
Adrian J. Downes  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

**THE GREENBRIER COMPANIES, INC.**  
an Oregon Corporation

**AMENDED AND RESTATED BYLAWS**  
Effective as of April 2, 2024

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**THE GREENBRIER COMPANIES, INC.**  
**an Oregon corporation**

**BYLAWS**

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**THE GREENBRIER COMPANIES, INC.**  
**an Oregon corporation**

**BYLAWS**

**Article I. Corporate Offices**

**Section 1. Registered Office.**

The corporation shall maintain a registered office in the State of Oregon.

**Section 2. Other Offices.**

The corporation shall also have an office or principal place of business in Lake Oswego, Oregon, and may have offices at other places, whether within or outside the State of Oregon.

**Article II. Shareholders' Meetings**

**Section 1. Place of Meetings.**

Meetings of the shareholders of the corporation shall be held at such place, either within or outside the State of Oregon, or by means of remote communication, as may be designated from time to time by the Board of Directors, or, in the absence of a designation by the Board of Directors, by the Chief Executive Officer, and stated in the notice of meeting. The Board of Directors may postpone and reschedule any annual or special meeting of the shareholders from the date previously scheduled by the Board of Directors.

**Section 2. Annual Meeting.**

The annual meeting of shareholders shall be held on such date and at such time as the Board of Directors shall establish by resolution, which date shall be within 180 days following the end of the corporation's most recent fiscal year. At the annual meeting, the shareholders shall elect by vote the Directors and transact such other business as may lawfully come before the meeting.

**Section 3. Special Meetings.**

Special meetings of shareholders of the corporation for any purpose or purposes may be called at any time by a majority of the Board of Directors, the Chief Executive Officer or the holders of not less than 25 percent of all votes entitled to be cast on the matters to be considered at such meeting, who must sign, date and deliver to the Secretary of the corporation one or more written demands for the meeting describing the purpose or purposes for which it is to be held. Special meetings of the shareholders of the corporation may not be called by any other person or persons.

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#### **Section 4. Notice of Meetings.**

Except as otherwise provided by law, written notice of each meeting of shareholders shall be given not less than ten nor more than 60 days before the date of the meeting to each shareholder entitled to vote at such meeting, such notice to specify the date, time, place and purpose or purposes of the meeting. Notice of the date, time, place and purpose of any meeting of shareholders may be waived in writing, signed by the person entitled to notice thereof, and delivered to the corporation either before or after such meeting, and shall be deemed waived by any shareholder by his or her attendance at the meeting in person or by proxy, except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any shareholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

#### **Section 5. Quorum.**

Except as otherwise provided by law, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business at any annual or special meeting of the shareholders. Any shares, the voting of which at such meeting has been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at such meeting. In the absence of a quorum any meeting of shareholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, in person or by proxy, but no other business shall be transacted at such meeting. The shareholders present at a duly called or convened meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

#### **Section 6. Voting; Proxies.**

(a) Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, if a quorum exists, action on a matter, other than the election of directors, by a voting group is approved if the votes cast within the voting group favoring the action exceed the votes cast opposing the action, and all such acts shall be valid and binding upon the corporation. For the purpose of determining those shareholders entitled to vote at any meeting of the shareholders, except as otherwise provided by law, only persons in whose names and shares stand on the stock records of the corporation on the record date, as provided in these Bylaws, shall be entitled to vote at any meeting of shareholders.

(b) Every person entitled to vote shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his or her duly authorized agent, which proxy shall be filed with the Secretary at or before the meeting at which it is to be used. An agent so appointed need not be a shareholder. No proxy shall be voted after eleven months following its date of creation unless the proxy provides for a longer period. Any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

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(c) The Board of Directors, in its discretion, or the presiding officer of the meeting of the shareholders, in his or her discretion, may determine whether any votes cast at such meeting shall be cast by written ballot.

**Section 7. Adjournment and Notice of Adjourned Meetings.**

Any meeting of shareholders, whether annual or special, may be adjourned from time to time by the vote of the holders of a majority of the shares represented at the meeting, either in person or by proxy. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At an adjourned meeting the shareholders may transact any business that might have been transacted at the original meeting. If the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting, the Board of Directors shall fix a new record date in accordance with Section 60.221 of Oregon Revised Statutes (or any successor provision). If, upon adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

**Section 8. List of Shareholders Entitled to Vote.**

After fixing a record date for a meeting, the Secretary shall cause to be prepared a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order and by voting groups and classes or series within each voting group, showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during ordinary business hours, beginning 2 business days after notice of the meeting is given and continuing through the meeting either at the corporation's principal office or at the place identified in the meeting notice in the city where the meeting will be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any shareholder, shareholder's agent or attorney who is present.

**Section 9. Order of Business.**

(a) The Chief Executive Officer, or such other officer of the corporation as shall be designated by the Board of Directors, shall call meetings of the shareholders to order and shall act as presiding officer thereof. Unless otherwise determined by the Board of Directors prior to the meeting, the presiding officer shall also have the authority in his or her sole discretion to regulate the conduct of any such meeting, including, without limitation, by imposing restrictions on the persons (other than shareholders of the corporation or their proxies) who may attend such meeting, by ascertaining whether any shareholder or his or her proxy may be excluded from such meeting based upon any determination by the presiding officer, in his or her discretion, that any such person has disrupted or is likely to disrupt the proceedings thereat, and by determining the circumstances in which any person may make a statement or ask questions at such meeting. The presiding officer shall exercise his or her discretion in accordance with Section 60.209 of Oregon Revised Statutes (or any successor provision).

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(b) At an annual meeting of the shareholders, only such business shall be transacted or conducted as shall have been properly brought before such meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) if not specified in a notice of meeting, otherwise brought before the meeting by or at the direction of the Board of Directors or the Chair of the Board, or (iii) otherwise properly brought before the meeting by a shareholder of the corporation present in person (A) who (1) was a shareholder of record both on the date of the giving of notice provided for in this Article II, Section 9 and at the time of the meeting, (2) is entitled to vote at the meeting, and (3) has complied with the this Article II, Section 9 in all respects, or (B) who properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"). The foregoing clause (iii) shall be the exclusive means for a shareholder to propose business to be brought before an annual meeting of the shareholders. For purposes of this Article II, Section 9, "present in person" shall mean that the shareholder proposing that the business be brought before the annual meeting of the corporation, or a qualified representative of such proposing shareholder, appear at such annual meeting. A "qualified representative" of such proposing shareholder shall be a duly authorized officer, manager or partner of such shareholder or any other person authorized by a writing executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of shareholders. Shareholders seeking to nominate persons for election to the Board of Directors must comply with Article III, Section 6 and this Article II, Section 9 shall not be applicable to nominations except as expressly provided in Article III, Section 6. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Article II, Section 9. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Article II, Section 9, and, if the presiding officer of a meeting so determines that business was not properly brought before such meeting in accordance with the procedures in this Article III. Section 9, the presiding officer shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

(c) Annual Meetings. Without qualification, for business to be properly brought before an annual meeting of shareholders by a shareholder, such shareholder must (i) provide timely notice thereof in proper written form to the Secretary even if such matter is already the subject of any notice to the shareholders by the Board of Directors and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Article II, Section 9. To be timely, a shareholder's notice must be delivered to, or mailed and received at, the principal executive offices of the corporation not less than 120 calendar days prior to the date that the corporation's proxy statement for the annual meeting of shareholders was released to shareholders in the previous year; (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

To be in proper form for purposes of this Article II, Section 9, a shareholder's notice to the Secretary shall set forth:

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(A) As to each Proposing Person (as defined below), (1) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the corporation's books and records); (2) the class or series and number of shares of the corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future; (3) the date or dates such shares were acquired; (4) the investment intent of such acquisition and (5) any pledge by such Proposing Person with respect to any of such shares (the disclosures to be made pursuant to the foregoing clauses (1) through (5) are referred to as "Shareholder Information");

(B) As to each Proposing Person, (1) the material terms and conditions of any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) or a "put equivalent position" (as such term is defined in Rule 16a-1(h) under the Exchange Act) or other derivative or synthetic arrangement in respect of any class or series of shares of the corporation ("Synthetic Equity Position") that is, directly or indirectly, held or maintained by, held for the benefit of, or involving such Proposing Person, including, without limitation, (i) any option, warrant, convertible security, stock appreciation right, future or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, (ii) any derivative or synthetic arrangement having the characteristics of a long position or a short position in any class or series of shares of the corporation, including, without limitation, a stock loan transaction, a stock borrow transaction, or a share repurchase transaction or (iii) any contract, derivative, swap or other transaction or series of transactions designed to (x) produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the corporation, (y) mitigate any loss relating to, reduce the economic risk (of ownership or otherwise) of, or manage the risk of share price decrease in, any class or series of shares of the corporation, or (z) increase or decrease the voting power in respect of any class or series of shares of the corporation of such Proposing Person, including, without limitation, due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the holder thereof may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right, or any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the price or value of any class or series of shares of the corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the

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happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be required to disclose any Synthetic Equity Position that is, directly or indirectly, held or maintained by, held for the benefit of, or involving such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (2) any rights to dividends on the shares of any class or series of shares of the corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the corporation, (3) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the corporation or any of its officers or directors, or any affiliate of the corporation, (4) any other material relationship between such Proposing Person, on the one hand, and the corporation or any affiliate of the corporation, on the other hand, (5) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the corporation or any affiliate of the corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (6) any proportionate interest in shares of the corporation or a Synthetic Equity Position held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which any such Proposing Person (i) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership or (ii) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity; (7) a representation that such Proposing Person intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies from shareholders in support of such proposal and (8) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (1) through (8) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the shareholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(C) As to each item of business that the shareholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (2) the text of any proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these

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Bylaws, the language of the proposed amendment); (3) a reasonably detailed description of all agreements, arrangements or understandings (i) between or among any of the Proposing Persons or (ii) between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such shareholder; and (4) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this paragraph (C) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the shareholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

For purposes of this Article II, Section 9, the term "Proposing Person" shall mean (i) the shareholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such shareholder in such solicitation.

(d) The Board of Directors may request that any Proposing Person furnish such additional information as may be reasonably required by the Board of Directors. Such Proposing Person shall provide such additional information within 10 days after it has been requested by the Board of Directors.

(e) A Proposing Person shall update and supplement its notice to the corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Article II, Section 9 shall be true and correct as of the record date for shareholder entitled to vote at the meeting and as of the date that is 10 business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the corporation not later than 5 business days after the record date for shareholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than 8 business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the corporation's rights with respect to any deficiencies in any notice provided by a shareholder, extend any applicable deadlines hereunder or enable or be deemed to permit a shareholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the shareholders.

(f) This Article II, Section 9 is expressly intended to apply to any business proposed to be brought before a meeting of shareholders other than any proposal made in

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accordance with Rule 14a-8 under the Exchange Act and included in the corporation's proxy statement. In addition to the requirements of this Article II, Section 9 with respect to any business proposed to be brought before a meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Article III, Section 9 shall be deemed to affect the rights of shareholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(g) For purposes of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(h) Special Meetings. In addition to any other applicable requirements, including, without limitation, requirements relating to solicitations of proxies under the Exchange Act, for business to be properly brought before a special meeting of shareholders by a shareholder (other than a nomination of a candidate for election as a director, which shall be governed by Article III, Section 6), at the time of, and included within the written demand for the special meeting prescribed by Article II, Section 3, such shareholder must set forth in such demand as to each matter such shareholder proposes to bring before the special meeting, the information prescribed in clauses (b) through (e) of this Article II, Section 9.

(i) Written Consents. In the case of shareholder action by written consent, the shareholder seeking to have the shareholders authorize or take corporate action (other than a nomination of a candidate for election as a director, which is covered by Article III, Section 6) by written consent shall, by written notice to the Secretary, set forth the information prescribed in clauses (b) through (e) of this Article II, Section 9 and request the Board of Directors to fix a record date for determining shareholders entitled to consent to corporate action in writing without a meeting. The Board of Directors shall promptly, but in no event later than the 10th day after the date on which such notice is received, adopt a resolution fixing such record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date is fixed by the Board of Directors within such time period, such record date shall be determined in accordance with the provisions of Section 60.211 of Oregon Revised Statutes (or any successor provision).

#### **Section 10. Inspectors.**

The Chief Executive Officer shall, in advance of any meeting of shareholders, appoint one or more inspectors of election to act at the meeting in accordance with applicable law and to make a written report thereof.

#### **Section 11. Actions by Unanimous Written Consent.**

Any action required or permitted to be taken at any meeting of the shareholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of all of the outstanding

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stock of the corporation entitled to vote and shall be delivered to the corporation for inclusion in the minutes or filing with the corporate records. Every written consent shall bear the date of signature of each shareholder who signs the consent and such actions shall be effective when the last shareholder signs the consent, unless the consent specifies an earlier or later effective date. Delivery to the corporation shall be by hand or by certified or registered mail, return receipt requested.

### **Article III. Directors**

#### **Section 1. Number and Term of Office.**

The number of Directors which shall constitute the whole of the Board of Directors shall be fixed at no less than three and no more than eleven. Within the limits specified above, the number of directors shall be fixed from time to time by the Board. Except as provided in the Articles of Incorporation or Section 3 of this Article III, Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors at the annual meeting of shareholders in each year and shall hold office until the third annual meeting following their election and until their successors shall be duly elected and qualified. The Directors, other than those, if any, who may be elected by the holders of any series of Preferred Stock, which series shall be entitled to separately elect one or more directors, shall be classified with respect to the time for which they severally hold office in accordance with the Articles of Incorporation.

#### **Section 2. Powers.**

The Board of Directors shall exercise all corporate powers and manage the business and affairs of the corporation, except as may be otherwise provided by law or by the Articles of Incorporation.

#### **Section 3. Vacancies.**

Unless previously filled by the holders of at least a majority of the shares of capital stock of the corporation entitled to vote for the election of directors, vacancies and newly created directorships resulting from any increase in the authorized number of Directors may be filled by the Board of Directors or, if the Directors remaining in office constitute less than a quorum, then such vacancies may be filled by a majority of the Directors then in office, or by a sole remaining Director, and each Director so elected shall hold office until his or her successor is elected at the next shareholders' meetings at which Directors are elected. A vacancy in the Board of Directors shall be deemed to exist under this Section 3 in the case of the death, removal or resignation of any Director, or if the shareholders fail at any meeting of shareholders at which Directors are to be elected to elect the number of Directors then constituting the whole Board of Directors. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

#### **Section 4. Resignation.**

Any Director may resign at any time by delivering a written resignation to the Board of Directors, the Chair of the Board, or the corporation. Such resignation may specify

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whether it will be effective as specified in ORS 60.034 or a later date as specified in the written notice. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. When one or more Directors shall resign from the Board of Directors, effective at a future date, a majority of the Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his or her successor shall have been duly elected and qualified.

#### **Section 5. Removal.**

Except as otherwise provided in the Articles of Incorporation or these Bylaws relating to the rights of the holders of any series of Preferred Stock, voting separately by class or series, to elect directors under specified circumstances, any Director or Directors may only be removed from office with cause at a meeting at which a quorum is present and that is called for the purpose of removing the Director or Directors, if the meeting notice stated that a purpose of the meeting is the removal of the Director or Directors and if the number of votes cast to remove the Director or Directors exceeds the number of votes cast against removal of the Director or Directors.

#### **Section 6. Nomination of Directors.**

(a) Nominations of persons for election to the Board of Directors at any annual meeting of shareholders or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) by or at the direction of the Board of Directors (including any duly authorized committee thereof or persons authorized to do so by the Board of Directors or these Bylaws) or (ii) by any shareholder of the corporation present in person (A) who was a shareholder of record at both the time of the giving the notice provided for in Article III, Section 6 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) who has complied with this Article III, Section 6(b) in all respects. For purposes of this Article III, Section 6, "present in person" shall mean that the shareholder nominating any person for election to the Board of Directors at the meeting of the corporation, or a qualified representative of such shareholder, appear at such meeting. A "qualified representative" of such proposing shareholder shall be a duly authorized officer, manager or partner of such shareholder or any other person authorized by a writing executed by such shareholder or an electronic transmission delivered by such shareholder to act for such shareholder as proxy at the meeting of shareholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of shareholders. The foregoing clause (ii) shall be the exclusive means for a shareholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting or special meeting. The presiding officer at a meeting of the shareholders shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Article III, Section 6, and if the presiding officer so determines, the presiding officer shall declare such determination to the meeting, the defective nomination shall be disregarded and all ballots cast for the candidate in question (but in the case of any form of ballot listing other qualified nominees, only the ballots cast for the nominee in question) shall be void and of no force or effect. Notwithstanding anything in these Bylaws to the

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contrary, only candidates for nomination nominated and elected in accordance with this Article III, Section 6 shall be eligible to be seated as a Director.

(b) (i) (A) Without qualification, for a shareholder to make any nomination of a person or persons for election to the Board of Directors at an annual meeting of shareholders the shareholder must (1) provide Timely Notice (as defined in Article II, Section 9) thereof in writing and in proper form to the Secretary, (2) provide the information, agreements and questionnaires with respect to such shareholder and its candidate for nomination as required to be set forth by this Article III, Section 6 and (3) provide any updates or supplements to such notice at the times and in the forms required by this Article III, Section 6.

(B) Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling a special meeting, then for a shareholder to make any nomination of a person or persons for election to the Board of Directors at a special meeting, the shareholder must (i) provide timely notice thereof in writing and in proper form to the Secretary of the corporation at the principal executive offices of the corporation, (ii) provide the information with respect to such shareholder and its candidate for nomination as required by this Article III, Section 6 and (iii) provide any updates or supplements to such notice at the times and in the forms required by this Article III, Section 6. To be timely, a shareholder notice for nominations to be made at a special meeting of shareholders must be delivered to, or mailed and received at, the principal executive offices of the corporation not later than the 120th day prior to such special meeting or, if later, not later than the 10th day following the day on which public disclosure of the date of the special meeting was first made. For the avoidance of doubt, a shareholder shall not be entitled to make additional or substitute nominations following the expiration of the time periods set forth in this Article III, Section 6(b)(i)(B).

(C) In no event shall an adjournment or postponement of a meeting or announcement thereof commence a new time period (or extend any time period) for the giving of a shareholder's notice as described above.

(D) In no event may a Nominating Person provide Timely Notice with respect to a greater number of director candidates than are subject to election by shareholders at the applicable meeting. If the corporation shall, subsequent to such notice, increase the number of directors subject to election at the meeting, such notice as to any additional nominees shall be due on the later of (i) the conclusion of the time period for Timely Notice, (ii) the date set forth in this Article III, Section 6(b)(i)(B) or (iii) the 10th day following the date of public disclosure of such increase.

(ii) To be in proper form for purposes of this Article III, Section 6, a shareholder's notice to the Secretary must set forth:

(A) as to each Nominating Person (as defined below), the Shareholder Information (as defined in Article II, Section 9, except that for purposes of this Article III, Section 6 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Article II, Section 9(c)(A);

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(B) as to each Nominating Person, any Disclosable Interests (as defined in Article II, Section 9, except that for purposes of this Article III, Section 6 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Article II, Section 9(c)(B) and the disclosure with respect to the business to be brought before the meeting in Article III, Section 9(c)(B) shall be made with respect to the election of directors at the meeting; and provided that, in lieu of including the information set forth in Article III, Section 9(c)(B)(7), the Nominating Person's notice for purposes of this Article III, Section 6 shall include a representation as to whether the Nominating Person intends or is part of a group which intends to deliver a proxy statement and solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of director nominees other than the corporation's nominees in accordance with Rule 14a-19 promulgated under the Exchange Act; and

(C) as to each candidate whom a Nominating Person proposes to nominate for election as a director, (A) all information relating to such candidate for nomination that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such candidate's signed written consent to being named in the proxy statement and accompanying proxy card relating to the corporation's next meeting of shareholders at which directors are to be elected and to serving as a director for a full term if elected, (B) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each candidate for nomination or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the candidate for nomination were a director or executive officer of such registrant, and (C) a completed and signed questionnaire, representation and agreement as provided in Article III, Section 6(c).

For purposes of this Article III, Section 6, the term "Nominating Person" shall mean (i) the shareholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such shareholder in such solicitation.

(c) To be eligible to be a candidate for election as a director of the corporation at an annual or special meeting, a candidate must be nominated in the manner prescribed in this Article III, Section 6 and the candidate for nomination, whether nominated by the Board of Directors or by a shareholder of record, must have previously delivered (in accordance with the time period prescribed for delivery in a notice to such candidate given by or on behalf of the Board of Directors), to the Secretary at the principal executive offices of the corporation, (i) a completed written questionnaire (in the form provided by the corporation upon written request of any shareholder of record therefor) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (ii) a written representation and agreement (in the

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form provided by the corporation upon written request of any shareholder of record therefor) that such candidate for nomination (A) is not and, if elected as a director during his or her term of office, will not become a party to (1) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") or (2) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the corporation, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation or reimbursement for service as a director that has not been disclosed therein or to the corporation, (C) if elected as a director of the corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Secretary of the corporation shall provide to such candidate for nomination all such policies and guidelines then in effect), and (D) if elected as director of the corporation, intends to serve the entire term until the next meeting at which such candidate would face re-election.

(d) The Board of Directors may also require any proposed candidate for nomination as a Director to furnish such other information as may reasonably be requested by the Board of Directors in writing prior to the meeting of shareholders at which such candidate's nomination is to be acted upon. Without limiting the generality of the foregoing, the Board of Directors may request such other information in order for the Board of Directors to determine the eligibility of such candidate for nomination to be an independent director of the corporation or to comply with the Director qualification standards and additional selection criteria in accordance with the corporation's Corporate Governance Guidelines. Such other information shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the corporation (or any other office specified by the corporation in any public announcement) not later than 5 business days after the request by the Board of Directors has been delivered to, or mailed and received by, the Nominating Person.

(e) The shareholder providing a notice of any nomination proposed to be made at a meeting and a candidate for nomination as a director, shall further update and supplement such notice or the materials required to be delivered pursuant to this Article III, Section 6, as applicable, if necessary, so that the information provided or required to be provided by any Nominating Person or candidate for nomination as a director shall be true and correct (i) as of the record date for shareholders entitled to vote at the meeting of shareholders and (ii) as of the day that is 10 business days prior to such meeting or any adjournment or postponement thereof. Such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the corporation (x) in the case of the foregoing clause (i), not later than 5 business days after the record date for shareholders entitled to vote at the meeting, and (y) in the case of the foregoing clause (ii), not later than 8 business days prior to the date of the meeting, or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed). Further, the Board may request that any Nominating Person and furnish such additional information as may be reasonably required by the Board of Directors, which such additional information shall be

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provided within 10 business days after it has been requested by the Board of Directors. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph shall not limit the corporation's rights with respect to any deficiencies in any notice provided by a shareholder, and any such deficiencies may be grounds for exclusion of the shareholder's nominee. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the corporation's rights with respect to any deficiencies in any notice provided by a shareholder, extend any applicable deadlines hereunder or enable or be deemed to permit a shareholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new nomination.

(f) In addition to the requirements of this Article III, Section 6 with respect to any nomination proposed to be made at a meeting, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations. Notwithstanding the foregoing provisions of this Article III, Section 6, unless otherwise required by law, (i) no Nominating Person shall solicit proxies in support of director nominees other than the corporation's nominees unless such Nominating Person has complied with Rule 14a-19 promulgated under the Exchange Act in connection with the solicitation of such proxies, including the provision to the corporation of notices required thereunder in a timely manner and (ii) if any Nominating Person (A) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (B) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act, including the provision to the corporation of notices required thereunder in a timely manner, or fails to timely provide reasonable evidence sufficient to satisfy the corporation that such Nominating Person has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence, then the nomination of each such proposed nominee shall be disregarded, notwithstanding that the nominee is included as a nominee in the corporation's proxy statement, notice of meeting or other proxy materials for any annual meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the corporation (which proxies and votes shall be disregarded). If any Nominating Person provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Nominating Person shall deliver to the corporation, no later than 7 business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(g) In the case of shareholder action by written consent with respect to the election by shareholders of a candidate as director, the shareholder seeking to have the shareholders elect such candidate by written consent shall, by written notice to the Board of Directors, set forth the information prescribed in clauses (b) through (f) of this Article III, Section 6 and request the Board of Directors to fix a record date for determining shareholders entitled to consent to corporate action in writing without a meeting. The Board of Directors shall promptly, but in no event later than the 10th day after the date on which such notice is received, adopt a resolution fixing such record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date is fixed by the Board of Directors within such time period, such record date shall be determined in accordance with the provisions of Section 60.211 of Oregon Revised Statutes (or any successor provision).

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### **Section 7. Meetings.**

The Board of Directors may hold meetings, both regular and special, either within or without the State of Oregon. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chair of the Board, the Chief Executive Officer or a majority of the total number of directors constituting the Board of Directors. Notice of special meetings stating the place, date and hour of the meeting shall be given to each Director in writing, by telephone, or by electronic transmission not less than 48 hours before the date of the meeting. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present and if, either before or after the meeting, each of the Directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

### **Section 8. Actions of Board of Directors.**

Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

### **Section 9. Meetings by Means of Conference Telephone.**

Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

### **Section 10. Quorum.**

A quorum of the Board of Directors shall consist of a majority of the number of Directors fixed from time to time in accordance with these Bylaws; provided, however, at any meeting whether a quorum is present or otherwise, a majority of the Directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting. At each meeting of the Board of Directors at which a quorum is present all questions and business shall be determined by a vote of a majority of the Directors present, unless a different vote is required by law.

### **Section 11. Committees.**

(a) Appointment. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board of Directors, from time to time appoint such committees as may be permitted by law. Committees appointed by the Board of Directors shall consist of one or more members of the Board of Directors, and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees. The Board of

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Directors may adopt committee charters, further defining the duties and responsibilities of one or more committees. In no event shall a committee have the power or authority to:

(A) Authorize distributions by the corporation, except according to a formula or method, or within limits, prescribed by the Board of Directors;

(B) Approve or propose to shareholders actions that the Oregon Business Corporation Act requires to be approved by shareholders;

(C) Fill vacancies on the Board of Directors or on any of its committees; or

(D) Adopt, amend or repeal these Bylaws.

(b) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of two or more members of the Board of Directors. Subject to Section 11(a), the Executive Committee shall have, and may exercise, all powers of the Board of Directors in the management of the business and affairs of the corporation.

(c) Term. The members of all committees of the Board of Directors shall serve as such members at the pleasure of the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, each committee of the Board of Directors may prescribe its own rules for calling and holding meetings and its method of procedure and shall keep a written record of all actions taken by the committee.

#### **Section 12. Fees and Compensation.**

Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, without limitation, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

#### **Section 13. Organization.**

At every meeting of the Directors, the Chair of the Board or, if the Chair of the Board is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, a chair

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of the meeting chosen by a majority of the Directors present, shall preside over the meeting. The Secretary, or in his or her absence, an Assistant Secretary directed to do so by the presiding officer, shall act as secretary of the meeting.

#### **Section 14. Interested Directors.**

Any contract or other transaction or determination between the corporation and one or more of its Directors, or between the corporation and another party in which one or more of its Directors are interested, shall be valid notwithstanding the presence or participation of such Director or Directors in a meeting of the Board of Directors, or any committee thereof, that acts upon or in reference to such contract, transaction or determination, if the material facts as to such Director's or Directors' relationship or interest as to the contract, other transaction or determination shall be disclosed or known to the Board of Directors or committee and it shall in good faith authorize or approve such contract, transaction or determination by a vote of a majority of the disinterested Directors. If a majority of disinterested Directors vote to authorize, approve or ratify the transaction, a quorum is present for the purposes of this Section 14; provided, however, that no transaction under this Section may be authorized, approved or ratified by a single Board member. Such interested Director or Directors shall not be entitled to vote on such contract, transaction or determination, and shall not be counted among the Directors present for purposes of determining the number of Directors constituting the majority necessary to carry such vote. If not authorized or approved by a majority of the disinterested Directors as provided above, such contract, transaction or determination shall nevertheless be valid if the material facts as to such Director's or Directors' relationship or interest and as to the contract, other transaction or determination shall be disclosed or known to the shareholders entitled to vote thereon and such contract, transaction or determination shall be specifically approved in good faith by vote of the holders of a majority of a quorum of such shares. Such interested Director or Directors shall not be disqualified from voting in their capacity as shareholders for ratification or approval of such contract, transaction or determination. Notwithstanding the foregoing, a transaction not approved by a majority of disinterested directors or a majority of a quorum of shareholders, is not voidable if such a transaction was fair to the corporation. This Section 14 shall not invalidate any contract, transaction or determination that would otherwise be valid under applicable law.

#### **Section 15. Chair of the Board.**

The Board of Directors shall from time to time elect one of its members to be its chair (the "**Chair of the Board**") and shall fill any vacancy in the position of Chair of the Board at such time and in such manner as the Board of Directors shall determine. The Chair of the Board will advise and consult with the Board of Directors as to the determination of policies of the Corporation, will preside at all meetings of the Board of Directors, and will perform such other functions and responsibilities as the Board of Directors may designate from time to time.

### **Article IV. Officers**

#### **Section 1. General.**

The officers of the corporation shall be the Chief Executive Officer, the President, one or more Vice Presidents, and the Secretary, all of whom shall be appointed by the Board of

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Directors. The Board of Directors may also appoint one or more Assistant Secretaries, and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited by law. The salaries and other compensation of officers of the corporation shall be fixed by or in the manner designated by the Board of Directors. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Subject to Section 4 below and to the terms of any contract of employment between the corporation and such officer, any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors.

## **Section 2. Duties of Officers.**

(a) **Chief Executive Officer.** The Chief Executive Officer shall be the principal executive officer of the corporation. The Chief Executive Officer shall, subject to the control of the Board of Directors, have general supervision of the business of the corporation, shall be responsible for preparing the agenda for all meetings of the Board of Directors and of the shareholders, and shall perform other duties commonly incident to his or her office. The Chief Executive Officer shall preside at all meetings of the shareholders. The Chief Executive Officer shall have the power, either in person or by proxy, to vote all voting securities held by the corporation of any other corporation or entity, and to execute, on behalf of the corporation, such agreements, contracts and instruments, including, without limitation, negotiable instruments, as shall be necessary or appropriate in furtherance of the conduct of the corporation's normal business activities. The Chief Executive Officer shall also perform such other duties and have such other powers as the Board of Directors may designate from time to time.

(b) **President.** The President shall report to the Chief Executive Officer. In the absence of the Chief Executive Officer or his or her inability to act, the President, if any, shall, subject to the control of the Board of Directors, perform all duties of the Chief Executive Officer and when so acting shall have all the power of, and be subject to all restrictions upon, the Chief Executive Officer. The President shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(c) **Vice Presidents.** The Vice Presidents, in the order of their seniority, as designated by the Board of Directors, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer shall designate from time to time.

(d) **Secretary.** The Secretary shall attend all meetings of the shareholders and of the Board of Directors, and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the shareholders, of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him or her in these Bylaws and other duties commonly incident to such office and shall also perform such other duties and have such other

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powers as the Board of Directors may designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his or her office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

### **Section 3. Other Officers.**

Such other officers as the Board of Directors may designate shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the corporation the power to choose such other officers and to prescribe their respective duties and powers.

### **Section 4. Resignations.**

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective.

## **Article V. Stock**

### **Section 1. Form and Content of Certificates; Uncertificated Shares.**

Shares of the stock of the corporation shall be represented by certificates in such form as is consistent with the Articles of Incorporation and applicable law; provided, however, that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by or in the name of the corporation by the Chair of the Board, the Chief Executive Officer, the President or any Vice President and by the Secretary or Assistant Secretary of the corporation representing the number of shares registered in certificate form. Such certificates shall set forth the number of shares owned by the holder in the corporation as well as the class or series of such shares and such other information as may be required by law. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the designations, preferences, limitations, restrictions on transfer and relative rights of the shares authorized to be issued, or shall contain the corporation's undertaking to furnish without charge to each shareholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

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## **Section 2. Lost Certificates.**

A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, that the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

## **Section 3. Transfers.**

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

## **Section 4. Record Date.**

In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 70 nor less than 10 days before the date of such meeting, nor more than 70 days prior to any other action. If no record date is fixed by the Board of Directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day next preceding the day on which notice of such meeting is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

## **Section 5. Registered Shareholders.**

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by law.

# **Article VI. Notices**

## **Section 1. Notices.**

Whenever written notice is required by law, the Articles of Incorporation or these Bylaws to be given to any director, member of a committee or shareholder, such notice may be given by mail, addressed to such person, at his or her address as it appears on the records of the

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corporation, with postage thereon prepaid, and such notice shall be deemed to be given and effective at the time when the same shall be deposited in the United States mail. Written notice may also be given personally, by private carrier or by electronic means, and shall be deemed given when so sent, provided that the recipient has not previously opted out of receiving electronic communications in writing.

#### **Section 2. Waivers of Notice.**

Whenever any notice is required by law, the Articles of Incorporation or these Bylaws to be given to any director, member of a committee or shareholder, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

### **Article VII. General Provisions**

#### **Section 1. Dividends.**

Dividends upon the capital stock of the corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting and may be paid in cash, in property, or in shares of the capital stock of the corporation. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall deem conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

#### **Section 2. Fiscal Year.**

The fiscal year of the corporation shall extend from September 1 until August 31 of the following calendar year.

#### **Section 3. Corporate Seal.**

Unless otherwise required by law, a seal shall not be required in order to give effect to any act of the corporation. The corporate seal, if any, shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Oregon." The seal may be used by causing it or a facsimile thereof to be impressed or affixed, reproduced or otherwise.

#### **Section 4. Disbursements.**

All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

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## Article VIII. Indemnification

### **Section 1. Directors and Officers.**

(a) Indemnity in Third-Party Proceedings. The corporation shall indemnify its Directors and officers in accordance with the provisions of this Section 1(a) if the Director or officer was or is a party to, or is threatened to be made a party to, any proceeding (other than a proceeding by or in the right of the corporation to procure a judgment in its favor), against all expenses, judgments, fines and amounts paid in settlement, actually and reasonably incurred by the Director or officer in connection with such proceeding if the Director or officer acted in good faith and in a manner the Director or officer reasonably believed was in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, the Director or officer, in addition, had no reasonable cause to believe that the Director's or officer's conduct was unlawful; provided, however, that the Director or officer shall not be entitled to indemnification under this Section 1(a): (i) in connection with any proceeding charging improper personal benefit to the Director or officer in which the Director or officer is adjudged liable on the basis that personal benefit was improperly received by the Director or officer unless and only to the extent that the court conducting such proceeding or any other court of competent jurisdiction determines upon application that, despite the adjudication of liability, the Director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, or (ii) in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its Directors, officers, employees or other agents unless (A) such indemnification is expressly required to be made by law, (B) the proceeding was authorized by the Board of Directors, or (C) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Oregon Business Corporation Act.

(b) Indemnity in Proceedings by or in the Right of the Corporation. The corporation shall indemnify its Directors and officers in accordance with the provisions of this Section 1(b) if the Director or officer was or is a party to, or is threatened to be made a party to, any proceeding by or in the right of the corporation to procure a judgment in its favor, against all expenses actually and reasonably incurred by the Director or officer in connection with the defense or settlement of such proceeding if the Director or officer acted in good faith and in a manner the Director or officer reasonably believed was in or not opposed to the best interests of the corporation; provided, however, that the Director or officer shall not be entitled to indemnification under this Section 1(b): (i) in connection with any proceeding in which the Director or officer has been adjudged liable to the corporation unless and only to the extent that the court conducting such proceeding determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Director or officer is fairly and reasonably entitled to indemnification for such expenses as such court shall deem proper, or (ii) in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its Directors, officers, employees or other agents unless (A) such indemnification is expressly required to be made by law, (B) the proceeding was authorized by the Board of Directors, or (C) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Oregon Business Corporation Act.

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## **Section 2. Employees and Other Agents.**

The corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the corporation similar to those conferred in this Article VIII to Directors and officers of the corporation.

## **Section 3. Good Faith.**

(a) For purposes of any determination under this Article VIII, a Director or officer shall be deemed to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding to have had no reasonable cause to believe that his or her conduct was unlawful, if his or her action is based on information, opinions, reports and statements, including financial statements and other financial data, in each case prepared or presented by:

(A) one or more officers or employees of the corporation whom the Director or officer reasonably believed to be reliable and competent in the matters presented;

(B) legal counsel, independent accountants or other persons as to matters that the Director or officer reasonably believed to be within such person's professional or expert competence;

(C) with respect to a Director, a committee of the Board upon which such Director does not serve, as to matters within such committee's designated authority, which committee the Director reasonably believes to merit confidence; or

(D) so long as, in each case, the Director or executive officer acts without knowledge that would cause such reliance to be unwarranted.

(b) The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal proceeding, that he had reasonable cause to believe that his or her conduct was unlawful.

(c) The provisions of this Section 3 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by the Oregon Business Corporation Act.

## **Section 4. Advances of Expenses.**

The corporation shall pay the expenses incurred by its Directors or officers in any proceeding (other than a proceeding brought for an accounting of profits made from the purchase and sale by the Director or officer of securities of the corporation within the meaning of Section 16(b) of the Exchange Act or similar provision of any state statutory law or common law) in

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advance of the final disposition of the proceeding at the written request of the Director or officer, if the Director or officer: (a) furnishes the corporation a written affirmation of the Director's or officer's good faith belief that the Director or officer is entitled to be indemnified under this Article VIII, and (b) furnishes the corporation a written undertaking to repay the advance to the extent that it is ultimately determined that the Director or officer is not entitled to be indemnified by the corporation. Such undertaking shall be an unlimited general obligation of the Director or officer but need not be secured. Advances pursuant to this Section 4 shall be made no later than 10 days after receipt by the corporation of the affirmation and undertaking described in clauses (a) and (b) above, and shall be made without regard to the Director's or officer's ability to repay the amount advanced and without regard to the Director's or officer's ultimate entitlement to indemnification under this Article VIII. The corporation may establish a trust, escrow account or other secured funding source for the payment of advances made and to be made pursuant to this Section 4 or of other liability incurred by the Director or officer in connection with any proceeding.

#### **Section 5. Enforcement.**

Without the necessity of entering into an express contract, all rights to indemnification and advances to Directors and officers under this Article VIII shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the Director or officer. Any Director or officer may enforce any right to indemnification or advances under this Article VIII in any court of competent jurisdiction if: (a) the corporation denies the claim for indemnification or advances, in whole or in part, or (b) the corporation does not dispose of such claim within 45 days of request therefor. It shall be a defense to any such enforcement action (other than an action brought to enforce a claim for advancement of expenses pursuant to, and in compliance with, Section 1 of this Article VIII) that the Director or officer is not entitled to indemnification under this Article VIII. The corporation may contest the Director or officer's entitlement to advancement of expenses pursuant to Section 4 of this Article VIII if the corporation in good faith believes that the Director or officer did not meet the standard of conduct set forth in Sections 60.357 and 60.391 of Oregon Revised Statutes with respect to the subject matter of the proceeding. The burden of proving by clear and convincing evidence that indemnification or advancement is not appropriate shall be on the corporation. Neither the failure of the corporation (including its Board of Directors or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because the Director or officer has met the applicable standard of conduct nor an actual determination by the corporation (including its Board of Directors or independent legal counsel) that indemnification is improper because the Director or officer has not met such applicable standard of conduct, shall be asserted as a defense to the action or create a presumption that the Director or officer is not entitled to indemnification under this Article VIII or otherwise. The Director's or officer's expenses incurred in connection with successfully establishing such person's right to indemnification or advances, in whole or in part, in any proceeding shall also be paid or reimbursed by the corporation.

#### **Section 6. Non-Exclusivity Rights.**

The rights conferred on any person by this Article VIII shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the

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Articles of Incorporation, Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its Directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the Oregon Business Corporation Act.

**Section 7. Survival of Rights.**

The rights conferred on any person by this Article VIII shall continue as to a person who has ceased to be a Director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 8. Insurance.**

To the fullest extent permitted by the Oregon Business Corporation Act, the corporation may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VIII.

**Section 9. Amendments.**

Any repeal or modification of this Article VIII shall only be prospective and shall not affect the rights under this Article VIII in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any Director, officer, employee or agent of the corporation.

**Section 10. Savings Clause.**

If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each Director and officer to the full extent not prohibited by any applicable portion of this Article VIII that shall not have been invalidated, or by any other applicable law.

**Section 11. Certain Definitions.**

For the purposes of this Article VIII, the following definitions shall apply:

(a) The term "proceeding" includes any threatened, pending or completed action, suit or proceeding, whether brought in the right of the corporation or otherwise, and whether of a civil, criminal, administrative or investigative nature, in which the Director or officer of the corporation may be or may have been involved as a party, witness or otherwise, by reason of the fact that the Director or officer is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or reimbursement can be provided under this Article VIII.

(b) The term "expenses" includes, without limitation, expenses of investigations, judicial or administrative proceedings or appeals, attorney, accountant and other

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professional fees and disbursements and any expenses of establishing a right to indemnification under this Article VIII, but shall not include amounts paid in settlement by the Director or officer or the amount of judgments or fines against the Director or officer.

(c) References to "other enterprise" include, without limitation, employee benefit plans; references to "fines" include, without limitation, any excise taxes assessed on a person with respect to any employee benefit plan; references to "serving at the request of the corporation" include, without limitation, any service as a director, officer, employee or agent that imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants, or its beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VIII.

(d) References to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer or employee of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(e) The meaning of the phrase "to the fullest extent permitted by law" shall include, but not be limited to: (i) to the fullest extent authorized or permitted by any amendments to or replacements of the Oregon Business Corporation Act adopted after the date of this Article VIII that increase the extent to which a corporation may indemnify its directors and officers, and (ii) to the fullest extent permitted by the provision of the Oregon Business Corporation Act that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the Oregon Business Corporation Act.

#### **Section 12. Notification and Defense of Claim.**

As a condition precedent to indemnification under this Article VIII, not later than 30 days after receipt by the Director or officer of notice of the commencement of any proceeding the Director or officer shall, if a claim in respect of the proceeding is to be made against the corporation under this Article VIII, notify the corporation in writing of the commencement of the proceeding. The failure to properly notify the corporation shall not relieve the corporation from any liability that it may have to the Director or officer otherwise than under this Article VIII. With respect to any proceeding as to which the Director or officer so notifies the corporation of the commencement:

(a) The corporation shall be entitled to participate in the proceeding at its own expense.

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(b) Except as otherwise provided in this Section 12, the corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense of the proceeding, with legal counsel reasonably satisfactory to the Director or officer. The Director or officer shall have the right to use separate legal counsel in the proceeding, but the corporation shall not be liable to the Director or officer under this Article VIII for the fees and expenses of separate legal counsel incurred after notice from the corporation of its assumption of the defense, unless (i) the Director or officer reasonably concludes that there may be a conflict of interest between the corporation and the Director or officer in the conduct of the defense of the proceeding, or (ii) the corporation does not use legal counsel to assume the defense of such proceeding. The corporation shall not be entitled to assume the defense of any proceeding brought by or on behalf of the corporation or as to which the Director or officer has made the conclusion provided for in (i) above.

(c) If two or more persons who may be entitled to indemnification from the corporation, including the Director or officer seeking indemnification, are parties to any proceeding, the corporation may require the Director or officer to use the same legal counsel as the other parties. The Director or officer shall have the right to use separate legal counsel in the proceeding, but the corporation shall not be liable to the Director or officer under this Article VIII for the fees and expenses of separate legal counsel incurred after notice from the corporation of the requirement to use the same legal counsel as the other parties, unless the Director or officer reasonably concludes that there may be a conflict of interest between the Director or officer and any of the other parties required by the corporation to be represented by the same legal counsel.

(d) The corporation shall not be liable to indemnify the Director or officer under this Article VIII for any amounts paid in settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld. The Director or officer shall permit the corporation to settle any proceeding that the corporation assumes the defense of, except that the corporation shall not settle any action or claim in any manner that would impose any penalty or limitation on the Director or officer without such person's written consent.

### **Section 13. Exclusions.**

Notwithstanding any provision in this Article VIII, the corporation shall not be obligated under this Article VIII to make any indemnification or advancement of expenses in connection with any claim made against any Director or officer: (a) for which payment is required to be made to or on behalf of the Director or officer under any insurance policy, except with respect to any excess amount to which the Director or officer is entitled under this Article VIII beyond the amount of payment under such insurance policy; (b) if a court having jurisdiction in the matter finally determines that such indemnification is not lawful under any applicable statute or public policy; (c) in any suit, action, claim or litigation, civil, criminal, administrative or otherwise, which arises out of the Director's or officer's individual interests and not by reason of the fact that he or she served as a Director or officer of the corporation; (d) in connection with any proceeding (or part of any proceeding) initiated by the Director or officer, or any proceeding by the Director or officer against the corporation or its directors, officers, employees or other persons entitled to be indemnified by the corporation, unless: (i) the corporation is expressly required by law to make the indemnification; (ii) the proceeding was authorized by the Board of Directors of the corporation; or (iii) the Director or officer initiated the proceeding pursuant to Section 5 of this

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Article VIII and the Director or officer is successful in whole or in part in such proceeding; or (e) for an accounting of profits made from the purchase and sale by the Director or officer of securities of the corporation within the meaning of Section 16(b) of the Exchange Act or similar provision of any state statutory law or common law.

**Section 14. Subrogation.**

In the event of payment under this Article VIII, the corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Director or officer. The Director or officer shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the corporation effectively to bring suit to enforce such rights.

**Article IX. Amendments.**

These Bylaws may be amended, repealed, altered or rescinded by the Board of Directors or by the affirmative vote of the holders of not less than a majority of the outstanding shares of capital stock of the corporation entitled to vote thereon, voting together as a single class.

***Effective as of April 2, 2024***

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## **Exhibit 10.1**

### **THE GREENBRIER COMPANIES, INC. EMPLOYEE STOCK PURCHASE PLAN**

**1.Purpose of the Plan.** The Greenbrier Companies, Inc. (the "Company") believes that ownership of shares of its Common Stock, without par value ("Shares"), by employees of the Company and its participating subsidiaries (as defined below) is desirable as an incentive to continuation and enhancement of Company profits and as a means by which employees may share in the rewards of growth and success of the Company. The Company first adopted an Employee Stock Purchase Plan in 1995 (the "1995 Plan"), in order to encourage such employees to become stockholders and to provide a convenient way for employees of the Company and its participating subsidiaries to purchase Shares through payroll deductions. At the termination of the 1995 Plan, the Company adopted the 2004 Employee Stock Purchase Plan (the "2004 Plan"), and at the termination of the 2004 Plan the Company adopted a 2009 Employee Stock Purchase Plan (the "2009 Plan"). At the termination of the 2009 Plan, the Company adopted a 2014 Employee Stock Purchase Plan (the "2014 Plan"). The 2014 Plan, which was scheduled to terminate on February 28, 2019, was extended for an additional five years effective as of January 9, 2019 and effective upon approval of shareholders at the Company's 2024 Annual Meeting of Shareholders is further extended for an additional five years and renamed the "The Greenbrier Companies, Inc. Employee Stock Purchase Plan" (the "Plan"). As extended, the termination date of the Plan is February 28, 2029. The Company intends that the Plan shall qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code").

### **2.Administration of the Plan.**

2.1The Plan shall be administered by the Board of Directors. The Board of Directors may promulgate rules and regulations for operation of the Plan, adopt forms for use in connection with the Plan, and decide any question of interpretation of the Plan or rights arising under the Plan. The Board of Directors may consult with counsel for the Company on any matter arising under the Plan. All determinations and decisions of the Board of Directors shall be binding and conclusive on all persons.

2.2Section 2.1 notwithstanding, the Board of Directors may delegate authority to administer the Plan to the Compensation Committee of the Board of Directors (the "Committee").

### **3.Eligible Employees.**

3.1Except as indicated in Section 3.2 or Section 3.3, all permanent employees of the Company, and all permanent employees of each subsidiary of the Company that is designated by the Board of Directors of the Company as a participant in the Plan (a "Participating Subsidiary"), are eligible to participate in the Plan. Each subsidiary of the Company that is designated as a Participating Subsidiary under the 2004 Plan as of the date of adoption of this Plan was deemed a Participating Subsidiary under this Plan. The Board of Directors may designate additional Participating Subsidiaries from time to time.

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3.2 Any employee who would, after a purchase of Shares under the Plan, own or be deemed to own stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or its subsidiaries shall be ineligible to participate in the Plan.

3.3 A permanent employee is an employee who has been employed by the Company or any of its Participating Subsidiaries for at least three consecutive months (or such other employment period less than two years determined by the Company) and who is in the active service of the Company or any of its Participating Subsidiaries on the date a purchase of Shares is made under the Plan. The foregoing notwithstanding, any employee whose customary employment is 20 hours or less per week or whose customary employment is for not more than five months per calendar year is not considered a permanent employee (unless the Company determines a lesser standard applied uniformly).

#### **4. Participation in the Plan.**

4.1 An eligible employee may participate in the Plan by filing with the Company, on forms furnished by the Company, a subscription and payroll deduction authorization. The subscription and payroll deduction authorization shall authorize the Company (or Participating Subsidiary, as the case may be) to make payroll deductions from the employee's compensation.

4.2 If payroll deductions are made by a Participating Subsidiary, that subsidiary shall promptly remit the amount of the deduction to the Company or to such bank, trust company, or investment or financial firm (the "Custodian") as shall be appointed by the Board of Directors.

4.3 No employee shall be allowed to subscribe for a number of Shares under the Plan which would permit his or her rights to purchase Shares under all stock purchase or option plans of the Company and its subsidiaries intended to qualify as an "employee stock purchase plans" under Section 423 of the Code to accrue at a rate which exceeds \$25,000 of fair market value of such Shares (determined at the time such shares are offered) for each calendar year in which such right to subscribe or a subscription is outstanding at any time.

4.4 The amount deducted from a participant's compensation with respect to participation in the Plan shall not exceed five percent of the gross amount of base pay for the pay period to which the deduction relates or such other amount determined by the Company in a uniform manner. A participant may change the amount of his or her payroll deduction only once during any calendar quarter (unless otherwise determined by the Company applied in a uniform manner). A change in payroll deduction may be made for a subsequent pay period only by giving advance written notice to the Company.

4.5 Participation in the Plan shall terminate (a) when an employee gives written or electronic notice to the Company that he or she terminates his or her participation in the Plan, or  
(b) when an employee ceases to be an eligible employee for any reason, including death or retirement. An eligible employee may reinstate his or her participation in the Plan after termination only once during any calendar year (unless otherwise determined by the Company applied in a uniform manner).

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**5.Offer to Sell Stock.** Upon receipt and acceptance by the Company of a valid subscription and payroll deduction authorization from a participant, the Company shall offer to sell Shares to such participant. Each date of purchase of Shares under the Plan will be deemed to be the Grant Date with respect to the Shares purchased on such date.

**6.Purchase of Stock.**

6.1 On or before the tenth business day of each month, the Company shall remit to the Custodian the total of all deductions made under the Plan during the previous month. The Custodian shall forthwith apply such funds, together with Company Contributions as provided for under Section 7.1 to the purchase of Shares in open market transactions through brokers or dealers at prevailing market prices. Purchases shall be completed on or before the 25th day following the date of the remittance (the "Purchase Date"). Any funds remaining with the Custodian, after the purchase of the maximum number of shares which can be purchased with the remittance, shall be applied to the next month's purchase.

6.2 Purchases shall be made in the name of the Custodian for the account of The Greenbrier Employee Stock Purchase Plan. Each month, the Custodian shall credit each participant's account with his or her pro rata share of purchases of Shares under the Plan, including fractional shares to at least the third decimal (or in such other manner determined by the Company in a uniform manner).

6.3 Notwithstanding any other provision of this Plan to the contrary, the maximum number of Shares which shall be issuable pursuant to the Plan, or purchasable by the Custodian pursuant hereto, shall be 750,000 Shares.

6.4 Participants may purchase Shares under the Plan at a discount price of 85% of the market price per Share as of the date of purchase (or such higher price determined by the Company in a uniform manner).

6.5 Notwithstanding any other provision of this Plan to the contrary, the Company may determine to sell newly issued Shares under the Plan in place of open market purchases. In such event, the Committee shall adopt such forms, procedures and rules as it deems appropriate to implement sales of newly issued Shares under the Plan.

**7.Company Contributions.**

7.1 The Company will contribute to the Plan and remit to the Custodian funds to be added to the funds contributed by participants (via payroll deductions) for the purchase of Shares under the Plan, in the amount of the difference between the discount price at which participants are permitted to purchase Shares (for example, a 15% discount), and the market price of the Shares as of the date of purchase.

7.2 The Company shall remit to the Custodian any Company Contribution concurrently with its remittance to the Custodian of the total of all payroll deductions made under the Plan during the preceding month pursuant to Section 6.1 of the Plan. The Custodian may co-mingle any Company Contribution with other funds held under the Plan and shall apply

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any Company Contribution to the purchase of Shares in the same manner and under the same terms as described in Section 6.1 of the Plan.

## **8.Delivery of Shares.**

8.1 By appropriate instructions to the Custodian on forms to be provided by the Custodian for such purpose or by following electronic or other procedures prescribed by the Custodian, a participant may from time to time, and subject to applicable law, direct the Custodian to (a) transfer into the participant's own name all or part of the whole Shares held by the Custodian for the participant's account and deliver such Shares to the participant; (b) transfer all or part of the whole Shares held for the participant's account by the Custodian to a regular individual brokerage account in the participant's own name, either with the firm then acting as Custodian or with another firm, or (c) sell all or part of the whole Shares held by the Custodian for the participant's account at the market price at the time the order is executed and remit to the participant the net proceeds of sale.

8.2 Upon termination of participation in the Plan, the participant may, subject to applicable law, elect to have the whole Shares held by the Custodian for the account of the participant transferred and delivered in accordance with (a) above, transferred to a brokerage account in accordance with (b) above, or sold in accordance with (c), above. A participant may only obtain cash with respect to a fractional Share reflected in his or her account by sale of the fractional Share to the Custodian or such other manner determined by the Company in a uniform manner. Upon termination of participation in the Plan, the cash balance remaining in a former participant's account shall be refunded to him or her.

**9.Records and Statements.** The Custodian shall maintain the records of the Plan. Each participant shall periodically receive a statement showing the current balance of his or her account and the activity of his or her account since the preceding statement date. Participants shall be furnished such other reports and statements as the Board of Directors shall from time to time determine.

**10.Expenses of the Plan.** The Company shall pay all expenses incident to operation of the Plan, including costs of record keeping, accounting fees, legal fees, fees of the Custodian, commissions and issue or transfer taxes on purchases pursuant to the Plan and on delivery of shares to a participant or into his or her brokerage account. The Company shall not pay expenses, commissions or taxes incurred in connection with sales of Shares by the Custodian at the request of a participant. Expenses to be paid by a participant shall be deducted from the proceeds of sale prior to remittance.

**11.Non-U.S. Employees.** Without amending the Plan, the Company may grant offers to sell stock or establish other procedures to provide benefits to non-U.S. employees of the Company and its subsidiaries under the Plan on such terms and conditions different from those specified in the Plan as may, in the judgment of the Company, be necessary or desirable to foster and promote achievement of the purposes of the Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable (a) to comply with provisions of applicable laws or regulations or conform to the requirements to operate the Plan in a qualified or tax or accounting advantageous manner, (b) to ensure the viability of the

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benefits under the Plan for eligible non-U.S. employees, or (c) to meet the objectives of the Plan. Without limiting the generality of the foregoing, the Board or its committee is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of base pay, handling of payroll deductions, making of contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay taxes, determination and change of offering periods, establishment of separate offerings, payment procedures, requirement that shares of the Company's Common Stock acquired through the Plan be held by a specific broker, withholding procedures and handling of stock certificates. Notwithstanding anything to the contrary herein, any such actions taken by the Company with respect to eligible non-U.S. employees of any Participating Subsidiary may be treated as a subplan outside of an "employee stock purchase plan" under Section 423 of the Code and not subject to the requirements of Section 423 set forth in the Code and the Plan.

**12.Rights Not Transferable.** The right to purchase Shares under this Plan is not transferable by a participant, and such right is exercisable during the participant's lifetime only by the participant. Upon the death of a participant, any Shares held by the Custodian for the participant's account shall be transferred to the deceased participant's estate.

**13.Dividends and Other Distributions.** All cash dividends, if any, in respect of Shares held by the Custodian shall be automatically reinvested in the purchase of additional Shares or shall be paid to the participants entitled thereto. Stock dividends and other distributions in Shares of the Company or other property in respect of Shares held by the Custodian shall be issued to the Custodian and held by it for the account of the respective participants entitled thereto or treated in such other manner as determined by the Company in a uniform manner.

**14.Voting and Stockholder Communications.** In connection with voting on any matter submitted to the stockholders of the Company, the Custodian shall furnish to each participant a proxy authorizing the participant to vote the Shares held by the Custodian for his or her account. Copies of all general communications to stockholders of the Company shall be sent to participants in the Plan.

**15.Responsibility and Indemnity.** Neither the Company, its Board of Directors, the Committee, the Custodian, any Participating Subsidiary, nor any member, officer, agent, or employee of any of them, shall be liable to any participant under the Plan for any mistake of judgment nor for any omission or wrongful act unless resulting from gross negligence, willful misconduct or intentional misfeasance. The Company shall indemnify and save harmless its Board of Directors, the Committee, the Custodian and any such member, officer, agent or employee against any claim, loss, liability or expense arising out of the Plan, except such as may result from the gross negligence, willful misconduct or intentional misfeasance of such entity or person.

**16.Conditions and Approvals.** The obligations of the Company under the Plan shall be subject to compliance with all applicable state and federal laws and regulations, the rules of any stock exchange on which the Company's securities may be listed, and to the approval of such federal and state authorities or agencies as may have jurisdiction in the premises. The Company

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shall use its best efforts to comply with such laws, regulations and rules and to obtain such approvals.

**17.Amendment of the Plan.** The Committee may from time to time amend the Plan in any and all respects, except that without approval of the Board of Directors and the affirmative vote of a majority of the outstanding Shares of the Company, within twelve months prior to or subsequent to such Board approval, the Committee may not extend the term of the Plan or increase the number of Shares issuable or purchasable pursuant to Section 6.3 of the Plan.

**18.Termination of the Plan.** The Plan shall terminate on February 28, 2029 unless terminated earlier pursuant to this Section 8. The Board of Directors may, in its sole discretion, terminate the Plan at any time without any obligation on account of such termination, except as otherwise provided in this Section 8. Upon termination of the Plan, the cash and Shares, if any, held in the account of each participant shall be distributed to the participant. The foregoing notwithstanding, if, prior to the termination of the Plan, the Board of Directors of the Company shall have adopted a substantially similar plan, the Board of Directors may in its discretion determine that the account of each participant under this Plan shall be carried forward and continued as the account of such participant under such other plan, subject to the right of any participant to request distribution of the cash and Shares, if any, held for his or her account.

**19.Restrictions on Directors and Executive Officers.** Notwithstanding any provision of this Plan or of any subscription, payroll deduction authorization or other document or instrument to the contrary, directors of the Company and each person who shall have been designated by the Board of Directors of the Company as an "executive officer" for purposes of Section 16 of the Securities Exchange Act shall be bound by the provisions in the Company's insider trading policy as may be amended from time to time.

**20.Effective Date of the Plan.** The Plan became effective March 1, 2014. The extension of the term of the Plan is effective upon approval of shareholders at the Company's 2024 Annual Meeting of Shareholders.

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## CERTIFICATIONS

I, Lorie L. Tekorius, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Greenbrier Companies, Inc. for the quarterly period ended February 29, 2024;
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.

Date: April 5, 2024

/s/ Lorie L. Tekorius  
Lorie L. Tekorius  
Chief Executive Officer

(Principal Executive Officer)

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**CERTIFICATIONS (cont'd)**

I, Adrian J. Downes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Greenbrier Companies, Inc. for the quarterly period ended February 29, 2024;
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.

Date: April 5, 2024

/s/ Adrian J. Downes  
Adrian J. Downes  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Greenbrier Companies, Inc. (the "Company") on Form 10-Q for the quarterly period ended February 29, 2024, as filed with the Securities and Exchange Commission on the date therein specified (the "Report"), I, Lorie L. Tekorius, Chief Executive Officer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

Date: April 5, 2024

/s/ Lorie L. Tekorius  
Lorie L. Tekorius  
Chief Executive Officer  
(Principal Executive Officer)

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CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Greenbrier Companies, Inc. (the "Company") on Form 10-Q for the quarterly period ended February 29, 2024, as filed with the Securities and Exchange Commission on the date therein specified (the "Report"), I, Adrian J. Downes, Senior Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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.

Date: April 5, 2024

/s/ Adrian J. Downes  
Adrian J. Downes  
Senior Vice President and Chief Financial Officer  
(Principal Financial Officer)

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