

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

(Mark one)

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

For the fiscal year ended July 31, 2024

or

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

For the transition period from _____ to _____
Commission file number 001-09235



THOR
Industries

THOR INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

601 E. Beardsley Ave., Elkhart, IN

(Address of principal executive offices)

93-0768752

(I.R.S. Employer Identification Number)

46514-3305

(Zip Code)

Registrant's telephone number, including area code: (574) 970-7460

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock (Par value \$0.10 Per Share)	THO	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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

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

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

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes ☐ No ☒

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of January 31, 2024 was approximately \$5.761 billion based on the closing price of the registrant's common shares on January 31, 2024, the last business day of the registrant's most recently completed second fiscal quarter. Solely for the purpose of this calculation and for no other purpose, the non-affiliates of the registrant are assumed to be all shareholders of the registrant other than (i) directors of the registrant (ii) current executive officers of the registrant who are identified as "named executive officers" pursuant to Item 10 of the registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 2024 and (iii) any shareholder that beneficially owns 10% or more of the registrant's common stock. The exclusion of such persons is not intended, nor shall it be deemed, to be an admission that such persons are affiliates of the registrant. The number of shares of the registrant's common stock outstanding as of September 16, 2024 was 52,931,424.

Documents incorporated by reference:

Portions of the Proxy Statement for the 2024 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

		<u>Page</u>
<u>PART I</u>		
ITEM 1.	<u>BUSINESS</u>	1
ITEM 1A.	<u>RISK FACTORS</u>	12
ITEM 1B.	<u>UNRESOLVED STAFF COMMENTS</u>	25
ITEM 1C.	<u>CYBERSECURITY RISK MANAGEMENT, STRATEGY AND GOVERNANCE</u>	25
ITEM 2.	<u>PROPERTIES</u>	26
ITEM 3.	<u>LEGAL PROCEEDINGS</u>	27
ITEM 4.	<u>MINE SAFETY DISCLOSURES</u>	27
<u>PART II</u>		
ITEM 5.	<u>MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	28
ITEM 6.	<u>(RESERVED)</u>	30
ITEM 7.	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	31
ITEM 7A.	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	50
ITEM 8.	<u>FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA – SEE ITEM 15</u>	51
ITEM 9.	<u>CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	52
ITEM 9A.	<u>CONTROLS AND PROCEDURES</u>	52
ITEM 9B.	<u>OTHER INFORMATION</u>	54
ITEM 9C.	<u>DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION</u>	54
<u>PART III</u>		
ITEM 10.	<u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	55
ITEM 11.	<u>EXECUTIVE COMPENSATION</u>	55
ITEM 12.	<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	55
ITEM 13.	<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE</u>	56
ITEM 14.	<u>PRINCIPAL ACCOUNTING FEES AND SERVICES</u>	56
<u>PART IV</u>		
ITEM 15.	<u>EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u>	57
<u>SIGNATURES</u>		60

PART I

Unless otherwise indicated, all Dollar and Euro amounts are presented in thousands except per share data.

ITEM 1. BUSINESS

General

Our Company was founded in 1980 and has grown to become the largest manufacturer of recreational vehicles (“RVs”) in the world. We are also the largest manufacturer of RVs in North America, and one of the largest manufacturers of RVs in Europe. The Company manufactures a wide variety of RVs in the United States (“U.S.”) and Europe, and sells those vehicles, as well as related parts and accessories, primarily to independent, non-franchise dealers throughout the United States, Canada and Europe. We are incorporated in Delaware and are the successor to a corporation of the same name which was incorporated in Nevada on July 29, 1980. Our principal executive office is located at 601 East Beardsley Avenue, Elkhart, Indiana 46514 and our telephone number is (574) 970-7460. Our Internet address is www.thorindustries.com. We maintain copies of our recent filings with the Securities and Exchange Commission (“SEC”), available free of charge, on our web site. Unless the context otherwise requires or indicates, all references to “THOR”, the “Company”, “we”, “our” and “us” refer to THOR Industries, Inc. and its subsidiaries.

Our principal North American recreational vehicle operating subsidiaries are Airstream, Inc. (“*Airstream*”), Heartland Recreational Vehicles, LLC (“*Heartland*”, which includes Cruiser RV, LLC (“*CRV*”) and DRV, LLC (“*DRV*”), Jayco, Inc. (“*Jayco*”, which includes Jayco, Starcraft, Highland Ridge and Entegra Coach), Keystone RV Company (“*Keystone*”, which includes CrossRoads and Dutchmen), K.Z., Inc. (“*KZ*”, which includes Venture RV), Thor Motor Coach, Inc. (“*Thor Motor Coach*”) and Tiffin Motorhomes, Inc. (“*Tiffin Group*”).

Our European recreational vehicle operations include eight primary RV production locations producing numerous brands within Europe, including Buccaneer, Buerstner, Carado, CrossCamp, Dethleffs, Elddis, Eriba, Etrusco, Hymer, Laika, LMC, Niesmann+Bischoff, Sunlight and Xplore.

North American Recreational Vehicles

For the fiscal years ended July 31, 2024, 2023 and 2022, THOR, through its operating subsidiaries, is the largest manufacturer of RVs in North America, by units sold and revenue, based on retail statistics published by Statistical Surveys, Inc. (“Stat Surveys”) and other reported data. Our North American operating subsidiaries are as follows:

Airstream

Airstream manufactures and sells premium quality travel trailers and motorhomes. Airstream travel trailers are distinguished by their rounded shape and bright aluminum finish and, in our opinion, constitute the most recognized product in the recreational vehicle industry. Airstream manufactures and sells travel trailers under the trade names *Airstream Classic*, *Airstream Pottery Barn*, *Globetrotter*, *International*, *Tradewind*, *Flying Cloud*, *Caravel*, *Bambi* and *Basecamp*. Airstream also sells the *Interstate*, *Atlas* and *Rangeline* series of Class B motorhomes.

Heartland

Heartland manufactures and sells conventional travel trailers and fifth wheels and includes the operations of Heartland, Cruiser RV and DRV. Heartland, including Cruiser RV and DRV, manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Bighorn*, *Trail Runner*, *North Trail*, *Cyclone*, *Torque*, *Prowler*, *Milestone*, *Shadow Cruiser*, *MPG*, *Hitch*, *Sundance* and *Stryker* and luxury fifth wheels under the trade name *DRV Mobile Suites*.

Jayco

Jayco manufactures and sells conventional travel trailers, fifth wheels and motorhomes, and includes the operations of Jayco, Starcraft, Highland Ridge and Entegra Coach. Jayco manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Jay Flight*, *Jay Feather*, *Eagle* and *Pinnacle*, and also manufactures Class A, Class C and Class B motorhomes under trade names such as *Alante*, *Precept*, *Greyhawk* and *Redhawk*. Starcraft manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Autumn Ridge* and *Super Lite*. Highland Ridge manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Open Range*. Entegra Coach manufactures and sells Class A motorhomes under trade names such as *Insignia*, *Aspire*, *Anthem* and *Cornerstone* and Class A, Class B and Class C motorhomes under trade names such as *Odyssey*, *Esteem* and *Emblem*.

Keystone

Keystone manufactures and sells conventional travel trailers and fifth wheels and includes the operations of Keystone, Dutchmen and CrossRoads. Keystone manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Montana, Springdale, Hideout, Sprinter, Outback, Arcadia, Bullet, Fuzion, Raptor, Passport, Cougar* and *Coleman*, while the Dutchmen travel trailer and fifth wheel trade names include *Kodiak, Aspen Trail, Astoria, Voltage* and *Colorado*. CrossRoads manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Cruiser, Volante, Sunset Trail* and *Zinger* and luxury fifth wheels under the trade name *Redwood*.

KZ

KZ manufactures and sells conventional travel trailers and fifth wheels and includes the operations of KZ and Venture RV. KZ manufactures and sells conventional travel trailers and fifth wheels under trade names such as *Classic, Escape, Sportsmen, Connect, Venom, Gold, Durango* and *Sportster*, while Venture RV manufactures and sells conventional travel trailers under trade names such as *Stratus, SportTrek* and *Sonic*.

Thor Motor Coach

Thor Motor Coach manufactures and sells gasoline and diesel Class A, Class B and Class C motorhomes. Its products are sold under trade names such as *Ace, Aria, Axis, Challenger, Chateau, Compass, Dazzle, Delano, Echelon, Four Winds, Gemini, Geneva, Hurricane, Inception, Indigo, Luminare, Magnitude, Miramar, Omni, Outlaw, Palazzo, Palazzo GT, Quantum, Resonate, Rize, Riviera, Sanctuary, Scope, Sequence, Tellaro, Tiburon, Tranquility, Tuscany, Twist, Vegas* and *Windsport*.

Tiffin Group

The Tiffin Group manufactures and sells conventional motorhomes and includes the operations of Tiffin Motorhomes, Inc. Tiffin Motorhomes, Inc. manufactures and sells premium diesel and gasoline Class A, Class C and Class B motorhomes under trade names such as *Allegro, Allegro Bay, Allegro Breeze, Allegro Bus, Allegro Red, Byway, GHI, Midas, Phaeton, Wayfarer* and *Zephyr*.

European Recreational Vehicles

THOR, through its Erwin Hymer Group (“EHG”) operating subsidiary, is a leading manufacturer of recreational vehicles in Europe, according to statistics published by the Caravaning Industry Association e.V. (“CIVD”) and the European Caravan Foundation (“ECF”).

Erwin Hymer Group

EHG manufactures towable and motorized recreational vehicles, including motorcaravans, caravans, campervans and urban vehicles in eight primary RV production locations within Europe. EHG produces and sells numerous brands primarily within Europe, such as *Buccaneer, Buerstner, Carado, CrossCamp, Dethleffs, Elddis, Eriba, Etrusco, Hymer, Laika, LMC, Niesmann+Bischoff, Sunlight* and *Xplore*. In addition, EHG’s operations include other RV-related products and services.

Other

Airxcel

Airxcel, Inc. (“Airxcel”), through its operating divisions and subsidiaries (including *Aqua-Hot, Cleer Vision Windows, Coleman-Mach, Dicor Products, InVision, Maxxair, MCD Innovations, Suburban, United Shade, Velarium* and *Vixen Composites*) manufactures a comprehensive line of high-quality RV-related products which they sell primarily to RV original equipment manufacturers as well as consumers via aftermarket sales through dealers and retailers.

Postle

Postle Operating, LLC (“Postle”) manufactures and sells aluminum extrusions and specialized component products to RV and other manufacturers.

Product Line Sales and Segment Information

The Company has three reportable segments: (1) North American Towable Recreational Vehicles, (2) North American Motorized Recreational Vehicles and (3) European Recreational Vehicles. The North American Towable Recreational Vehicles reportable segment consists of the following operating segments that have been aggregated: Airstream (towable), Heartland (including Cruiser RV and DRV), Jayco (including Jayco towable, Starcraft and Highland Ridge), Keystone (including CrossRoads and Dutchmen), and KZ (including Venture RV). The North American Motorized Recreational Vehicles reportable segment consists of the following operating segments that have been aggregated: Airstream (motorized), Jayco (including Jayco motorized and Entegra Coach), Thor Motor Coach and the Tiffin Group. The European Recreational Vehicles reportable segment consists solely of the EHG business. EHG manufactures a full line of motorized and towable recreational vehicles, including motorcaravans, campervans, urban vehicles and caravans in eight RV production locations within Europe.

The operations of the Company's Airxcel and Postle subsidiaries are included in "Other" in Note 3 to the Consolidated Financial Statements. Net sales included in Other primarily relate to the sale of aluminum extrusions and specialized RV component products. Intercompany eliminations adjust for Airxcel and Postle sales to the Company's North American Towable and North American Motorized segments, which are consummated at established transfer prices generally consistent with the selling prices of such components to third-party customers.

Total assets include those assets used in the operation of each reportable and non-reportable segment, and the Corporate assets consist primarily of cash and cash equivalents, deferred income taxes, deferred compensation plan assets, equity and other investments and certain Corporate real estate holdings primarily utilized by certain U.S.-based operating subsidiaries.

The table below sets forth the contribution of each of the Company's reportable segments to net sales in each of the last three fiscal years:

	2024		2023		2022	
	Amount	%	Amount	%	Amount	%
Recreational vehicles:						
North American Towable	\$ 3,679,671	36.6	\$ 4,202,628	37.8	\$ 8,661,945	53.1
North American Motorized	2,445,850	24.4	3,314,170	29.8	3,979,647	24.4
European	3,364,980	33.5	3,037,147	27.3	2,887,453	17.7
Total recreational vehicles	9,490,501	94.5	10,553,945	94.9	15,529,045	95.2
Other ⁽¹⁾	781,927	7.8	777,639	7.0	1,225,824	7.5
Intercompany eliminations	(229,020)	(2.3)	(209,979)	(1.9)	(442,344)	(2.7)
Total	<u>\$ 10,043,408</u>	<u>100.0</u>	<u>\$ 11,121,605</u>	<u>100.0</u>	<u>\$ 16,312,525</u>	<u>100.0</u>

(1) Other totals include 11 months of operations in FY 2022 for Airxcel from the September 1, 2021 acquisition date.

For additional information regarding our segments, see Note 3 to the Consolidated Financial Statements.

Recreational Vehicles

Overview

We manufacture a wide variety of recreational vehicles in the United States and Europe and sell those vehicles, as well as related parts and accessories, primarily to independent, non-franchise dealers throughout the United States, Canada and Europe. North American recreational vehicle classifications are based upon standards established by the RV Industry Association ("RVIA"). The principal types of recreational vehicles that we produce in North America include conventional travel trailers and fifth wheels as well as Class A, Class C and Class B motorhomes. In Europe, we produce numerous types of motorized and towable recreational vehicles, including motorcaravans, campervans, urban vehicles, caravans and other RV-related products and services.

North American Recreational Vehicles

Travel trailers are non-motorized vehicles which are designed to be towed by passenger automobiles, pickup trucks, SUVs or vans. Travel trailers provide comfortable, self-contained living facilities for camping, vacationing and multiple other purposes. Within North America we produce “conventional” and “fifth wheel” trailers. Conventional trailers are towed by means of a frame hitch attached to the towing vehicle. Fifth wheel trailers, designed to be towed by pickup trucks, are constructed with a raised forward section that is attached to a receiver in the bed area of the pickup truck.

A motorhome is a self-powered vehicle built on a motor vehicle chassis. Motorhomes are self-contained with their own lighting, heating, cooking, refrigeration, sewage holding and water storage facilities, so that they can be utilized without being attached to utilities.

Within North America, Class A motorhomes, generally constructed on medium-duty truck chassis, are supplied complete with engine and drivetrain components by motor vehicle manufacturers such as Ford, Freightliner and The Shyft Group. We design, manufacture and install the living area and driver’s compartment of Class A motorhomes. Class C and Class B motorhomes are generally built on a Ford, General Motors or Mercedes-Benz small truck or van chassis, which includes an engine, drivetrain components and a finished cab section. We construct a living area which has access to the driver’s compartment and attaches to the cab section. Although they are not designed for permanent or semi-permanent living, motorhomes can provide comfortable living facilities for camping, vacationing and multiple other purposes.

European Recreational Vehicles

In Europe, a caravan is a travel trailer which is a non-motorized vehicle designed to be towed by passenger automobiles, SUVs or vans. Caravans provide comfortable, self-contained living facilities for camping, vacationing and multiple other purposes. In Europe, the focus is on lighter and smaller caravans that can even be towed by small passenger cars.

Motorcaravans are similar to the Class A and Class C motorized products in the North American market. Motorcaravans include various types such as integrated, semi-integrated and alcove, and are generally constructed on light-duty truck chassis, supplied complete with engine and drivetrain components by chassis manufacturers such as Stellantis, Mercedes-Benz, Ford and Iveco. The main difference between European motorcaravans as compared to RVs in the North American market is that the focus in Europe is on lighter and smaller vehicles due to weight restrictions and driving license requirements.

An integrated motorcaravan contains driving and passenger space that is completely integrated into the vehicle, along with the living area, which creates a great feeling of openness. The driver/passenger and living areas are made of one compartment and form a single unit.

A semi-integrated motorcaravan is one in which the cab (driver/passenger compartment) belongs to the chassis. This means that the existing driver/passenger area is complemented by an attached living area. As a result, the advantages of the basic vehicle are enhanced by mobile living.

An alcove motorcaravan is one where there is an additional sleeping space located above the driver’s cab. This superstructure is called an “alcove,” and it comprises sleeping accommodations for two people. Behind the driver’s cab is an additional bedroom and a living space with basic equipment.

A campervan is comparable to the Class B motorhome in the North American market. They are generally built on a Stellantis, Mercedes-Benz or Ford panel van chassis which includes an engine, drivetrain components and a finished cab section. A constructed living area provides access to the driver’s compartment and attaches to the cab section. As they are smaller and more compact than typical motorcaravans, a campervan has the advantage of being easier to maneuver and easier to park.

An urban vehicle is a multi-functional vehicle, similar to a minivan, which is generally built on a Stellantis or Ford chassis and is mainly used as a family vehicle but has a small removable kitchen and sitting area that can be converted into a sleeping area. Additionally, these vehicles are equipped with a pop-up roof to provide additional sleeping quarters.

Production

In order to minimize finished inventory, our recreational vehicles in both North America and Europe are generally produced to dealer order. Our facilities are designed to provide efficient, assembly-line manufacturing of products. In North America, capacity increases can generally be achieved relatively quickly and at relatively low cost, largely by acquiring, leasing or building additional facilities and equipment and increasing the number of production employees. In Europe, that process is typically longer and involves higher costs. In North America, capacity decreases can generally be achieved relatively quickly and at relatively low cost, mainly by decreasing the number of production employees. In Europe, short-term capacity decreases can generally be achieved by adjusting work schedules and reducing the number of short-term contract and temporary workers.

We purchase many of the components used in the production of our recreational vehicles in their finished form. The principal raw materials used in the manufacturing processes for motorhomes, including motorcaravans, campervans and urban vehicles, and travel trailers, including caravans, are chassis, aluminum, lumber, plywood, plastic, fiberglass and steel purchased from numerous suppliers.

Our relationship with our chassis suppliers is similar to our other RV vendor relationships in that no long-term contractual commitments are entered into by either party. Historically, chassis manufacturers resort to an industry-wide allocation system during periods when chassis supply is restricted. These allocations are generally based on the volume of chassis previously purchased. While we are not dependent on any one supplier, we do depend on a consistent supply of chassis from a limited number of chassis suppliers. Sales of our motorized RV products, including motorhomes, motorcaravans, campervans and urban vehicles, rely on these chassis.

It is extremely difficult to predict when or whether future supply chain issues related to chassis or other components used in the production of RVs will arise. Modifying available chassis for certain motorized products to use for other products is not a viable alternative, particularly in the short term, due to engineering requirements. The North American recreational vehicle industry has, from time to time in the past, experienced shortages of chassis for various reasons, including component shortages, production delays or other production issues and work stoppages at the chassis manufacturers. In Europe, while overall chassis supply has improved, we anticipate disruptions in the sequence of chassis delivery to continue through the remainder of calendar year 2024. The sequence of chassis supply inhibits our ability to efficiently and consistently maintain our planned production levels. Uncertainties related to changing emission standards may also impact consumer buying patterns.

While the North American RV industry has at times faced supply shortages or delivery delays of other, non-chassis raw material components, the supply chain is currently able to support our demand. If supply shortages or delivery delays were to adversely impact our suppliers' ability to fully meet our needs for key components, our costs of such components and our production output could be adversely affected.

In Europe, we continued to experience cost increases, supply shortages and delivery delays of other, non-chassis raw material components which negatively impacted the efficiency of our production in the current fiscal year. We believe these shortages and delays will continue to result in production inefficiencies in the near term, which will have a negative impact on our operating results due to lost efficiencies as a result of not completing units off the production line within the normal production schedule.

Where possible, we will continue to work closely with our suppliers on various supply chain strategies to minimize any constraints and will work to identify alternative suppliers. Furthermore, to minimize the future impact of supply chain constraints, we have identified a second-source supplier base for certain component parts, however, the engineering requirements required with an alternate component part, particularly the chassis our various units are built upon, limit the impact of these alternative suppliers on reducing any near-term supply constraints.

Generally, our North American and European RV operating subsidiaries introduce new or improved lines or models of recreational vehicles each year. Changes typically include new sizes and floor plans, different decors or design features and engineering and technological improvements.

Seasonality

Historically, since recreational vehicles were used primarily by vacationers and campers, our recreational vehicle sales tended to be seasonal and, in most geographical areas, tended to be lower during the winter months than in other periods. As a result of being primarily used for vacations, our recreational vehicle sales were historically lowest during our second fiscal quarter, which ends on January 31 of each year.

Marketing and Distribution

We sell our recreational vehicles primarily to independent, non-franchise dealers located throughout the United States, Canada and Europe. Each of our recreational vehicle operating subsidiaries sells to its own network of independent dealers, with many dealers carrying more than one of our product lines as well as products from other manufacturers. As of July 31, 2024, there were approximately 2,400 independent, non-franchise dealership locations carrying our products in the U.S. and Canada and approximately 1,100 dealership locations, of which two are Company-owned, carrying our products throughout Europe. We believe that the working relationships between the management and sales personnel of our operating entities and the independent dealers provide us with valuable information on customer preferences and the quality and marketability of our products.

Our European brands distribute their vehicles in Europe through dealer networks that offer various EHG brands covering all price segments in each region, avoiding brand overlap even in regions with two or more dealers that offer EHG brands. The European dealer base is comprised primarily of independent dealers, although EHG does operate two Company-owned dealerships. Approximately 53% of independent European dealers sell EHG brands exclusively.

Each of our recreational vehicle operating subsidiaries has its own wholesale sales force that works directly with its independent dealers. Typically, there are wholesale shows held during the year in certain locations within the United States and Europe. These shows allow dealers to view new and existing products as well as place orders.

Historically, the most important retail sales events occur at various consumer recreational vehicle shows or trade fairs which take place throughout the year at different locations across the United States, Canada and Europe. We believe that we, and our dealers, are well-positioned to reach new and existing RV consumers through a strategic combination of retail shows and digital marketing activities. We also benefit in the United States from the recreational vehicle awareness advertising and marketing programs sponsored by the RVIA in national print media and television.

In our selection of individual, independent dealers, we emphasize the dealer's ability to maintain a sufficient inventory of our products, as well as their financial stability, creditworthiness, reputation, experience and ability to provide service to the end customer. Many dealers, particularly in North America, carry the recreational vehicle lines of one or more of our competitors. Generally, our recreational vehicle operating subsidiaries each have separate dealer agreements.

One dealer, FreedomRoads, LLC, accounted for approximately 14.0% of our consolidated net sales in fiscal 2024 and for approximately 13.0% in both fiscal 2023 and fiscal 2022. This dealer also accounted for approximately 10.0% of the Company's consolidated trade accounts receivable at July 31, 2024 and approximately 13.0% at July 31, 2023.

We generally do not finance dealer purchases. Most dealers are financed on a "floor plan" basis by an unrelated bank or financing company, which lends the dealer all, or substantially all, of the wholesale purchase price and retains a security interest in the vehicles purchased. As is customary in the recreational vehicle industry, we will generally execute a repurchase agreement with a lending institution financing a dealer's purchase of our products upon the lending institution's request. Repurchase agreements provide that, typically for a period of up to 18 months after a unit is financed and in the event of default by the dealer and notification from the lending institution of the dealer default, we will repurchase all of the applicable or qualifying dealer units repossessed by the lending institution for the amount then due, which is often less than 100% of the dealer's cost. The risk of loss under repurchase agreements is spread over numerous dealers and is further reduced by the resale value of the units which we would be required to repurchase. Estimating the timing and volume of any potential future repurchase demands, and the related losses to the Company, is difficult and subject to uncertainty. The Company's total commercial commitments under standby repurchase obligations on dealer inventory financing as of July 31, 2024 and July 31, 2023 were \$3,642,137 and \$3,893,048, respectively. Losses incurred related to repurchase agreements that were settled in fiscal 2024 totaled \$7,107, and the losses incurred due to repurchases were not material in fiscal 2023 or fiscal 2022.

Backlog

The backlogs for our North American Towable, North American Motorized and European Recreational Vehicle segments as of July 31, 2024 and July 31, 2023, respectively, were as follows:

	July 31, 2024	July 31, 2023	Change Amount	% Change
Recreational vehicles				
North American Towable	\$ 552,379	\$ 756,047	\$ (203,668)	(26.9)
North American Motorized	776,903	1,242,936	(466,033)	(37.5)
Total North America	1,329,282	1,998,983	(669,701)	(33.5)
European	1,950,793	3,549,660	(1,598,867)	(45.0)
Total	\$ 3,280,075	\$ 5,548,643	\$ (2,268,568)	(40.9)

The decrease in total North American backlog is primarily due to a reduction in orders from dealers, mainly for motorized products, which we believe is due to lower retail sales and dealer concerns over current interest costs and other carrying costs compared to the prior year.

We believe North American dealer inventory levels for most products are generally at, or slightly higher than, the levels that dealers are comfortable stocking given the current retail sales levels and associated carrying costs. We believe dealers will continue to closely evaluate the unit stocking levels that they will elect to carry in future periods, which may be less than historical unit stocking levels due to a combination of factors such as retail activity, RV wholesale unit prices as well as interest rates and other carrying costs.

The decrease in European Recreational Vehicle backlog is primarily due to improved chassis supply availability resulting in normalized dealer stocking levels at July 31, 2024, while chassis constraints in the prior year resulted in the significantly elevated backlog as of July 31, 2023.

Backlog represents unfilled dealer orders on a particular day which can and do fluctuate on a seasonal basis. The manufacturing time in the recreational vehicle business is relatively short. Barring any significant and longer-term material supply constraints, the existing backlogs of the North American Towable, North American Motorized and European Recreational Vehicle segments are generally expected to be filled in the remainder of calendar 2024 and the first half of calendar 2025.

Product Warranties

In North America, we generally provide retail purchasers of our recreational vehicles with a one-year or two-year limited warranty against defects in materials and workmanship with longer warranties on certain structural components. In Europe, we generally offer a two-year limited warranty on certain structural components and up to a 12-year warranty against water leakage. The chassis and engines in our motorized RV products are generally warranted for various periods in excess of one year by their manufacturers.

Regulation

In the countries where we operate and our products are sold, we are subject to various vehicle safety and compliance standards. Within the United States, we are a member of the RVIA, a voluntary association of recreational vehicle manufacturers which promulgates recreational vehicle safety standards in the United States. We manufacture recreational vehicles in accordance with these standards and, in turn, are permitted to place an RVIA seal on each of our North American recreational vehicles to certify that the RVIA's standards have been met. We also comply with the National Highway Traffic Safety Administration ("NHTSA") in the U.S. and with similar standards within Canada and Europe as it relates to the safety of our products. We rely upon certifications obtained by chassis manufacturers with respect to compliance with applicable motorized vehicle emission control standards and work with chassis manufacturers to ensure they remain compliant with the United States Environmental Protection Agency ("EPA") and state-specific requirements, including mandates on the production and sale of zero-emission vehicles and near-zero emission vehicles.

Governmental authorities in the regions in which we operate have various environmental control standards relating to air, water and noise pollution which affect our business and operations. For example, these standards, which are generally applicable to all companies, control our choice of paints, our air compressor discharge, the handling of our waste water and the noise emitted by our factories, among other things.

Our facilities are subject to, and are periodically inspected by, various governmental and industry agencies concerned with health and safety in the workplace to ensure that our facilities and products comply with applicable governmental and industry standards.

We believe that our products and facilities comply in all material respects with applicable vehicle safety (including those promulgated by NHTSA), environmental, industry, health, employee safety and other required regulations. We do not believe that ongoing compliance with the existing regulations discussed above will have a material effect in the foreseeable future on our capital expenditures, earnings or competitive position. However, future developments in regulation and/or policy could impose significant challenges and costs upon our business operations.

Competition

The recreational vehicle industry is generally characterized by low barriers to entry. The recreational vehicle market is intensely competitive, with numerous other manufacturers selling products that compete directly with our products. We also compete against consumer demand for used recreational vehicles, particularly during periods of economic downturn, and against other forms of consumer leisure, outdoor or vacation spending priorities. We also experience a certain level of competition among our own operating subsidiaries. Increased activity in the market for used recreational vehicles may also impact manufacturers' sales of new products and varies depending on the availability of, and the price differential of, used recreational vehicles compared to new units. Competition in the recreational vehicle industry is based upon price, design, value, quality and service. We believe that the price, design, value and quality of our products and the warranty coverage and service that we provide allow us to compete favorably for retail purchasers of recreational vehicles and consumer leisure spending. There are approximately 80 RV manufacturers in the U.S. and Canada, according to Statistical Surveys, Inc. and approximately 30 RV manufacturers across Europe according to Caravaning Industry Association e.V.

Our primary RV competitors within the North American Towable and North American Motorized segments are Forest River, Inc. and Winnebago Industries, Inc. We are the largest recreational vehicle manufacturer in North America in terms of both units sold and revenue. According to Statistical Surveys, Inc., for the six months ended June 30, 2024, THOR's current combined U.S. and Canadian market share based on unit retail sales was approximately 40.2% for travel trailers and fifth wheels combined and approximately 47.2% for motorhomes.

Our primary RV competitors within the European Recreational Vehicle segment are Trigano, Hobby/Fendt, Knaus Tabbert and various vehicle manufacturers. According to CIVD, EHG's current European market share for the six months ended June 30, 2024 based on unit retail sales was approximately 25.3% for motorcaravans and campervans combined and approximately 18.3% for caravans.

Trademarks and Patents

We have registered United States trademarks, Canadian trademarks, German trademarks and certain other international trademarks and licenses carrying the principal trade names and model lines under which our products are marketed. We hold and protect certain patents related to our business. We are not dependent upon any patents or technology licenses of others for the conduct of our business.

Human Capital Resources

Since our founding in 1980, we have been dedicated to our key principles of operating fairly and ethically, with stewardship and transparency, under our core values of community, compassion, trustworthiness and adventure. We believe in the invigorating power of human connection and commit to our team members by teaching our leaders how to nurture, guide and foster strong relationships with them. We strive to treat others with dignity and respect, practicing thankfulness and gratitude. We endeavor to operate in a way that our word is trusted, and we are committed to providing a safe work environment for our team members while empowering them to seize opportunities around them and give them avenues to grow and learn.

At July 31, 2024, we employed approximately 22,300 full-time employees worldwide, including approximately 13,900 full-time employees in the United States, of which approximately 2,300 were salaried, and approximately 8,400 full-time employees in Europe, of which approximately 4,100 were salaried. As of July 31, 2024, approximately 250 of our North American employees were represented by certified labor organizations. Our European-based operations are subject to employee contracts, Works Councils and certain other labor organizations. We believe that we maintain a good working relationship with our employees.

We and our operating subsidiaries share a global commitment to all our stakeholders to foster an inclusive workplace where dignity and respect for team members is encouraged and where each team member is supported to achieve their maximum potential. We believe that our performance is significantly impacted by our human capital management, and, as a result, we consistently strive to attract, select, engage, develop and retain strong, diverse talent as summarized below.

Competitive Pay and Benefits

We conduct our operations through subsidiaries located in various regions within North America and Europe, each of which operates independently with its own unique culture. Competitive compensation and benefits packages are tailored to meet the specific needs and expectations of the employees at each of our operating subsidiaries with the goal of attracting and retaining the best talent.

Team Member Safety and Wellness

Our commitment to maintaining the health, safety and well-being of each of our team members is reflected in our safety culture. With the ultimate goal of eliminating workplace injuries and hazards, our approach to safety and wellness is supported by consistent and effective communication, the regular sharing of best practices and enhanced Corporate-led safety audits, in addition to both external and internal benchmarking. Each of our operating subsidiaries, in both North America and Europe, has developed and maintain site-specific environmental health and safety plans that align with our overall goal of reducing risk and complying with safety laws, standards and regulations. We require all accidents, injuries, unsafe equipment and hazardous conditions or practices be reported immediately to management so the details can be reviewed to determine what, if any, additional safety measures are warranted to support team member health, safety and well-being.

The health, safety and wellness of our employees are key priorities for THOR. Our Corporate office and subsidiaries offer competitive benefit packages to employees. For example, as part of our health and welfare benefits, all North American team members have access to the Employee Assistance Program (“EAP”) where they can receive up to five free sessions to assist with counseling needs as well as personal and/or work-related concerns. Our EAP services are designed to help provide support for team members who are navigating life issues.

Inclusion

We strive to have an inclusive culture which enables our family of companies to be more innovative and responsive to consumer needs and deliver strong sustained performance and growth. Our commitment is to foster an inclusive workplace where dignity and respect for team members are championed and where each team member is supported to achieve their maximum potential. Guided by THOR’s commitment to such principles, each of our operating companies develops and establishes its own specific inclusion strategy. With each strategy, our companies have utilized THOR’s guide to measure effectiveness and goal achievement.

Commitment to Ethical Behavior

Each year, we conduct training with certain employees, based on their role and level in the organization, on our business ethics policy. Providing our team members with resources to help make good decisions through an ethics program cultivates strong teamwork and productivity. Issues can be communicated anonymously using our multilingual, third-party hotline via phone, email or online inquiry systems. Every report is investigated and, if warranted, corrective actions are taken or implemented, and we have a policy that protects team members who report issues from any retaliation.

For more information on THOR’s human capital resources, please visit www.thorindustries.com/sustainability.

Forward-Looking Statements

This Annual Report on Form 10-K includes certain statements that are “forward-looking” statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are made based on management’s current expectations and beliefs regarding future and anticipated developments and their effects upon THOR, and inherently involve uncertainties and risks. These forward-looking statements are not a guarantee of future performance. We cannot assure you that actual results will not differ materially from our expectations. Factors which could cause materially different results include, among others:

- the impact of inflation on the cost of our products as well as on general consumer demand;
- the effect of raw material and commodity price fluctuations, and/or raw material, commodity or chassis supply constraints;
- the impact of war, military conflict, terrorism and/or cyber-attacks, including state-sponsored or ransom attacks;
- the impact of sudden or significant adverse changes in the cost and/or availability of energy or fuel, including those caused by geopolitical events, on our costs of operation, on raw material prices, on our suppliers, on our independent dealers or on retail customers;
- the dependence on a small group of suppliers for certain components used in production, including chassis;
- interest rates and interest rate fluctuations and their potential impact on the general economy and, specifically, on our independent dealers and consumers and our profitability;
- the ability to ramp production up or down quickly in response to rapid changes in demand while also managing costs and market share;
- the level and magnitude of warranty and recall claims incurred;
- the ability of our suppliers to financially support any defects in their products;
- the financial health of our independent dealers and their ability to successfully manage through various economic conditions;
- legislative, regulatory and tax law and/or policy developments including their potential impact on our independent dealers, retail customers or on our suppliers;
- the costs of compliance with governmental regulation;
- the impact of an adverse outcome or conclusion related to current or future litigation or regulatory investigations;
- public perception of and the costs related to environmental, social and governance matters;
- legal and compliance issues including those that may arise in conjunction with recently completed transactions;
- lower consumer confidence and the level of discretionary consumer spending;
- the impact of exchange rate fluctuations;
- restrictive lending practices which could negatively impact our independent dealers and/or retail consumers;
- management changes;
- the success of new and existing products and services;
- the ability to maintain strong brands and develop innovative products that meet consumer demands;
- the ability to efficiently utilize existing production facilities;
- changes in consumer preferences;
- the risks associated with acquisitions, including: the pace and successful closing of an acquisition, the integration and financial impact thereof, the level of achievement of anticipated operating synergies from acquisitions, the potential for unknown or understated liabilities related to acquisitions, the potential loss of existing customers of acquisitions and our ability to retain key management personnel of acquired companies;
- a shortage of necessary personnel for production and increasing labor costs and related employee benefits to attract and retain production personnel in times of high demand;
- the loss or reduction of sales to key independent dealers, and stocking level decisions of our independent dealers;
- disruption of the delivery of units to independent dealers or the disruption of delivery of raw materials, including chassis, to our facilities;
- increasing costs for freight and transportation;
- the ability to protect our information technology systems from data breaches, cyber-attacks and/or network disruptions;
- asset impairment charges;

- competition;
- the impact of losses under repurchase agreements;
- the impact of the strength of the U.S. dollar on international demand for products priced in U.S. dollars;
- general economic, market, public health and political conditions in the various countries in which our products are produced and/or sold;
- the impact of changing emissions and other related climate change regulations in the various jurisdictions in which our products are produced, used and/or sold;
- changes to our investment and capital allocation strategies or other facets of our strategic plan; and
- changes in market liquidity conditions, credit ratings and other factors that may impact our access to future funding and the cost of debt.

These and other risks and uncertainties are discussed more fully in Item 1A Risk Factors below.

We disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this Annual Report on Form 10-K or to reflect any change in our expectations after the date of this Annual Report on Form 10-K or any change in events, conditions or circumstances on which any statement is based, except as required by law.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports and the Proxy Statement for our Annual Meeting of Stockholders are made available, free of charge, on our website, www.thorindustries.com, as soon as reasonably practicable after such reports have been filed with or furnished to the SEC. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information that is filed electronically with the SEC. The website can be accessed at www.sec.gov.

ITEM 1A. RISK FACTORS

The following risk factors should be considered carefully in addition to the other information contained in this filing.

The risks and uncertainties described below are not the only ones we face and represent risks that our management believes are currently material to our Company and our business. Additional risks and uncertainties not presently known to us or that we currently deem not material may also harm our business. If any of the following risks actually occur, our business, financial condition or results of operations could be harmed.

MACROECONOMIC, MARKET AND STRATEGIC RISKS

RV industry sales volumes can be volatile as the industry is both cyclical and seasonal, making our business subject to significant fluctuations in production rates, sales, net income and stock price.

The RV industry has historically been characterized by cycles of growth and contraction in consumer demand, generally reflecting prevailing economic and demographic conditions which affect disposable income for leisure-time activities. Changes can impact the RV industry suddenly and severely. Consequently, the results of any prior period may not be indicative of results for any future period.

In addition to the RV industry cyclical, we have experienced, and expect to experience in future periods, significant variability in quarterly production rates, sales and net income as a result of annual seasonality in our business. Because recreational vehicles are used primarily by vacationers and campers, demand, sales and profits in the RV industry generally decline during the fall and winter months, while demand, sales and profits are generally highest during the spring and summer months. Various factors such as constraints in the labor pool, supply chain disruptions, economic conditions and desired dealer stocking levels have disrupted, and may disrupt in the future, the historical trends in the seasonality of our business in both North America and Europe.

Our business is structured to quickly align production rates and cost structure to meet rapidly changing market conditions. However, if we are unable to ramp production, and the corresponding workforce, up or down quickly enough in response to rapid changes in demand, we may not be able to effectively manage our costs, which could negatively impact operating results, and we may also lose sales and market share.

The stock market, in general, experiences volatility that has often been unrelated to the underlying operating performance of companies. Likewise, at various points in our history, our stock price has experienced volatility that has not been correlated to our operating results. If this volatility were to occur in the future, the trading price of our common stock could decline significantly, independent of our actual operating performance. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including, among other things, the following:

- Development of new products and features by our competitors;
- Development of new collaborative arrangements by us, our competitors or other parties;
- Actual or anticipated changes in government regulations applicable to our business in the various jurisdictions in which we operate;
- Changes in investor perception of our business and/or management;
- Changes in global economic conditions or general market conditions in our industry;
- Changes in interest rates and credit availability and their impact on our industry;
- Changes in market expectations of our future growth and profitability;
- Occurrence of disruptive or catastrophic health, economic or political events; and
- Sales of our common stock held by certain equity investors or members of management.

The Company's stock price may also reflect expectations regarding our stock repurchase activity and our dividend rate. If we fail to meet expectations related to future growth, profitability, dividends, share repurchases or other market expectations, analysts or investors could change their opinions and/or recommendations regarding our stock and our stock price may decline, which could have a material adverse impact on investor confidence.

With our global footprint, our business could be adversely affected by macroeconomic and geopolitical developments or other events.

Due to the interconnectedness of the global economy, the challenges of a financial crisis, economic downturn or recession, natural disaster, war, geopolitical crisis, public health emergency or other significant event in one area of the world can have a sudden material adverse impact on markets around the world. RV industry sales volume in our key markets can be volatile and could decline if there is a financial crisis, recession or significant geopolitical event. Our results of operations are generally sensitive to changes in overall economic and political conditions, including recessionary conditions, inflationary or deflationary pressures, prolonged high unemployment rates, significant changes in the cost and/or availability of fuel or energy, low consumer confidence, higher interest rates, restrictions and/or shortages of natural gas or other fuels, terrorism and military conflicts. Historically, we have seen that in times of economic uncertainty, consumers who have less discretionary income generally defer spending on high-cost, discretionary products, such as RVs. Recently, we have seen demand for RVs decrease, particularly in North America, amid high inflation, rising interest rates, political uncertainty and numerous other macroeconomic indices which have generally worsened in the regions in which we operate. If economic and political conditions worsen and RV sales decline, our operating results and financial condition would be negatively affected.

The industry in which we operate is highly competitive both in North America and in Europe and our requirements as a public company may put us at a competitive disadvantage.

The RV industry is generally characterized by relatively low barriers to entry, which results in a highly competitive business environment. According to Stat Surveys and CIVD, respectively, there are approximately 80 RV manufacturers in the U.S. and Canada and approximately 30 RV manufacturers across Europe. Competition within the industry is based upon price, design, value, quality, service, brand awareness and reputation, as well as other factors. Competitive pressures have, from time to time, resulted in a reduction of our profit margins and/or a reduction in our market share. In periods of economic downturn, these competitive pressures can increase as RV manufacturers compete for a share of a smaller RV market. Sustained increases in these competitive pressures could have a material adverse effect on our results of operations. In addition, as a public company, we are required to disclose certain information that may put us at a competitive disadvantage compared to certain of our competitors who are either non-public or are not required to disclose specific industry-related information due to the immateriality of that information to their parent company's consolidated operations.

Due to the anticipated long-term interest in the RV lifestyle, a number of start-up companies in North America, and certain automotive manufacturers, in both North America and Europe, have entered the RV industry within the last few years and introduced products that directly compete with our products. If existing or new competitors develop products that are superior to, are more innovative than, achieve better consumer acceptance than, or are offered at a lower net price to dealers than our products, our market share, sales volume and profit margins may be adversely affected. Not only does our Company compete against numerous existing RV manufacturers, but a number of our operating subsidiaries directly compete with each other.

In addition to direct competition from other RV manufacturers, we also continuously compete against consumer demand for used recreational vehicles, particularly during periods of economic downturn. Increased availability of used recreational vehicles and significant price differences between new and used recreational vehicles, as a result of an economic downturn or otherwise, could have a material adverse effect on demand for our products and our results of operations.

Finally, we also face competition from other consumer leisure, discretionary and vacation spending alternatives, such as cruises, vacation homes, timeshares, tent camping and other traditional vacations along with other recreational products like boats and motorcycles. Changes in actual or perceived value among these alternatives by consumers could impact our future sales volume and profitability.

Our long-term success and competitiveness depend on the successful execution of our innovation initiatives.

A key driver in our historical performance and growth has been our ability to maintain our strong brands and to continuously develop and introduce innovative new and improved products at a reasonable cost that are desired by consumers. Adoption of new technological advances and changing governmental regulatory mandates could result in changes to product offerings and in consumer preferences for recreational vehicles or the types of recreational vehicles consumers prefer. These changes could include shifts to smaller recreational vehicles, electric recreational vehicles, autonomous recreational vehicles, connected recreational vehicles, or other currently unanticipated changes. Our ability to successfully maintain our market position or grow through investments in the areas of electrification, connectivity and digital services depends on many factors, including advancements in technology, regulatory changes, infrastructure development (e.g., a widespread vehicle charging network) and other factors that are difficult to predict.

To successfully execute our long-term strategy, we believe we must continue to develop and successfully market our existing products as well as new products, including lightweight motorized and towable recreational vehicles, electric recreational vehicles with sufficient user range capability and innovative services that enrich the end users' RV experience. Our initiatives to invest in the future of the RV industry, including automation of certain of our production processes and investments in new product and service innovation, are likely to be costly and may not be successful. The uncertainties associated with developing and introducing innovative new and improved products and services, such as gauging changing consumer demands and preferences and successfully developing, manufacturing, marketing and selling these products, may impact the success of our product introductions. Further, we cannot be certain that our new product introductions will not reduce revenues from existing models and adversely affect our results of operations. If the products we introduce do not gain widespread market acceptance, or if our competitors' new products obtain better market acceptance or render our products obsolete, we could lose sales or be required to reduce our prices, which could adversely impact our results of operations and financial position. In addition, there is no guarantee that our innovation or automation efforts will lead to products or services that will be introduced to market or that an initial product or service concept or design will result in a unit that generates sales in sufficient quantities and at high enough prices to be profitable.

OPERATIONAL RISKS

We are highly dependent on our suppliers to deliver raw materials and component parts timely and in sufficient quantities to meet our production demands.

We depend on timely and sufficient delivery of raw materials and component parts from our suppliers. If there is a shortage of raw materials or component parts in our supply chain or a supplier is unable to deliver raw materials and component parts to us because of production issues, labor constraints, limited availability of materials, shipping problems or other reasons, the shortage may disrupt our operations or increase our cost of production. For example, we have experienced supply shortages and delivery delays of non-chassis raw material components in Europe. This negatively impacted the efficiency of our production in fiscal 2024 and resulted in an elevated level of work in process inventory on hand compared to historical norms. Such conditions could reoccur in Europe in the future and could have negative impacts on net sales and financial results due to not completing units on the production line and carrying higher volumes of incomplete units than historical norms.

Raw materials and component parts are generally sourced from a number of suppliers that may not have: (1) the ability to meet our needs timely or completely, (2) the financial reserves or borrowing power to successfully manage through an economic hardship or (3) the ability to financially support potential warranty or recall demands. Additionally, some of our suppliers have in the past discontinued, or could in the future discontinue, their business or the materials or component parts we currently acquire from them with little to no warning. If we are not adequately sourced for certain raw materials or key component parts, the discontinuation of even some smaller suppliers could have an adverse effect on our business.

The North American and European RV industries have, from time to time in the past, experienced shortages of chassis for various reasons, including component shortages, production delays, capacity constraints, labor constraints and work stoppages at the chassis manufacturers. For example, from calendar year 2020 through 2023, a number of our North American and European chassis suppliers experienced supply constraints of key components they required to manufacture chassis, including semiconductor chips, which limited their production of chassis. The reduced supply of chassis negatively impacted our production rates and sales of motorized RVs, particularly in Europe, during this period. In addition, within our European operations, unpredictable deliveries of chassis by the chassis manufacturers during this same period, and in calendar 2024, had a further negative impact on our results of operations due to missed sales and/or increased labor and overhead costs related to adjusting our own production schedules to accommodate the chassis received versus the chassis expected to be delivered. Such conditions could reoccur in the future and would have a negative impact on our results of operations.

Government regulations aimed at reducing emissions and increasing fuel efficiency that impact our motorized chassis suppliers could negatively impact their production capacity and cost structure which could in turn negatively impact the supply of motorized chassis and/or result in increased input costs for our products. Government regulations could also accelerate the transition to electric vehicles, which may impact our product offerings and increase the cost of motorized chassis. Such rise in cost could outweigh the perceived benefits to consumers, negatively affecting our sales mix and pricing, resulting in decreased sales and/or margins.

In addition, certain raw materials and component parts are sourced from countries where we do not currently have operations. We rely on the free flow of goods through open and operational ports on a consistent basis for a portion of our raw materials and components. Changes in trade policy and resulting tariffs that have or may be imposed, along with port, production or other delays, have, in the past, and could, in the future, cause increased costs for, or shortages of, certain raw materials and components. We may not be able to source alternative supplies as necessary without increased costs or at all. If alternative sources of these raw materials and components are not readily available, our sales and earnings could be negatively affected.

Fluctuations in the prices of raw material and component parts may adversely affect our business.

Raw material and component part prices have fluctuated significantly in the past and may continue to fluctuate considerably in the future. Competition and business conditions may limit the amount or timing of cost increases that can be passed on to our customers in the form of increased sales prices. Conversely, as raw material costs decline, we may not be able to maintain selling prices consistent with higher-cost raw materials in our inventory, which could adversely affect our operating results.

We rely on a small number of suppliers for certain key components, including chassis, and we may not be able to source these key components from alternative suppliers.

Certain key components are currently produced by only a small group of suppliers that have the capacity to supply large quantities, primarily: (1) motorized chassis, where there are a limited number of chassis suppliers, and (2) doors, towable frames, slide-out mechanisms, axles and upholstered furniture for our recreational vehicles, where LCI Industries is a major supplier for these items within the North American RV industry.

Continued consolidation within our key component supplier base inhibits our ability to source components from alternative suppliers and could result in increased component costs and/or a lack of adequate supply, which in turn may result in decreased margins, higher wholesale product costs or limited production output, which could, ultimately, result in lower demand for our products, decreased sales and reduced operating results.

Our motorized chassis suppliers may need to substantially modify their product offerings to comply with regulations related to emissions, fuel economy, autonomous driving technology, environmental and other regulations which could result in increased costs and/or a lack of adequate motorized chassis supply to us, which in turn may result in higher wholesale product input costs and decreased margins, which would have an adverse impact on our financial condition or results of operations.

In addition, as is standard in the industry, our arrangements with chassis and other suppliers are generally terminable at any time either by us or by the supplier. If we cannot obtain an adequate supply of chassis, raw materials or other key components, this would result in a decrease in our sales and earnings.

Product recalls, customer satisfaction actions and complying with our recall obligations for both our products and for component parts supplied by vendors could adversely affect our financial condition and harm our reputation.

We provide warranties on the products we sell. These warranties vary depending on the type of product and geographic location of the sale; however, in general, our warranties promise, within certain specified time periods following a retail sale, that we will repair, replace or adjust parts on our products that are not performing within acceptable standards or tolerances. These warranties extend to some, but not all, of our vendor-supplied raw materials and component parts as well. Estimated warranty costs are accounted for at the time of product sale and adjusted on a quarterly basis to reflect our best estimate of the amounts necessary to settle existing and future claims on our products. An increase in actual warranty claim costs as compared to our estimates could result in increased warranty liabilities and expense which could have an adverse impact on our earnings.

Government safety standards require manufacturers to remedy issues related to vehicle safety through safety recall campaigns, and we regularly engage in voluntary recalls when we determine our products may have a safety issue. Issues subject to recall include both materials and workmanship from our companies as well as component parts supplied by vendors. The cost of certain recall and customer satisfaction actions have been substantial in the past and future recalls or customer satisfaction actions to remedy issues in products that have been sold could also be substantial and could have a material adverse effect on our financial condition and results of operations. In addition, multiple recalls to address safety or significant operating concerns could erode consumer confidence in our brands and adversely affect our reputation or the public perception and market acceptance of our products, resulting in lower sales and an adverse impact on our business and results of operations. Although we maintain appropriate reserves for such recall contingencies, from time to time we have been and likely will again be faced with specific campaigns that result in material expense. To mitigate this risk, we endeavor to compel our suppliers to maintain appropriate levels of insurance coverage and agree to commercially reasonable indemnification requirements. Our efforts may not be successful and the failure of suppliers to maintain sufficient insurance coverage or provide meaningful indemnification protection could result in increased expense and adversely affect our financial condition and results of operations.

Our business and results of operations may be harmed if the frequency and size of product liability or other claims against us increase.

We are subject, in the ordinary course of business, to litigation involving product liability, consumer protection and other claims against us. In North America, we generally self-insure a portion of our exposure to product liability and certain other claims and also purchase product liability coverage above our self-insured retention. In Europe, we generally fully insure similar risks with insurance offering relatively low deductibles and premiums. Not all risks we face are covered by insurance, nor can we be certain that our insurance coverage will be sufficient to cover all future claims against us. Any material change in the aforementioned factors could have an adverse impact on our operating results. Any increase in the frequency and/or size of claims, as compared to our experience in prior years, may cause the premiums that we are required to pay for insurance to increase significantly, may negatively impact future self-insured retention levels and may also increase the amounts we pay in punitive damages, not all of which are covered by our insurance policies.

While we record, and adjust on a quarterly basis, reserves for known claims or possible claims to reflect our best estimate of the amount necessary to settle the claim, litigation is unpredictable by its nature and final adjudications may be materially worse than our estimate.

The loss of our largest independent dealer or an increase in independent dealer consolidations could have a material negative effect on our business.

Sales to FreedomRoads, LLC accounted for approximately 14.0% of our consolidated net sales for fiscal 2024. During recent years, FreedomRoads, LLC has acquired a number of formerly independent RV dealerships. The leverage to negotiate better terms with us arising from FreedomRoads, LLC's acquisitions or the loss of independent dealers could have a material adverse effect on our business. In addition, deterioration in the liquidity or creditworthiness of FreedomRoads, LLC could negatively impact our sales and accounts receivable and could, in the event of a financing default, trigger repurchase obligations under our repurchase agreements, which would have a significant adverse effect on our liquidity and results of operations.

Recently, a number of other U.S.-based independent dealers have acquired, and continue to acquire, formerly independent RV dealerships, resulting in further independent dealer concentration and improved negotiating leverage for these multi-location dealers. Continued consolidation in the U.S. independent dealer network could negatively impact our sales or gross margins and increase the concentration of our exposure under repurchase obligations related to these independent dealers.

A material portion of our revenue is derived from sales of our products to international sources.

Combined sales from the United States to foreign countries (predominately Canada) and sales from our foreign subsidiaries to countries other than the U.S. (predominately within the European Union) represented approximately 38.4% of THOR's consolidated sales for fiscal 2024. Global political uncertainty poses risks of volatility in global markets, which could negatively affect our operations and financial results. Changes in U.S. policy regarding foreign trade or manufacturing may create negative sentiment about the U.S. among non-U.S. dealers, end customers, employees or prospective employees, all of which could adversely affect our business, sales, hiring and employee retention.

Implications related to our non-U.S. sales have negatively impacted our financial operating results in the past and are likely to reoccur in the future at varying levels. These implications include foreign currency effects, tariffs, customs duties, inflation, difficulties in enforcing agreements and collecting receivables through foreign legal systems, compliance with international laws, treaties and regulations, unexpected changes in regulatory or tax environments, disruptions in supply or distribution, dependence on foreign personnel and various employee work agreements, foreign governmental action, as well as economic and social instability. In addition, there may be tax inefficiencies in repatriating cash from non-U.S. subsidiaries or unfavorable tax law changes.

Our U.S.-based subsidiaries have expenses and sales denominated in U.S. dollars. Sales by our U.S.-based subsidiaries into the Canadian market are subject to currency risk as devaluation of the Canadian dollar versus the U.S. dollar may negatively impact U.S.-dollar denominated sales into Canada. Our European-based subsidiaries primarily have Euro-denominated expenses, sales and assets which are subject to changes in the Euro and U.S. dollar currency exchange rate. To offset a portion of this currency risk, the EHG acquisition was partially funded through a Euro-denominated Term Loan B, which provides an economic hedge. Fluctuations in foreign currency exchange rates in the future could have a material negative effect on our reported revenues and results of operations.

Business acquisitions pose integration and other risks.

Our growth has been achieved both organically and through acquisition. Business acquisitions, including joint ventures and other equity investment arrangements, pose a number of risks, including integration risks, that may result in negative consequences to our business, financial condition or results of operations. The pace and significance of acquisitions and the nature and extent of integration of acquired companies, assets, operations, joint venture arrangements and other equity investment arrangements involve a number of related risks including, but not limited to:

- The diversion of management's attention from the management of existing operations to various transaction and integration activities;
- The potential for disruption to existing operations and strategic plans;
- The assimilation and retention of employees, including key employees;
- Risks related to transacting business in geographies outside the U.S., including but not limited to: foreign currency exchange rate changes, expanded macroeconomic risks due to operations in and sales to a wide base of countries, political and regulatory exposures to a wide array of countries, varying employee/employer relationships, including the existence of works councils and labor organizations and other challenges caused by distance, language and cultural differences, making it harder to do business in certain jurisdictions;
- Risks related to regulatory environments or product categories with which we have limited or no experience;
- Risks related to acquisitions outside of our historical RV OEM operations, which may carry new and less well-known operational challenges;
- The ability of our management teams to manage expanded operations, including international operations, to meet operational and financial expectations;
- The integration of departments and systems, including accounting systems, technologies, books and records, controls and procedures;
- The adverse impact on profitability if acquired operations, joint ventures or other equity investments do not achieve expected financial results or realize the synergies and other benefits expected;
- The potential loss of, or adverse effects on, existing business relationships with suppliers and customers;
- The assumption of liabilities of the acquired businesses, which could be greater than anticipated;
- The potential failure of our due diligence efforts to identify and properly evaluate risks or liabilities acquired or assumed in acquisition transactions;
- The potential negative impact on available cash and/or future cash flows to support acquisitions, joint ventures or equity investments and related commitments; and
- The potential adverse impact on operating results if, in future periods, impairments of significant amounts of goodwill and other assets occur.

Our long-term viability and financial success are dependent upon our ability to attract and retain an experienced and skilled workforce, including within our management teams, while also maintaining a flexible and competitive compensation and benefit cost structure.

We rely on the existence of an available, qualified workforce to manufacture our products and on our ability to recruit and retain talented hourly and salaried employees. Competition for such employees is intense in the areas where we operate, particularly during periods of high industry demand as such periods require us to pay higher wages to attract and retain a sufficient number of qualified employees. We cannot be certain that we will be able to attract and retain qualified employees to meet future manufacturing needs at a reasonable cost, or at all.

Within our U.S.-based operations, we incur significant costs with respect to employee healthcare and workers compensation benefits. We are self-insured for these employee healthcare and workers compensation benefits up to certain defined retention limits. If costs related to these or other employee benefits increase as a result of increased healthcare costs in the U.S., increased utilization of such benefits as a result of increased claims, new or revised U.S. governmental mandates or otherwise, our operating results and financial condition may suffer. Within our European-based operations, we incur significant costs with respect to employee benefits which are largely governed by country and regional regulations. New or revised governmental mandates may also cause our operating results and financial condition to suffer.

In addition to compensation considerations, potential employees are placing an increasing premium on various tangible and intangible benefits, such as working for companies with a clear purpose, flexible work arrangements, limited overtime requirements, increased benefit packages and other considerations. If we are not perceived as an employer of choice, we may be unable to recruit and retain skilled employees. Further, if we lose existing employees with needed skills or we are unable to upskill and develop existing employees, particularly with the introduction of new technologies, it could have a substantial adverse effect on our business and results of operations.

We rely heavily upon the knowledge, experience and skills of our executive management and key operating company management employees to compete effectively in the RV industry and manage our operations. Our future success depends on, among other factors, our ability to attract and retain executive management and key leadership level personnel and, upon the departure of such key employees, the existence of adequate succession plans. The loss of members of our executive management or other key employees could have a material adverse effect on our business and results of operations in the event that our succession plans prove inadequate.

We could be impacted by the potential adverse effects of union activities.

Our European-based operations are subject to employee contracts, Works Councils and certain other labor organizations, and a small number of our North American employees are currently represented by a labor union. Any disruption in our relationships with these third-party associations could adversely affect the cost of our labor and our ability to attract and retain qualified employees to meet our manufacturing needs. Additional unionization of our North American facilities could result in higher costs and increased risk of work stoppages.

We also are, directly or indirectly, dependent upon companies with unionized work forces, such as parts suppliers, chassis suppliers and trucking and freight companies. Work stoppages or strikes organized by such third-party unions have in the past and could again in the future have a material adverse impact on our business. If a work stoppage occurs, it could delay the manufacture, sale and distribution of our products and have a material adverse effect on our business, operating results or financial condition.

Our business depends on the performance of independent, non-franchise authorized dealers and independent transportation carriers.

We distribute all of our North American and the majority of our European products through a system of independent, non-franchise authorized dealers, many of whom sell products from competing manufacturers. As of July 31, 2024, we distributed our products to approximately 2,400 independent dealerships in the United States and approximately 1,100 independent dealerships in Europe. We operate two dealerships in Europe. We depend on the capability of these independent dealers to develop and implement effective retail sales plans to create demand among retail consumers for the products that the dealers purchase from us. If our independent dealers are not successful in these endeavors, then we may be unable to maintain or grow our revenues and meet our financial expectations. The geographic coverage of our independent dealers and their individual business conditions can affect the ability of our independent dealers to sell our products to consumers. If our independent dealers are unsuccessful, they may exit or be forced to exit the business or, in some cases, we may seek to terminate relationships with certain dealerships. As a result, we could face adverse consequences related to the termination of independent dealer relationships. In addition, ongoing consolidation of independent dealers, as well as the growth of large, multi-location dealers, has in the past and could in the future result in increased bargaining power on the part of these independent dealers.

Given the independent nature of the dealers who sell our product, they generally maintain control over which manufacturers, and which brands, they will do business with, often carrying more than one manufacturer's products. Independent dealers can, and do, change the brands and manufacturers they sell. If our products are not perceived by the independent dealers as being desirable and profitable for them to carry, the dealers may terminate their relationship with our operating subsidiaries or may drop certain of our brands, which would in turn adversely affect our sales and profit margins if we are unable to replace those dealers.

In the United States and Canada, our products are generally delivered to our independent dealers via a system of independent transportation contractors. The network of carriers is limited, and in times of high demand and limited availability, we have experienced in the past, and could face again, the disruption of our distribution channel. If future health emergencies or other circumstances that inhibit transportation of our products emerge in the regions in which we operate or sell our products, transportation contractors may have difficulty finding drivers who are willing to deliver in those regions, or governmental agencies or other actors may restrict movement of goods in those regions. The inability to timely deliver our products to our independent dealers could adversely affect our relationships with those dealers and negatively impact our sales and net income.

Interruption of information systems service or misappropriation or breach of our information systems could cause disruption to our operations, disclosure of confidential or personal information or cause damage to our reputation.

Our business relies on information systems and other technology ("information systems"), some of which are managed or hosted by third parties, to support aspects of our global business operations, including, but not limited to, procurement, supply chain management, manufacturing, design, distribution, invoicing, financial transactions with banks and financing institutions and other transactions with various third-party providers. We also use information systems to accumulate, analyze and report our operational results. In connection with our use of information systems, we obtain, create and maintain confidential and personal information. Additionally, we rely upon information systems in our marketing and communication efforts. Due to our reliance on our information systems, we have established various levels of security as well as backup and disaster recovery procedures. Despite our security measures and business continuity plans, our information technology systems may be vulnerable to damage, disruption or shutdowns caused by cyber-attacks, including state-sponsored attacks, computer viruses, malware, ransomware, phishing attacks or breaches due to errors or malfeasance by employees and others who have access, or gain access, to these systems. The occurrence of any of these events could compromise the confidentiality, operational integrity and accessibility of these systems and the data that resides within them and our business processes and operations may be negatively impacted in the event of a substantial or prolonged disruption of service caused by such events. THOR, along with others within the RV industry, including suppliers, dealers and third-party providers, have been the target of cyber-attacks in the past, and such attacks are expected to continue and evolve in the future. While we continually employ capabilities, processes and other security measures designed to reduce and mitigate the risk of cyber-attacks, we rely on our suppliers, independent dealers and third-party providers to do the same for their operations; however, we may not be aware of all vulnerabilities and such preventative measures cannot provide absolute security and may not be sufficient in all circumstances to mitigate all potential risks.

The methods and technologies used to obtain unauthorized access to our information systems are constantly changing as are laws and regulations concerning data protection and privacy. While we have implemented and regularly review robust security measures and processes designed to prevent and detect unauthorized access to our information systems, we may not be able to anticipate and effectively prevent unauthorized access or data loss in the future. The misuse, leakage, unauthorized access or falsification of information could result in a violation of privacy laws, including the European Union's General Data Protection Regulation ("GDPR") and laws applicable in North America and the United States, and damage to our reputation which could, in turn, have a significant, negative impact on our results of operations, as a result of fines, remediation costs or other direct or indirect ramifications.

Our U.S.-based operations are primarily centered in northern Indiana.

The majority of our U.S. operations are located in northern Indiana, which is home to a large proportion of the U.S. RV industry. The concentration of our operations in northern Indiana creates certain risks, including those listed below which we have experienced in the past and may experience in the future:

- Competition for workers skilled in the industry, especially during times of low unemployment or periods of high demand for RVs, which has in the past, and may, in the future, increase the cost of our labor or limit the speed at which we can respond to changes in consumer demand;
- Retention and recruitment challenges as employees with industry knowledge and experience have been, and may continue to be, attracted to other positions or opportunities within or external to the RV industry, and their ability to change employers is relatively easy; and
- The potential for greater adverse impact from natural disasters, such as weather-related events and public health emergencies.

In addition, a number of our key suppliers are also located in northern Indiana and are impacted by similar risks.

Adverse weather conditions and weather-related events could have a negative impact on our revenues.

Changes in seasonal weather conditions can have a significant effect on our operating and financial results. Sales of our products are typically stronger just before and during spring and summer, and favorable weather during these months generally has a positive effect on consumer demand. Severe weather events, such as flooding, tornados and hail, have had in the past and could have in the future, negative impacts on our operations due to disruptions to production. While we carry property and business interruption insurance to address such events, there is no guarantee that we will be able to fully insure such losses in the future. In addition, the long-term impact of weather-related events, such as rising temperatures and water scarcity, could impact our global manufacturing operations, which could impact our ability to manufacture products to fulfill customer demand. Additionally, the chronic, physical risks of temperature increases, rising sea levels and other gradual changes to the climate could adversely impact global ecosystems. This impact could potentially threaten the availability and existence of camping and RV facilities, thus, potentially limiting the use of our products and possibly impacting the future growth of our business.

LEGAL AND REGULATORY RISKS

Climate-related regulations and ongoing compliance requirements with chassis emissions standards designed to address climate change may result in additional required disclosures and related compliance costs, in both the U.S. and Europe.

Our operations and certain motorized products we sell are subject to rules limiting emissions and other climate-related regulations in certain jurisdictions where we operate or sell our products. The impacts of changing emissions and other related climate regulations (including revised emission standards applying to heavy-duty trucks by the EPA as well as zero-emission vehicle regulations such as the California Air Resources Board's Advanced Clean Truck and Advanced Clean Fleet Regulations adopted in California and other U.S. jurisdictions) could result in different or more limited product offerings in those jurisdictions which may result in lower sales and material increased costs to the Company. Climate-related reporting regulations, such as the Securities and Exchange Commission's final climate rules and litigation regarding its enforceability as well as the European Corporate Sustainability Reporting Directive, in the various jurisdictions in which our products are produced, used and/or sold could result in additional material costs of compliance. In addition, our towable products are generally towed by vehicles that would also be subject to emission and climate-related regulations. Concerns regarding climate change at numerous levels of government in various jurisdictions may lead to additional and potentially more stringent international, national, regional and local legislative and regulatory responses, and compliance with any new rules could be difficult and costly.

Climate change regulation combined with public sentiment could result in reduced demand for our products, higher energy and fuel prices or carbon taxes, limitations on where we can produce or sell our products, limitations on where our products can be used or other restrictions or costs, all of which could materially adversely affect our business and results of operations.

Furthermore, we obtain motorized chassis from a number of different chassis suppliers who are required to comply with strict emission standards. As governmental agencies revise those standards, the chassis manufacturers must comply within the timeframes established. Uncertainties created by continued emission standards compliance requirements or the adoption of revised emission standards include the ability of the chassis manufacturer to comply with such standards on a timely and ongoing basis as well as the ability to produce sufficient quantities of compliant chassis to meet our demand. In the past, certain chassis manufacturers have experienced difficulties in meeting one or both of these requirements. In addition, revisions to chassis by the suppliers often impact our engineering and production processes and may result in increased chassis costs and/or other costs to us.

Increased public attention to environmental, social and governance matters may expose us to negative public perception, impose additional costs on our business or impact our stock price.

Recently, increased attention is being directed towards publicly traded companies regarding environmental, social and governance (“ESG”) matters. A failure, or perceived failure, to achieve stated ESG goals, respond to regulatory requirements or meet investor or customer expectations related to ESG concerns could cause harm to our business and reputation. For example, our RV products are powered by gasoline and diesel engines or are required to be towed by gasoline or diesel-powered vehicles. Government, media or activist pressure to limit emissions could negatively impact consumers’ perceptions of our products which could have a material adverse effect on our business, and the actions taken by governments and other actors to reduce emissions could impose costs that could materially affect our results of operation and financial condition.

Additionally, while we strive to create an inclusive culture and workforce where everyone feels valued and respected, a failure, or perceived failure, to properly address inclusivity matters could result in reputational harm, reduced sales or an inability to attract and retain a talented workforce.

Organizations that provide information to investors on corporate governance and other matters have developed rating systems for evaluating companies on their approach to ESG. Unfavorable ESG ratings may lead to negative investor sentiment which could have a negative impact on our stock price.

More stringent privacy, data use, data protection and artificial intelligence laws and regulations as well as consumers’ heightened expectations to safeguard their personal information may have an adverse impact on our business.

We are subject to laws, rules and regulations in the United States and other countries (such as the European Union’s and the U.K.’s General Data Protection Regulations and the California Consumer Privacy Act) relating to the collection, use, cross-border data transfer and security of personal information of consumers, employees or others, including laws that may require the Company to notify regulators and affected individuals of a data security incident. Existing and newly developed laws and regulations may contain broad definitions of personal information, are subject to change, are subject to uncertain interpretations by courts and regulators and may be inconsistent from state to state or country to country. Accordingly, complying with such laws and regulations may lead to a decline in consumer engagement or cause us to incur substantial costs to modify our business practices. Moreover, regulatory actions seeking to impose significant financial penalties for noncompliance and/or legal actions (including pursuant to laws providing for private rights of action by consumers) could be brought against the Company in the event of a data compromise, misuse of consumer information or perceived or actual non-compliance with data protection, privacy or artificial intelligence requirements. The rapid evolution and increased adoption of artificial intelligence technologies may intensify these risks. Further, any unauthorized release of personal information could harm our reputation, disrupt our business, cause us to expend significant resources and lead to a loss of consumer confidence resulting in an adverse impact on our business.

Our business is subject to numerous national, regional, federal, state and local regulations in the various countries in which we operate, sell and/or use our products.

Our operations are subject to numerous national, regional, federal, state and local regulations governing the manufacture and sale of our products, including various vehicle and component safety and compliance standards. In various jurisdictions, governmental agencies require a manufacturer to recall and repair vehicles which contain certain hazards or defects. Any recalls of our products, voluntary or involuntary, could have a material adverse effect on our results of operations and could harm our reputation. Additionally, changes in policy, regulations or the imposition of additional regulations could have a material adverse effect on our business.

Our U.S. operations are also subject to federal and numerous state consumer protection and unfair trade practice laws and regulations relating to the sale, transportation and marketing of motor vehicles, including so-called “lemon laws”. U.S. federal and state, as well as various European laws and regulations, impose upon vehicle operators’ various restrictions on the weight, length and width of motor vehicles that may be operated in certain jurisdictions or on certain roadways. Certain jurisdictions also prohibit the sale of vehicles exceeding length restrictions. U.S. federal and state, as well as various European, authorities have environmental control standards relating to air, water, noise pollution and hazardous waste generation and disposal which affect our business and operations. Numerous other U.S. and European laws and regulations affect a wide range of the Company’s activities. A suggestion of or an investigation into potential violations of the laws and regulations to which our business or operations are subject could lead to significant penalties, including restraints on our export or import privileges, monetary fines, criminal or civil proceedings and regulatory or other actions that could materially adversely affect our operating results.

We are also subject, in the ordinary course of business, to litigation and claims arising from numerous labor and employment laws and regulations, including potential class action claims arising from alleged violations of such laws and regulations. Any liability arising from such claims would not ordinarily fall within the scope of our insurance coverages. An adverse outcome from such litigation could have a material effect on operating results.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated By-Laws and the Delaware General Corporation Law may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders.

These provisions provide for, among other things:

- The ability of our Board of Directors to issue one or more series of preferred stock without further stockholder action;
- Advance notice for nominations of directors by stockholders and for stockholders to present matters to be considered at our annual meetings;
- Certain limitations on convening special stockholder meetings;
- A requirement of the affirmative vote of the holders of 75% of our shares entitled to vote generally in the election of directors voting as a single class to remove a director without cause;
- A requirement that any “business combination,” as defined in our Amended and Restated Certificate of Incorporation, that has not been approved or authorized by 75% of our directors then in office be approved by the affirmative vote of the holders of at least 75% of our shares entitled to vote generally for the election of directors, voting as a single class; and
- The prohibition on engaging in a “business combination” with an “interested stockholder” for three years after the time at which a person became an interested stockholder unless certain conditions are met, as set forth in Section 203 of the Delaware General Corporation Law.

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party’s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares.

FINANCIAL RISKS

As is customary, we have executed repurchase agreements with numerous lending institutions who finance certain of our independent dealers’ purchases of our products.

In accordance with customary practice in the RV industry, upon the request of a lending institution financing an independent dealer’s purchase of our products, we will generally execute a repurchase agreement with the lending institution. Repurchase agreements provide that, typically for a period of up to 18 months after a recreational vehicle is financed and in the event of default by the dealer, we will repurchase the recreational vehicle repossessed by the lending institution for the amount then due, which is usually less than 100% of the dealer’s cost. In addition to the obligations under these repurchase agreements, we may also be required to repurchase inventory relative to dealer terminations in certain states in accordance with state laws or regulatory requirements.

The difference between the gross repurchase price and the price at which the repurchased product can then be resold, which is typically at a discount to the original sale price, is an expense to us. Thus, if we are obligated to repurchase a substantial number of recreational vehicles or incur substantial discounting to resell these units in the future, we would incur increased costs and our profit margins and results of operations would be negatively affected. In difficult economic times, this amount could increase significantly compared to other years.

Changes in tax rates, tax legislation or exposure to additional tax liabilities or tariffs could have a negative impact on our results of operations, cash flows, financial condition, dividend payments or strategic plan.

We are subject to income taxes in the U.S. and numerous foreign jurisdictions. Our domestic and international tax liabilities are dependent upon the location of earnings among, and the applicable tax rates in, these different jurisdictions. Tax rates in various jurisdictions in which we operate or sell our products may increase to fund past or future governmental programs. The United States or other governmental authorities may adjust tax rates, impose new income taxes or indirect taxes, or revise interpretations of existing tax rules and regulations. Further, the outcome of future elections and the associated political party with power to enact legislation could make tax increases more likely and more severe.

Our effective income tax rate could also be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in statutory rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. If our effective tax rate were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our operating results, cash flows and financial condition could be adversely affected, which, in turn, could negatively impact the availability of cash for dividend payments or our strategic plan.

We could incur impairment charges for goodwill, intangible assets, equity investments or other long-lived assets.

We have a material amount of goodwill, intangible assets, equity investments and other long-lived assets, including property, plant and equipment. At least annually, we review goodwill for impairment. Long-lived assets, equity investments, identifiable intangible assets and goodwill are also reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of the business or other factors. A non-cash impairment charge is recorded for the amount by which the carrying value of the intangible or long-lived asset, asset group or reporting unit exceeds its fair value at the time of measurement. Our determination of future cash flows, future recoverability and fair value includes significant estimates and assumptions. Changes in those estimates or assumptions or lower-than-anticipated future financial performance may result in the identification of an impaired asset and a non-cash impairment charge, which could be material. Any such charge could adversely affect our operating results and financial condition.

Our business is affected by the availability and terms of financing to independent dealers and retail purchasers.

Generally, independent recreational vehicle dealers finance their purchases of inventory with financing provided by lending institutions. A decrease in the availability of this type of wholesale financing, more restrictive lending practices or an increase in the cost of such wholesale financing has historically limited or prevented independent dealers from carrying normalized levels of inventory, which led to reduced demand for our products, lower sales, higher discounts to entice sales and an adverse impact to our results of operations.

The impact of recent inflation on consumer confidence, which historically has been highly correlated with RV retail sales, and the impact of inflation on the availability of discretionary funds of our end consumers, combined with significantly higher interest rates compared to recent years impacting both our independent dealers and the end consumer, has had a negative impact on demand for our products at both the wholesale and retail levels. Ongoing elevated interest rates or future substantial or sudden increases in interest rates and decreases in the general availability of credit could have an adverse impact on our independent dealers and therefore on our business and results of operations. A decrease in availability of consumer credit resulting from unfavorable economic conditions, or ongoing elevated interest rates or future additional increases in the cost of consumer credit, may cause consumers to reduce discretionary spending which could, in turn, reduce demand for our products and negatively affect our sales and profitability.

Two major floor plan financial institutions held approximately 50% of our products' portion of our independent dealers' total floored dollars outstanding at July 31, 2024. In the event that either of these lending institutions limit or discontinue dealer financing, we could experience a material adverse effect on our results of operations.

The Company's debt arrangements and provisions in our debt agreements may make us more sensitive to the effects of economic downturns.

As of July 31, 2024, total gross outstanding debt was \$1,151,279, consisting of \$594,361 outstanding on our term loan facility which matures on November 15, 2030; \$500,000 of Senior Unsecured Notes due October 15, 2029 and \$56,918 outstanding on other debt facilities with varying maturity dates through September 2032. Our loan documents contain restrictions which could prevent or restrict, in certain circumstances, operations, payment of dividends or incurrence of additional debt. In addition, we must make mandatory prepayments of principal under the term loan agreement upon the occurrence of certain specified events, including certain asset sales, debt issuance and generation of annual cash flows in excess of certain amounts. Our level of debt impacts our profit before tax and cash flows as a result of the interest expense and periodic debt and interest payments. In addition, our debt level could limit our ability to raise additional capital, if necessary, or increase borrowing costs on future debt if we are unable to replace existing debt with comparable new debt and may have the effect, among other things, of reducing our flexibility to respond to changing business and economic conditions, requiring us to use a portion of our cash flows to repay indebtedness and placing us at a disadvantage compared to competitors with lower debt obligations.

Our ability to make payments on our indebtedness depends on our ability to generate cash in the future. If we do not generate sufficient cash flows to meet our debt service, capital investment and working capital requirements, we may need to fund those requirements with additional borrowings from the asset-based credit facility ("ABL"), reduce or cease our payments of dividends, reduce our level of capital investment and/or working capital or we may need to seek additional financing or sell assets.

Availability under the ABL agreement is subject to a borrowing base calculated based on a percentage of applicable eligible receivables and eligible inventory. As such, we may not have full access to our current ABL availability based on the actual borrowing base calculation at any future period.

Changes in market liquidity conditions, credit ratings and other factors may impact our access to future funding and the cost of debt.

Significant changes in market liquidity conditions and changes in our credit ratings could impact our access to future funding, if needed, and funding costs, which could negatively impact our earnings and cash flows. If general economic conditions deteriorate or capital markets are volatile, future funding, if needed, could be unavailable or insufficient. A debt crisis, particularly in the United States or Europe, could negatively impact currencies, global financial markets, social and political stability, funding sources, availability and costs, asset and obligation values, customers, suppliers, demand for our products and our operations and financial results. Financial market conditions could also negatively impact dealer or retail customer access to capital for purchases of our products and consumer confidence and purchase decisions which could, in turn, reduce demand for our products and have a negative impact on our financial condition and results of operations.

Our risk management policies and procedures may not be fully effective in achieving their purposes.

There is no assurance our monitoring and oversight activities to manage our enterprise risks will be fully effective in achieving their purpose and may leave exposure to identified or unidentified risks. Past or future misconduct by our employees or vendors could result in violations of law by us, regulatory sanctions and/or serious reputational or financial harm. The Company monitors its policies, procedures and controls; however, our policies, procedures and controls may not be sufficient to prevent all forms of misconduct. We review our compensation policies and practices as part of our overall enterprise risk management program, but it is possible that our compensation policies could incentivize inappropriate risk taking or misconduct. Such inappropriate risk taking or misconduct could have a material adverse effect on our results of operations and/or our financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY RISK MANAGEMENT, STRATEGY AND GOVERNANCE

Risk Management and Strategy

While cybersecurity risk can never be eliminated entirely, we devote significant resources to our cybersecurity program that we believe is reasonably designed to mitigate our cybersecurity and information technology (“IT”) risks—which include, among others, unauthorized access to and misappropriation of our information, corruption of data, intentional or unintentional disclosure of confidential information, or disruption of operations. Cybersecurity risk management processes have been integrated into the Company’s overall risk management system, including our ERM process. Threats to our cyber/digital landscape are regularly identified and then assessed in terms of their potential business impact. Mitigation strategies are developed based on our assessment of the potential business impact (both quantitatively and reputationally) of the threat. Because a cybersecurity threat can have implications beyond IT, the Company draws on cross-functional expertise to determine the potential business impact and proportional mitigation efforts or solutions. This expertise may involve third-party resources with functional expertise related to the specific threat or business impact. As part of our risk management profile, we regularly review available cybersecurity data regarding our business partners (suppliers, dealers, third-party service providers and others) and regularly engage with them on risk mitigation efforts.

Internally, among other things, we perform penetration tests, internal tests/code reviews, and simulations using cybersecurity professionals to assess vulnerabilities in our information systems and evaluate our cyber defense capabilities. We also perform phishing and social engineering simulations with, and provide cybersecurity training for, personnel with Company e-mail and access to Company assets.

When a cybersecurity incident is detected, our response is governed by our IT Security Incident Response Policy, providing a rigorous, standardized process to ensure efficacy of the response. In general, when a cybersecurity incident is identified, our policy requires an initial review and triage of the incident. When a cybersecurity incident is determined to be significant, it is brought to the attention of a cross-functional leadership team consisting of our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer and General Counsel and is addressed by that team, along with other internal stakeholders, using processes that leverage subject-matter expertise from across the Company. As with risk mitigation, we may engage third-party advisors, from time to time, as part of our incident response and management process. As part of our risk mitigation efforts, we also maintain cybersecurity insurance to defray the costs of potential information security breaches.

In fiscal 2024, THOR did not identify any material cybersecurity threats, including as a result of any previous cybersecurity incident, that have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. However, despite the capabilities, processes, and other security measures we employ that we believe are designed to detect, reduce, and mitigate the risk of cybersecurity incidents, we may not be aware of all vulnerabilities or may not accurately assess the risks of incidents, and such preventive measures cannot provide absolute security and may not be sufficient in all circumstances or mitigate all potential risks. Moreover, we, our suppliers and our dealers have been the target of cybersecurity incidents in the past and may be subject to such incidents in the future. See Item 1A. “Risk Factors” for a discussion of cybersecurity risks.

Governance

The Company’s Audit Committee of our Board of Directors is charged with specific responsibility for overseeing risks from cybersecurity threats. Our Data Protection Officer provides the Audit Committee with quarterly reports on cybersecurity risks and any material cybersecurity incidents. In addition, our Data Protection Officer provides semi-annual reports directly to our Board of Directors. These regular updates include topics related to cybersecurity practices, cyber risks and risk management processes, such as updates to our cybersecurity programs and mitigation strategies, and other cybersecurity developments.

Reporting directly to our Chief Operating Officer, our Data Protection Officer has primary day-to-day responsibility for our overall cybersecurity risk management program and oversees both our internal cybersecurity personnel and our retained external cybersecurity consultants. With close to 25 years of experience in the fields of cybersecurity and data protection, our Data Protection Officer joined the Company in 2019.

ITEM 2. PROPERTIES

As of July 31, 2024, worldwide we owned or leased approximately 25,541,000 square feet of total manufacturing plant and office space. We believe that our present facilities, consisting primarily of steel clad, steel or wood frame and masonry construction, and the machinery and equipment contained in these facilities, are generally well maintained and in good condition. We believe that our facilities are suitable and adequate for their intended purposes and that we would be able to obtain replacements for our leased premises at acceptable costs should our leases not be renewed.

The following table describes the location, number and size of our principal manufacturing plants and other materially important physical properties as of July 31, 2024:

Locations – Applicable Segment(s)	Owned or Leased	No. of Buildings	Approximate Building Area Square Feet
United States:			
Indiana – North American Towable Segment	Owned	83	5,999,000
Indiana – North American Towable Segment	Leased	1	124,000
Indiana – North American Towable and Motorized Segments	Owned	40	2,856,000
Indiana – North American Motorized Segment	Owned	18	1,200,000
Indiana – Corporate, North American Towable and Motorized Segments	Owned	25	1,490,000
Indiana – Corporate, North American Towable and Motorized Segments	Leased	1	1,000
Indiana – Other	Owned	4	341,000
Indiana – Other	Leased	14	1,148,000
Indiana Subtotal		186	13,159,000
Ohio – North American Towable and Motorized Segments	Owned	13	1,336,000
Alabama – North American Motorized Segment	Owned	28	1,100,000
Alabama – North American Motorized Segment	Leased	3	29,000
Mississippi – North American Motorized Segment	Owned	8	240,000
Mississippi – North American Motorized Segment	Leased	3	162,000
Michigan – North American Towable Segment	Owned	1	148,000
Michigan – North American Towable Segment	Leased	1	88,000
Michigan – Other	Owned	1	10,000
Michigan – Other	Leased	4	270,000
Idaho – North American Towable Segment	Owned	5	661,000
Oregon – North American Towable Segment	Owned	5	371,000
Other United States – Other	Owned	3	611,000
Other United States – Other	Leased	5	183,000
Other Subtotal		80	5,209,000
United States Subtotal		266	18,368,000
Europe:			
Germany – European Segment	Owned	83	4,065,000
Germany – European Segment	Leased	33	1,283,000
Italy – European Segment	Owned	3	493,000
Italy – European Segment	Leased	6	256,000
Italy – Other	Leased	2	119,000
France – European Segment	Owned	6	313,000
Poland – European Segment	Owned	1	318,000
United Kingdom – European Segment	Owned	1	326,000
Europe Subtotal		135	7,173,000
Total		401	25,541,000

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in certain litigation arising out of its operations in the normal course of its business, most of which is based upon state “lemon laws,” warranty claims and vehicle accidents in North America (for which the Company carries insurance above a specified self-insured retention or deductible amount). The outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. In management’s opinion, the ultimate disposition of any current legal proceedings or claims against the Company will not have a material effect on the Company’s financial condition, operating results or cash flows. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

A product recall was issued in late fiscal 2021 related to certain purchased parts utilized in certain of our products, and an accrued liability to cover anticipated costs was established at that time. During fiscal 2022 through fiscal 2024, the accrual was adjusted quarterly based on developments involving the recall, including our expectations regarding the extent of vendor reimbursements and the estimated total cost of the recall. The Company has been, and will continue to be, reimbursed by the suppliers of the products for a portion of the costs it will incur related to this recall. In addition, we accrued expenses during fiscal 2022 based on developments related to an ongoing investigation by certain German-based authorities regarding the adequacy of historical disclosures of vehicle weight in advertisements and other Company-provided marketing literature in Germany. Throughout fiscal 2023 and fiscal 2024, this accrual was adjusted quarterly, if necessary, based on developments involving this matter. The Company fully cooperated with the investigation, which was fully resolved, and related payments were made by the end of fiscal 2024 in an amount not materially different from the adjusted amounts previously accrued.

The Company does not believe there will be a material adverse impact to our future results of operations and cash flows due to these matters.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Unless otherwise indicated, all Dollar and Euro amounts are presented in thousands except per share data.

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

Market Information

The Company's Common Stock, par value \$0.10 per share (the "Common Stock"), is traded on the New York Stock Exchange ("NYSE") under the symbol "THO."

Holders

As of September 16, 2024, the number of holders of record of the Common Stock was 136.

Dividends

In fiscal 2024, we paid a \$0.48 per share dividend for each fiscal quarter. In fiscal 2023, we paid a \$0.45 per share dividend for each fiscal quarter.

The Company's Board of Directors currently intends to continue regular quarterly cash dividend payments in the future. As is customary under credit facilities generally, certain actions, including our ability to pay dividends, are subject to the satisfaction of certain payment conditions prior to payment. The conditions for the payment of dividends under our existing debt facilities include a minimum level of adjusted excess cash availability and a fixed charge coverage ratio test, both as defined in the credit agreements. The declaration of future dividends and the establishment of the per share amounts, record dates and payment dates for any such future dividends are subject to the determination of the Board of Directors, and will be dependent upon future earnings, cash flows and other factors, in addition to compliance with any then-existing financing facilities.

Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended July 31, 2024, the Company used \$25,353 to purchase shares of common stock under its share repurchase authorizations. The Company's total remaining authorization for common stock repurchases was \$422,820 at July 31, 2024.

A summary of the Company's share repurchases during the three months ended July 31, 2024 is set forth below:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽¹⁾	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
5/1/24 – 5/31/24	—	\$ —	—	\$ 448,173
6/1/24 – 6/30/24	266,367	\$ 95.18	266,367	\$ 422,820
7/1/24 – 7/31/24	—	\$ —	—	\$ 422,820
	<u>266,367</u>		<u>266,367</u>	

- ⁽¹⁾ On December 21, 2021, the Company's Board of Directors authorized Company management to utilize up to \$250,000 to repurchase shares of the Company's common stock through December 21, 2024. On June 24, 2022, the Board authorized Company management to utilize up to an additional \$448,321 to repurchase shares of the Company's common stock through July 31, 2025. Under the two share repurchase authorizations, the Company is authorized to repurchase, on a discretionary basis and from time-to-time, outstanding shares of its common stock in the open market, in privately negotiated transactions or by other means. The timing and amount of share repurchases will be determined at the discretion of the Company's management team based upon the market price of the stock, management's evaluation of general market and economic conditions, cash availability and other factors. The share repurchase program may be suspended, modified or discontinued at any time, and the Company has no obligation to repurchase any amount of its common stock under this program. During the three months ended July 31, 2024, the Company purchased 266,367 shares of its common stock, at various times in the open market, at a weighted-average price of \$95.18 and held them as treasury shares at an aggregate purchase price of \$25,353, entirely from the June 24, 2022 authorization. During the twelve months ended July 31, 2024, the Company purchased 720,997 shares of its common stock, at various times in the open market, at a weighted-average price of \$94.85 and held them as treasury shares at an aggregate purchase price of \$68,387, with 453,194 shares, or \$42,886, coming from the December 21, 2021 authorization and 267,803 shares, or \$25,501, coming from the June 24, 2022 authorization. Since the inception of the initial December 21, 2021 authorization, the Company has purchased 3,214,772 shares of its common stock, at various times in the open market, at a weighted-average price of \$85.70 and held them as treasury shares at an aggregate purchase price of \$275,501. As of July 31, 2024, there are no remaining shares of the Company's common stock that may be repurchased under the December 21, 2021 authorization. As of July 31, 2024, the remaining amount of the Company's common stock that may be repurchased under the June 24, 2022 authorization expiring on July 31, 2025 is \$422,820.

Equity Compensation Plan Information – see Item 12.

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

Unless otherwise indicated, all Dollar and Euro amounts are presented in thousands except per share data.

Our Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) should be read in conjunction with the Company’s Consolidated Financial Statements and Notes thereto included in Item 8 of this Report.

The discussion below is a comparison of the results of operations and changes in financial condition for the fiscal years ended July 31, 2024 and 2023. The comparison of, and changes between, the fiscal years ended July 31, 2023 and 2022 can be found within “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2023, as filed with the SEC on September 25, 2023.

Executive Summary

We were founded in 1980 and have grown to become the largest manufacturer of recreational vehicles (“RVs”) in the world based on units sold and revenue. We are also the largest manufacturer of RVs in North America, and one of the largest manufacturers of RVs in Europe. In North America, according to Stat Surveys, for the six months ended June 30, 2024, THOR’s current combined U.S. and Canadian market share based on units was approximately 40.2% for travel trailers and fifth wheels combined and approximately 47.2% for motorhomes. In Europe, according to the European Caravan Federation (“ECF”), EHG’s current market share for the six months ended June 30, 2024 based on units was approximately 25.3% for motorcaravans and campervans combined and approximately 18.3% for caravans.

Our business model includes decentralized operating units, and our RV products are primarily sold to independent, non-franchise dealers who, in turn, retail those products. The Company also sells component parts to both RV and other original equipment manufacturers, including aluminum extruded components, and sells aftermarket component parts through dealers and retailers. Our growth has been achieved both organically and through acquisition, and our strategy is designed to increase our profitability by driving innovation, servicing our customers, manufacturing quality products, improving the efficiencies of our facilities and making strategic growth acquisitions.

We generally do not finance dealers directly, but we do provide repurchase agreements to the dealers’ floor plan lenders.

We generally have financed our growth through a combination of internally generated cash flows from operations and, when needed, outside credit facilities. Capital acquisitions of \$139,617 in fiscal 2024 were made primarily for purchases of land, production building additions and improvements and replacing machinery and equipment used in the ordinary course of business. See Note 3 to the Consolidated Financial Statements for capital acquisitions by segment. Ongoing supply chain constraints, particularly chassis delivery sequence issues within our European operations, have and could continue to impact our business and our consolidated financial results and financial position. In addition, the impact of recent inflation on consumer confidence, which historically has been highly correlated with RV retail sales, and the impact of inflation on the availability of discretionary funds of our end consumers, combined with significantly higher interest rates compared to recent years impacting both our independent dealers and the end consumer, had a negative impact on demand for our products at both the wholesale and retail levels during fiscal 2024, particularly in North America, and are expected to continue to impact the remainder of calendar year 2024. These risks to our business are more fully described in Part I, Item 1A “Risk Factors” of this Report.

Significant Fiscal 2024 Events

Refinancing of Credit Agreements

On November 15, 2023, the Company entered into amendments to both its term loan and ABL agreements to extend maturities and lower the applicable margins used to determine the interest rate on the U.S. dollar-denominated loan tranche. The maturity date for the term loan was extended from February 1, 2026 to November 15, 2030. Covenants and other material provisions of the term loan agreement remain materially unchanged. Pursuant to the ABL amendment, the maturity date for loans under the ABL agreement was extended from September 1, 2026 to November 15, 2028. Maximum availability under the ABL remains at \$1,000,000 and the applicable margin, covenants and other material provisions of the ABL remain materially unchanged. As a result of these amendments and associated maturity date extensions, the Company recognized total expense of \$14,741 in fiscal 2024.

Subsequently, on July 1, 2024, the Company entered into an amendment to its term loan to modify the applicable margins used to determine the interest rate on both the U.S. dollar-denominated loans and Euro-denominated loans. The U.S. dollar interest under the amended agreement was reduced by 0.50% so that the applicable margin for Alternate Base Rate (“ABR”)-based loans is now 1.25% and for Secured Overnight Financing Rate (“SOFR”)-based loans is 2.25%. In addition, the applicable margin for the Euro loan interest was reduced by 0.25% so that the applicable margin for the EURIBOR-based loans is 2.75%.

North American RV Industry

The Company monitors industry conditions in the North American RV market using a number of resources including its own performance tracking and modeling. The Company also considers monthly wholesale shipment data as reported by the RVIA, which is typically issued on a one-month lag and represents manufacturers’ North American RV production and delivery to dealers. In addition, we monitor monthly North American retail sales trends as reported by Stat Surveys, whose data is typically issued on a month-and-a-half lag. The Company believes that monthly RV retail sales data is important as consumer purchases impact future dealer orders and ultimately our production and net sales.

North American RV independent dealer inventory of our North American RV products as of July 31, 2024 decreased 14.3% to approximately 75,000 units from approximately 87,500 units as of July 31, 2023. During fiscal 2023, particularly in the second half of fiscal 2023, retail sales began to slow, and carrying costs for dealers increased significantly due to inflationary cost increases and the rapid increase in floor plan interest rates during that period. These factors, among others, combined to cause dealers to reduce the number of units they carried as of July 31, 2024.

As of July 31, 2024, we believe North American dealer inventory levels for most products are generally at, or slightly higher than, the levels that dealers are comfortable stocking given the current retail sales levels and associated carrying costs. We believe dealers will continue to closely evaluate the unit stocking levels that they will elect to carry in future periods, which may be less than historical unit stocking levels, due to a combination of factors such as retail activity, RV wholesale prices as well as interest rates and other carrying costs.

THOR’s total North American RV backlog as of July 31, 2024 decreased \$669,701, or 33.5%, to \$1,329,282 from \$1,998,983 as of July 31, 2023. The decrease in backlog is primarily a result of a reduction in recent orders from dealers, mainly for motorized products, which we believe is due to lower retail sales and dealer concerns over current interest costs and other carrying costs compared to the prior-year period.

North American Industry Wholesale Statistics

Key wholesale statistics for the North American RV industry, as reported by RVIA for the periods indicated, are as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Six Months Ended June 30,		Increase (Decrease)	% Change
	2024	2023		
North American Towable units	159,407	139,337	20,070	14.4
North American Motorized units	19,189	25,493	(6,304)	(24.7)
Total	178,596	164,830	13,766	8.4

In September 2024, RVIA issued a revised forecast for calendar year 2024 North American wholesale unit shipments. Under a most likely scenario, towable and motorized unit shipments are projected to increase to approximately 289,800 and 34,300, respectively, for an annual total of approximately 324,100 units, up 3.5% from the 2023 calendar year wholesale shipments. The RVIA most likely forecast for calendar year 2024 could range from a lower estimate of approximately 311,600 total units to an upper estimate of approximately 336,600 units.

As part of their September 2024 forecast, RVIA also issued a downward revision of their initial June 2024 estimates for calendar year 2025 wholesale unit shipments. In the most likely scenario, towable and motorized unit shipments are projected to increase to an approximated annual total of 346,100 units, or 6.8% higher than the most likely scenario for calendar year 2024 wholesale shipments. This calendar year 2025 most likely forecast could range from a lower estimate of approximately 329,900 total units to an upper estimate of approximately 362,300 units. RVIA stated the primary reason for the downward revision of their calendar year 2025 wholesale unit shipments is the unfavorable impact of persistently elevated interest rates on retail sales causing a delay in the anticipated recovery of wholesale shipments.

North American Industry Retail Statistics

We believe that retail demand is the key to growth in the North American RV industry, and that annual North American RV industry wholesale shipments will return to typical seasonal patterns as dealer inventory levels and consumer demand become more balanced.

Key retail statistics for the North American RV industry, as reported by Stat Surveys for the periods indicated, are as follows:

	U.S. and Canada Retail Unit Registrations			
	Six Months Ended June 30,		Increase (Decrease)	% Change
	2024	2023		
North American Towable units	166,760	186,292	(19,532)	(10.5)
North American Motorized units	21,382	25,584	(4,202)	(16.4)
Total	188,142	211,876	(23,734)	(11.2)

Note: Data reported by Stat Surveys is based on official state and provincial records. This information is subject to adjustment, is continuously updated and is often impacted by delays in reporting by various states or provinces.

While we anticipate that near-term demand will be influenced by many factors, including consumer confidence and the level of consumer spending on discretionary products, we believe future retail demand over the longer term will exceed historical, pre-pandemic levels. We believe interest in the RV lifestyle remains high as consumers continue to value the perceived benefits offered by the RV lifestyle, which provides people with the ability to connect with loved ones and nature as well as the potential to get away for short, frequent breaks or longer adventures.

Company North American Wholesale Statistics

The Company's wholesale RV shipments, for the six months ended June 30, 2024 and 2023, to correspond with the industry wholesale periods noted above, were as follows:

	U.S. and Canada Wholesale Unit Shipments			
	Six Months Ended June 30,		Increase (Decrease)	% Change
	2024	2023		
North American Towable units	62,507	53,148	9,359	17.6
North American Motorized units	8,974	11,491	(2,517)	(21.9)
Total	71,481	64,639	6,842	10.6

Company North American Retail Statistics

Retail statistics of the Company's RV products, as reported by Stat Surveys, for the six months ended June 30, 2024 and 2023, to correspond with the industry retail periods noted above, were as follows:

	U.S. and Canada Retail Unit Registrations			
	Six Months Ended June 30,		Increase (Decrease)	% Change
	2024	2023		
North American Towable units	65,216	77,242	(12,026)	(15.6)
North American Motorized units	10,102	12,552	(2,450)	(19.5)
Total	75,318	89,794	(14,476)	(16.1)

Note: Data reported by Stat Surveys is based on official state and provincial records. This information is subject to adjustment, is continuously updated and is often impacted by delays in reporting by various states or provinces.

North American Outlook

Historically, RV industry sales have been impacted by a number of economic conditions faced by RV dealers, and ultimately retail consumers, such as the rate of unemployment, the rate of inflation, the level of consumer confidence, the disposable income of consumers, interest rates, credit availability, the health of the housing market, tax rates and fuel availability and prices. We believe these factors will continue to affect retail sales in our fiscal 2025. In addition, due to inflationary pressures, higher interest rates and other factors, we believe that RV dealers will be continuously reevaluating their desired stocking levels, which may result in lower than historical dealer inventory stocking levels on a unit basis. It is difficult to predict the extent to which any or all of these factors will impact the RV industry or our business in a particular future period, however, we currently believe the remainder of calendar year 2024 will continue to be negatively impacted by these factors.

Despite the near-term challenges, we remain optimistic about future growth in North American retail sales in the long term, as there are many factors driving product interest. Surveys conducted by THOR, RVIA and others show that Americans of all generations love the freedom of the outdoors and the enrichment that comes with living an active lifestyle. RVs allow people to be in control of their travel experiences, going where they want, when they want and with the people they want. The RV units we design, produce and sell allow people to spend time outdoors pursuing their favorite activities, creating cherished moments and deeply connecting with family and friends. Based on the ongoing value consumers place on these factors, we expect to see long-term growth in the North American RV industry. The growth in industry-wide RV sales during late calendar year 2020 through early calendar year 2023 resulted in exposing a wider range of consumers to the RV lifestyle. As a result, we believe many of those who have been recently exposed to the industry for the first time will become future owners, and that those who became first-time owners since the onset of the pandemic will become long-term RVers, resulting in future repeat and upgrade sales opportunities. We also believe many consumers are likely to continue opting for fewer vacations via air travel, cruise ships and hotels, while preferring vacations that RVs are uniquely positioned to provide, allowing consumers the ability to explore or unwind, often close to home. In addition, we believe that the availability of camping and RV parking facilities will be an important factor in the future growth of the industry and view both the significant recent investments and the future committed investments by campground owners, states and the federal government in camping facilities and accessibility to state and federal parks and forests to be positive long-term factors.

Economic and industry-wide factors that have historically affected, and which we believe will continue to affect, our operating results include the costs of commodities, the availability of critical supply components and labor costs incurred in the production of our products. Material and labor costs are the primary factors determining our cost of products sold, and any future increases in raw material or labor costs will impact our profit margins negatively if we are unable to offset those cost increases through a combination of product recontenting, material sourcing strategies, efficiency improvements or raising the selling prices for our products by corresponding amounts. Historically, we have generally been able to offset net cost increases over time through these measures.

It is extremely difficult to predict when or whether future supply chain issues related to chassis or other components used in the production of RVs will arise. Modifying available chassis for certain motorized products to use for other products is not a viable alternative, particularly in the short term, due to engineering requirements. The North American recreational vehicle industry has, from time to time in the past, experienced shortages of chassis for various reasons, including component shortages, production delays or other production issues and work stoppages at the chassis manufacturers.

While the North American RV industry has at times faced supply shortages or delivery delays of other, non-chassis raw material components, the supply chain is currently able to support our demand. If any of these factors were to impact our suppliers' ability to fully supply our needs for key components, our costs of such components and our production output could be adversely affected.

European RV Industry

The Company monitors industry conditions in the European RV market using a number of resources including its own performance tracking and modeling. The Company also considers retail trends in the European RV market as reported by the European Caravan Federation ("ECF") and its members. On a monthly basis, the Company receives OEM-specific reports for most of the individual member countries that make up the ECF through the Caravaning Industrie Verband e.V. ("CIVD"). The timing of these reports may vary, but typically they are issued on a one-to-two-month lag. While most countries provide OEM-specific information, the United Kingdom, which made up 17.4% and 9.3% of the caravan and motorcaravan (including campervans) European market for the six months ended June 30, 2024, respectively, does not provide OEM-specific information. Industry wholesale shipment data for the European RV market is not available.

Within Europe, over 90% of our sales are made to dealers within 10 different European countries. The market conditions, as well as the operating status of our independent dealers within each country, vary based on the various local economic and other conditions. It is inherently difficult to generalize about the operating conditions within the entire European region.

Independent dealer inventory of our European RV products as of July 31, 2024 was approximately 26,200 units as compared to approximately 21,200 units as of July 31, 2023. Independent RV dealer inventory levels of our European products are generally in line with historic seasonal levels in the various countries we serve. Within Germany, which accounts for approximately 60% of our European product sales, independent dealer inventory levels are also generally in line with historic norms.

Our European Recreational Vehicle backlog as of July 31, 2024 decreased \$1,598,867, or 45.0%, to \$1,950,793 compared to \$3,549,660 as of July 31, 2023, primarily due to improved chassis supply availability as chassis constraints in the prior year resulted in significantly elevated backlogs as of July 31, 2023.

European Industry Retail Statistics

Key retail statistics for the European RV industry, as reported by the ECF for the periods indicated, are as follows:

	European Unit Registrations					
	Motorcaravan and Campervan ⁽²⁾			Caravan		
	Six Months Ended June 30,		% Change	Six Months Ended June 30,		% Change
	2024	2023		2024	2023	
OEM Reporting Countries ⁽¹⁾	82,773	76,831	7.7	26,879	27,932	(3.8)
Non-OEM Reporting Countries ⁽¹⁾	11,867	9,684	22.5	7,758	8,844	(12.3)
Total	94,640	86,515	9.4	34,637	36,776	(5.8)

(1) Industry retail registration statistics have been compiled from individual countries' reporting of retail sales, and include the following countries: Germany, France, Sweden, Netherlands, Norway, Italy, Spain and others, collectively the "OEM Reporting Countries." The "Non-OEM Reporting Countries" are primarily the United Kingdom and others. Total European unit registrations are reported quarterly by the ECF.

(2) The ECF reports motorcaravans and campervans together.

Note: Data from the ECF is subject to adjustment, is continuously updated and is often impacted by delays in reporting by various countries. (The "Non-OEM Reporting Countries" either do not report OEM-specific data to the ECF or do not have it available for the entire time period covered).

Company European Retail Statistics

	European Unit Registrations ⁽¹⁾			
	Six Months Ended June 30,		Increase (Decrease)	% Change
	2024	2023		
Motorcaravan and Campervan	20,941	15,868	5,073	32.0
Caravan	4,909	5,156	(247)	(4.8)
Total OEM-Reporting Countries	25,850	21,024	4,826	23.0

(1) Company retail registration statistics have been compiled from individual countries' reporting of retail sales, and include the following countries: Germany, France, Sweden, Netherlands, Norway, Italy, Spain and others, collectively the "OEM Reporting Countries."

Note: Data from the ECF is subject to adjustment, is continuously updated and is often impacted by delays in reporting by various countries.

European Outlook

Our European operations offer a full lineup of leisure vehicles including caravans and motorized products including urban vehicles, campervans and small-to-large motorcaravans. Our product offerings are not limited to vehicles only but also include accessories and services, including vehicle rentals. We address European retail customers through a sophisticated brand management approach based on consumer segmentation according to target group, core values and emotions. With the help of data-based and digital marketing, we intend to continue expanding our retail customer reach to new and younger consumer segments.

The impact of current macroeconomic factors on our business, including inflation and interest rates, supply chain constraints, environmental and sustainability regulations and geopolitical events, is uncertain. Our outlook for future European RV retail sales depends upon the various economic and regulatory conditions in the respective countries in which we sell our products, and on our ability to manage through supply chain issues that have, and are expected to continue to, impact the efficiency of our production of our motorized products in the near term. End-customer demand for RVs depends strongly on consumer confidence. Factors such as the rate of unemployment, the rate of inflation, private consumption and investments, the level of disposable income of consumers, interest rates, the health of the housing market, tax rates and regulatory restrictions and, since the pandemic, travel safety considerations all influence retail sales. Our long-term outlook for future growth in European RV retail sales remains positive as more people discover RVs as a way to support their lifestyle in search of independence and individuality, as well as using the RV as a multi-purpose vehicle to escape urban life and explore outdoor activities and nature.

We and our independent European dealers market our European recreational vehicles through multiple avenues including at numerous RV fairs at the country and regional levels which occur throughout the calendar year. These fairs have historically been well-attended events that allow retail consumers the ability to see the newest products, features and designs and to talk with product experts in addition to being able to purchase or order an RV. The most recent 2024 Caravan Salon show in late August 2024 experienced near-record attendance, demonstrating the high level of interest in the RV lifestyle despite the current macroeconomic uncertainties facing many consumers. In addition to our attendance at various strategic trade fairs, we have and will continue to strengthen and expand our digital activities to reach high potential target groups, generate leads and steer customers directly to dealerships. With approximately 1,100 active independent dealers in Germany and throughout Europe with whom we do business, we believe our European brands have one of the strongest and most professionally structured dealer and service networks in Europe.

Economic or industry-wide factors affecting our European RV operating results include the availability and costs of commodities and component parts and the labor used in the manufacture of our products. Material and labor costs are the primary factors determining our cost of products sold and any future increases in these costs will impact our profit margins negatively if we are unable to offset those cost increases through a combination of product recontenting, material sourcing strategies, efficiency improvements or raising the selling prices for our products by corresponding amounts.

While overall chassis supply has improved, we anticipate disruptions in the sequence of delivery of chassis to continue through the remainder of calendar year 2024. The sequence of chassis supply inhibits our ability to efficiently and consistently maintain our planned production levels. Uncertainties related to changing emission standards may also impact the availability of chassis used in our production of certain European motorized RVs and could also impact consumer buying patterns.

In Europe, we experienced cost increases, supply shortages and delivery delays of other, non-chassis raw material components which negatively impacted the efficiency of our production in the current fiscal year. We believe these shortages and delays will continue to result in production inefficiencies in the near term, which will have a negative impact on our European operating results as well as on our consolidated results due to the negative impact of completing units off the production line.

Where possible, to minimize the future impact of supply chain constraints, we have identified a second-source supplier base for certain component parts, however, the engineering requirements required with an alternate component part, particularly the chassis our various units are built upon, limits the impact of these alternative suppliers on reducing any near-term supply constraints.

In addition to potential future material supply constraints, labor shortages may also impact our European operations. Currently, we are experiencing a shortage of available skilled workers due to near full employment rates in the European countries where the majority of our manufacturing sites are located.

RESULTS OF OPERATIONS
FISCAL 2024 VS. FISCAL 2023

	<u>FISCAL 2024</u>	<u>FISCAL 2023</u>	<u>Change Amount</u>	<u>% Change</u>
NET SALES:				
Recreational vehicles				
North American Towable	\$ 3,679,671	\$ 4,202,628	\$ (522,957)	(12.4)
North American Motorized	2,445,850	3,314,170	(868,320)	(26.2)
Total North America	6,125,521	7,516,798	(1,391,277)	(18.5)
European	3,364,980	3,037,147	327,833	10.8
Total recreational vehicles	9,490,501	10,553,945	(1,063,444)	(10.1)
Other	781,927	777,639	4,288	0.6
Intercompany eliminations	(229,020)	(209,979)	(19,041)	(9.1)
Total	<u>\$ 10,043,408</u>	<u>\$ 11,121,605</u>	<u>\$ (1,078,197)</u>	<u>(9.7)</u>

OF UNITS:

Recreational vehicles				
North American Towable	112,830	106,504	6,326	5.9
North American Motorized	18,761	24,832	(6,071)	(24.4)
Total North America	131,591	131,336	255	0.2
European	55,317	55,679	(362)	(0.7)
Total	<u>186,908</u>	<u>187,015</u>	<u>(107)</u>	<u>(0.1)</u>

		<u>% of Segment Net Sales</u>		<u>% of Segment Net Sales</u>		
GROSS PROFIT:						
Recreational vehicles						
North American Towable	\$ 427,386	11.6	\$ 503,487	12.0	\$ (76,101)	(15.1)
North American Motorized	277,840	11.4	442,715	13.4	(164,875)	(37.2)
Total North America	705,226	11.5	946,202	12.6	(240,976)	(25.5)
European	581,211	17.3	505,344	16.6	75,867	15.0
Total recreational vehicles	1,286,437	13.6	1,451,546	13.8	(165,109)	(11.4)
Other, net	165,525	21.2	144,807	18.6	20,718	14.3
Total	<u>\$ 1,451,962</u>	<u>14.5</u>	<u>\$ 1,596,353</u>	<u>14.4</u>	<u>\$ (144,391)</u>	<u>(9.0)</u>

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

Recreational vehicles						
North American Towable	\$ 246,330	6.7	\$ 243,616	5.8	\$ 2,714	1.1
North American Motorized	136,398	5.6	175,509	5.3	(39,111)	(22.3)
Total North America	382,728	6.2	419,125	5.6	(36,397)	(8.7)
European	298,013	8.9	271,038	8.9	26,975	10.0
Total recreational vehicles	680,741	7.2	690,163	6.5	(9,422)	(1.4)
Other	75,108	9.6	65,955	8.5	9,153	13.9
Corporate	139,682	—	113,936	—	25,746	22.6
Total	<u>\$ 895,531</u>	<u>8.9</u>	<u>\$ 870,054</u>	<u>7.8</u>	<u>\$ 25,477</u>	<u>2.9</u>

	FISCAL 2024	% of Segment Net Sales	FISCAL 2023	% of Segment Net Sales	Change Amount	% Change
INCOME (LOSS) BEFORE INCOME TAXES:						
Recreational vehicles						
North American Towable	\$ 169,232	4.6	\$ 237,123	5.6	\$ (67,891)	(28.6)
North American Motorized	126,496	5.2	255,207	7.7	(128,711)	(50.4)
Total North America	295,728	4.8	492,330	6.5	(196,602)	(39.9)
European	231,377	6.9	179,625	5.9	51,752	28.8
Total recreational vehicles	527,105	5.6	671,955	6.4	(144,850)	(21.6)
Other, net	45,299	5.8	36,965	4.8	8,334	22.5
Corporate	(223,560)	—	(209,567)	—	(13,993)	(6.7)
Total	<u>\$ 348,844</u>	3.5	<u>\$ 499,353</u>	4.5	<u>\$ (150,509)</u>	(30.1)

	As of July 31, 2024	As of July 31, 2023	Change Amount	% Change
ORDER BACKLOG:				
Recreational vehicles				
North American Towable	\$ 552,379	\$ 756,047	\$ (203,668)	(26.9)
North American Motorized	776,903	1,242,936	(466,033)	(37.5)
Total North America	1,329,282	1,998,983	(669,701)	(33.5)
European	1,950,793	3,549,660	(1,598,867)	(45.0)
Total	<u>\$ 3,280,075</u>	<u>\$ 5,548,643</u>	<u>\$ (2,268,568)</u>	(40.9)

CONSOLIDATED

Consolidated net sales for fiscal 2024 decreased \$1,078,197, or 9.7%, compared to fiscal 2023. The decrease in consolidated net sales is primarily due to lower current dealer and consumer demand in comparison to fiscal 2023 in the North American Towable and Motorized segments, partially offset by an increase in net sales from our European segment. Approximately 34% of the Company's net sales for fiscal 2024 were transacted in a currency other than the U.S. dollar. The Company's most material exchange rate exposure is sales in Euros. The \$1,078,197, or 9.7% decrease in consolidated net sales in fiscal 2024 includes an increase of \$66,670 from the change in currency exchange rates between the two periods. To determine this impact, net sales transacted in currencies other than U.S. dollars have been translated to U.S. dollars using the average exchange rates that were in effect during the comparative period.

Consolidated gross profit for fiscal 2024 decreased \$144,391, or 9.0%, compared to fiscal 2023. Consolidated gross profit was 14.5% of consolidated net sales for fiscal 2024 and 14.4% for fiscal 2023. The decrease in consolidated gross profit in fiscal 2024 compared to fiscal 2023 was primarily due to the impact of the decrease in consolidated net sales.

Selling, general and administrative expenses for fiscal 2024 increased \$25,477, or 2.9%, compared to fiscal 2023, which included increased sales-related travel, advertising and promotional costs, dealer settlement and repurchase costs, research and development costs and professional fees, including third-party fees related to the debt refinancing in the second quarter of fiscal 2024. These cost increases were partially offset by the impact of the 9.7% decrease in consolidated net sales and the decrease in income before income taxes, which resulted in lower sales commissions and other incentive compensation, and there was a combined decrease in net costs related to the investigation of the Company's advertising practices in Germany and a product recall as discussed in Note 15 to the Consolidated Financial Statements. Selling, general and administrative expenses were 8.9% of consolidated net sales for fiscal 2024 and 7.8% for fiscal 2023, with the increase in percentage due to the combination of the decrease in consolidated net sales in fiscal 2024 compared to fiscal 2023 and the increase in costs.

Amortization of intangible assets expense for fiscal 2024 decreased \$8,264, or 5.9%, to \$132,544, compared to fiscal 2023 due to a reduction in dealer network amortization, which is amortized on an accelerated basis and therefore decreases over time.

The decrease of \$150,509, or 30.1%, in income before income taxes for fiscal 2024 compared to fiscal 2023, was primarily driven by the decrease in consolidated net sales and the increase in selling, general and administrative expenses noted above.

The overall annual effective income tax rate for fiscal 2024 was 23.9%, compared with 25.1% for fiscal 2023. The primary reason for the decrease in the overall annual effective income tax rate relates to the favorable impact of the terms of the resolution of certain matters discussed in Note 15 to the Consolidated Financial Statements in fiscal 2024.

Additional information concerning the changes in net sales, gross profit and selling, general and administrative expenses are addressed below in the segment reporting that follows.

The \$25,746 increase in Corporate expenses included in selling, general and administrative expenses for fiscal 2024 compared to fiscal 2023 includes an increase of \$9,594 in legal and professional fees, primarily related to third-party fees of \$7,175 incurred with the debt refinancing discussed in Note 13 to the Condensed Consolidated Financial Statements. The \$25,746 increase also includes an increase in deferred compensation expense of \$8,475 due to market value fluctuations between the two periods, an increase in innovation-led research and development costs of \$8,463 and an increase in stock-based and other compensation costs of \$4,018. Costs related to certain dealer promotional programs also increased \$4,500. These expense increases were partially offset by income of \$17,012 related to the legal and recall matters discussed in Note 15 to the Condensed Consolidated Financial Statements.

Net expense for Corporate interest and other income and expenses decreased \$11,753 in fiscal 2024 compared to fiscal 2023. Net interest expense decreased by \$12,157, in spite of the one-time debt refinancing fees of \$7,566 incurred in the second quarter of fiscal 2024, due to increased interest income received from higher average cash balances held and higher interest income rates combined with lower debt interest expense, primarily due to lower average debt balances outstanding. In addition, there were favorable changes of \$8,038 in the fair value of the Company's deferred compensation plan assets and \$7,958 in the fair value of certain other equity investments, both due to market value fluctuations between the two periods. These net expense decreases were partially offset by a decrease of \$7,227 in non-cash foreign currency gains on certain Euro-denominated loans in fiscal 2024 as compared to fiscal 2023, and operating losses related to our equity investments as discussed in Note 8 to the Condensed Consolidated Financial Statements were \$2,976 larger in fiscal 2024 as compared to fiscal 2023, primarily due to the current period including a full year of results in fiscal 2024 as compared to seven months in fiscal 2023.

SEGMENT REPORTING

North American Towable Recreational Vehicles

Analysis of Change in Net Sales for Fiscal 2024 vs. Fiscal 2023

	Fiscal 2024	% of Segment Net Sales	Fiscal 2023	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
North American Towable						
Travel Trailers	\$ 2,395,246	65.1	\$ 2,587,686	61.6	\$ (192,440)	(7.4)
Fifth Wheels	1,284,425	34.9	1,614,942	38.4	(330,517)	(20.5)
Total North American Towable	<u>\$ 3,679,671</u>	100.0	<u>\$ 4,202,628</u>	100.0	<u>\$ (522,957)</u>	(12.4)

	Fiscal 2024	% of Segment Shipments	Fiscal 2023	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
North American Towable						
Travel Trailers	91,639	81.2	81,432	76.5	10,207	12.5
Fifth Wheels	21,191	18.8	25,072	23.5	(3,881)	(15.5)
Total North American Towable	<u>112,830</u>	100.0	<u>106,504</u>	100.0	<u>6,326</u>	5.9

IMPACT OF CHANGE IN PRODUCT MIX AND PRICE ON NET SALES:					% Change
North American Towable					
Travel Trailers					(19.9)
Fifth Wheels					(5.0)
Total North American Towable					(18.3)

The decrease in total North American Towable net sales of 12.4% compared to the prior fiscal year resulted from a 5.9% increase in unit shipments and a 18.3% decrease in the overall net price per unit due to the combined impact of changes in product mix and price. The increase in unit shipments is primarily due to the recent demand for the lower cost travel trailer units as compared to the prior year. According to statistics published by RVIA, for the twelve months ended July 31, 2024, combined travel trailer and fifth wheel wholesale unit shipments increased 8.0% compared to the same period last year. According to statistics published by Stat Surveys, for the twelve-month periods ended June 30, 2024 and 2023, our retail market share for travel trailers and fifth wheels combined was 40.4% and 42.4%, respectively.

The decreases in the overall net price per unit within the travel trailer product line of 19.9% and the fifth wheel product line of 5.0% during fiscal 2024 were primarily due to product mix changes trending toward more moderately-priced units as compared to fiscal 2023.

North American Towable cost of products sold decreased \$446,856 to \$3,252,285, or 88.4% of North American Towable net sales, for fiscal 2024 compared to \$3,699,141, or 88.0% of North American Towable net sales, for fiscal 2023. Changes in material, labor, freight-out and warranty costs comprised \$418,720 of the \$446,856 decrease in cost of products. Material, labor, freight-out and warranty costs as a combined percentage of North American Towable net sales were 80.2% for both fiscal 2024 and fiscal 2023, as a decrease in the material cost percentage driven by the combined favorable impacts of selective net selling price increases, stable material costs and cost-saving initiatives was offset by an increase in the labor cost percentage due to product mix changes and a modest increase in the warranty cost percentage.

Total manufacturing overhead decreased \$28,136 in correlation with the decrease in sales but increased as a percentage of North American Towable net sales from 7.8% to 8.2%, as the decreased net sales levels resulted in higher overhead costs per unit sold. Variable costs in manufacturing overhead decreased \$28,487 in fiscal 2024 compared to fiscal 2023 as a result of the decrease in North American Towable net sales.

The decrease of \$76,101 in North American Towable gross profit for fiscal 2024 compared to fiscal 2023 was driven by the decrease in net sales, and the decrease in the gross profit percentage is due to the increase in the cost of products sold percentage noted above.

The increase of \$2,714 in North American Towable selling, general and administrative expenses for fiscal 2024 compared to fiscal 2023 includes the impact of the decreases in North American Towable net sales and income before income taxes, which caused related commissions, incentive and other compensation to decrease by \$6,310. Sales-related travel, advertising and promotional costs also decreased \$2,160. These decreases were more than offset by an increase of \$15,229 in professional fees and settlement and RV repurchase costs. The increase in the overall selling, general and administrative expense as a percentage of North American Towable net sales was primarily due to the decrease in North American Towable net sales.

The decrease of \$67,891 in North American Towable income before income taxes for fiscal 2024 compared to fiscal 2023 was primarily due to the decrease in North American Towable net sales, and the primary reasons for the decrease in the percentage of North American Towable net sales were the increases in the cost of products sold and selling, general and administrative expense percentages noted above.

North American Motorized Recreational Vehicles

Analysis of Change in Net Sales for Fiscal 2024 vs. Fiscal 2023

	Fiscal 2024	% of Segment Net Sales	Fiscal 2023	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
North American Motorized						
Class A	\$ 776,836	31.8	\$ 1,066,617	32.2	\$ (289,781)	(27.2)
Class C	1,162,140	47.5	1,536,398	46.4	(374,258)	(24.4)
Class B	506,874	20.7	711,155	21.4	(204,281)	(28.7)
Total North American Motorized	<u>\$ 2,445,850</u>	100.0	<u>\$ 3,314,170</u>	100.0	<u>\$ (868,320)</u>	(26.2)

	Fiscal 2024	% of Segment Shipments	Fiscal 2023	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
North American Motorized						
Class A	3,838	20.5	5,246	21.1	(1,408)	(26.8)
Class C	10,560	56.3	13,643	54.9	(3,083)	(22.6)
Class B	4,363	23.2	5,943	24.0	(1,580)	(26.6)
Total North American Motorized	<u>18,761</u>	100.0	<u>24,832</u>	100.0	<u>(6,071)</u>	(24.4)

	% Change
IMPACT OF CHANGE IN PRODUCT MIX AND PRICE ON NET SALES:	
North American Motorized	
Class A	(0.4)
Class C	(1.8)
Class B	(2.1)
Total North American Motorized	(1.8)

The decrease in total North American Motorized net sales of 26.2% compared to the prior fiscal year resulted from a 24.4% decrease in unit shipments and a 1.8% decrease in the overall net price per unit due to the combined impact of changes in product mix and price, which included elevated sales discounts compared to the prior fiscal year. The decrease in unit shipments is primarily due to a softening in current dealer and consumer demand in comparison with the demand in the prior fiscal year, which included independent dealer restocking of certain motorized products. According to statistics published by RVIA, for the twelve months ended July 31, 2024, combined motorhome wholesale unit shipments decreased 24.2% compared to the same period last year. According to statistics published by Stat Surveys, for the twelve-month periods ended June 30, 2024 and 2023, our retail market share for motorhomes was 47.7% and 48.2%, respectively.

The decreases in the overall change in product mix and price per unit within the Class A product line of 0.4%, the Class C product line of 1.8% and the Class B product line of 2.1% during fiscal 2024 were all primarily due to both higher discounting levels and consumers trending toward more moderately-priced units compared to the prior fiscal year.

North American Motorized cost of products sold decreased \$703,445 to \$2,168,010, or 88.6% of North American Motorized net sales, for fiscal 2024 compared to \$2,871,455, or 86.6% of North American Motorized net sales, for fiscal 2023. The changes in material, labor, freight-out and warranty costs comprised \$665,521 of the \$703,445 decrease due to the decreased sales volume. Material, labor, freight-out and warranty costs as a combined percentage of motorized net sales was 82.4% for fiscal 2024 compared to 80.9% for fiscal 2023, with the increase mainly due to an increase in the material cost percentage, primarily due to higher sales discounting, which effectively decreases net selling prices and correspondingly increases the material cost percentage, as well as increased chassis costs. These material cost percentage increases were partially offset by the favorable impact of the North American Motorized LIFO inventory liquidation of approximately \$23,900 in fiscal 2024.

Total manufacturing overhead decreased \$37,924 with the decrease in net sales but increased as a percentage of North American Motorized net sales from 5.7% to 6.2%, as the decrease in net sales levels resulted in slightly higher overhead costs per unit sold. Variable costs in manufacturing overhead decreased \$39,251 in fiscal 2024 compared to fiscal 2023 as a result of the decrease in North American Motorized net sales.

The decrease of \$164,875 in North American Motorized gross profit for fiscal 2024 compared to fiscal 2023 was driven by the decrease in net sales, while the decrease in the gross profit percentage was due to the increase in the cost of products sold percentage noted above.

The decrease of \$39,111 in North American Motorized selling, general and administrative expenses in fiscal 2024 compared to fiscal 2023 was primarily due to the decreases in North American Motorized net sales and income before income taxes, which caused related commissions, incentive and other compensation to decrease by \$40,330. This decrease was partially offset by an increase in professional fees and settlement and RV repurchase costs of \$5,690. The increase in the overall selling, general and administrative expense as a percentage of North American Motorized net sales was primarily due to the decrease in North American Motorized net sales.

The decrease of \$128,711 in North American Motorized income before income taxes for fiscal 2024 compared to fiscal 2023 was primarily due to the decrease in North American Motorized net sales, and the primary reasons for the decrease in the percentage of North American Motorized net sales were the increases in the cost of products sold and selling, general and administrative expense percentages noted above.

European Recreational Vehicles

Analysis of Change in Net Sales for Fiscal 2024 vs. Fiscal 2023

	Fiscal 2024	% of Segment Net Sales	Fiscal 2023	% of Segment Net Sales	Change Amount	% Change
NET SALES:						
European						
Motorcaravan	\$ 1,747,291	51.9	\$ 1,409,137	46.4	\$ 338,154	24.0
Campervan	1,064,293	31.6	987,623	32.5	76,670	7.8
Caravan	235,928	7.0	358,415	11.8	(122,487)	(34.2)
Other	317,468	9.5	281,972	9.3	35,496	12.6
Total European	<u>\$ 3,364,980</u>	100.0	<u>\$ 3,037,147</u>	100.0	<u>\$ 327,833</u>	10.8

	Fiscal 2024	% of Segment Shipments	Fiscal 2023	% of Segment Shipments	Change Amount	% Change
# OF UNITS:						
European						
Motorcaravan	23,300	42.1	19,391	34.8	3,909	20.2
Campervan	22,461	40.6	21,087	37.9	1,374	6.5
Caravan	<u>9,556</u>	17.3	<u>15,201</u>	27.3	<u>(5,645)</u>	(37.1)
Total European	<u>55,317</u>	100.0	<u>55,679</u>	100.0	<u>(362)</u>	(0.7)

IMPACT OF CHANGES IN FOREIGN CURRENCY, PRODUCT MIX AND PRICE ON NET SALES:

	Foreign Currency %	Mix and Price %	% Change
European			
Motorcaravan	2.2	1.6	3.8
Campervan	2.2	(0.9)	1.3
Caravan	2.2	0.7	2.9
Total European	2.2	9.3	11.5

The increase in total European Recreational Vehicle net sales of 10.8% compared to the prior fiscal year resulted from a decrease of 0.7% in unit shipments and an increase of 11.5% in the overall net price per unit due to the total impact of changes in foreign currency, product mix and price. The increase in European Recreational Vehicle net sales of \$327,833 includes an increase of \$66,670, or 2.2% of the 10.8% increase, due to the increase in foreign exchange rates in fiscal 2024 compared to fiscal 2023. Sales on a constant-currency basis increased by 8.6%.

The overall net price per unit increase of 11.5% includes an increase of 2.2% due to the impact of foreign currency exchange rate changes and a constant-currency increase of 9.3% due to the combined impact of product mix and selling price increases, primarily due to the much higher concentration of the higher-priced Motorcaravan sales in the current fiscal year compared to the prior fiscal year, primarily due to improved supply of chassis and other components compared to the prior fiscal year.

The constant-currency increases in the overall net price per unit within the Motorcaravan product line of 1.6% and the Caravan product line of 0.7% were primarily due to the impact of net selling price increases and product mix changes. The constant-currency decrease in the overall net price per unit within the Campervan product line of 0.9% was primarily due to the impact of product mix changes and increased sales discounting.

European Recreational Vehicle cost of products sold increased 251,966 to \$2,783,769, or 82.7% of European Recreational Vehicle net sales, for fiscal 2024 compared to 2,531,803, or 83.4% of European Recreational Vehicle net sales, for fiscal 2023. The changes in material, labor, freight-out and warranty costs comprised \$210,144 of the \$251,966 increase. Material, labor, freight-out and warranty costs as a combined percentage of European Recreational Vehicle net sales decreased to 72.5% for fiscal 2024 compared to 73.4% for fiscal 2023 primarily due to a decrease in the labor cost percentage from product mix changes, mainly the increased concentration of motorcaravans which carry a lower direct labor percentage relative to their sales price. The material cost and warranty cost percentages also improved slightly.

Total manufacturing overhead increased \$41,822 with the increase in European Recreational Vehicle net sales and increased as a percentage of European Recreational Vehicle net sales from 10.0% to 10.2% primarily due to small increases in manufacturing overhead wages and benefits and depreciation expense as a percentage of European Recreational Vehicle net sales.

The increase of \$75,867 in European Recreational Vehicle gross profit for fiscal 2024 compared to fiscal 2023 was primarily due to the increase in European Recreational Vehicle net sales and the decrease in the cost of products sold percentage noted above.

The \$26,975 increase in European Recreational Vehicle selling, general and administrative expenses for fiscal 2024 compared to fiscal 2023 included the impact of the increases in European Recreational Vehicle net sales and income before income taxes, which caused related commissions, incentive and other compensation to increase by \$6,732. Sales-related travel and advertising and promotional costs also increased \$11,617, primarily due to increased display space at the annual Caravan Salon show and attending more regional shows in comparison to the prior fiscal year, and professional fees also increased \$2,699.

The primary reason for the \$51,752 increase in European Recreational Vehicle income before income taxes was the increase in European Recreational Vehicle net sales. The primary reasons for the increase in percentage was the decrease in the cost of products sold percentage noted above. Amortization expense was also 0.3% lower as a percentage of sales in fiscal 2024 compared to fiscal 2023.

Liquidity and Capital Resources

As of July 31, 2024, we had \$501,316 in cash and cash equivalents, of which \$373,031 is held in the United States and the equivalent of \$128,285, predominantly in Euros, is held in Europe, compared to \$441,232 on July 31, 2023, of which \$338,703 was held in the United States and the equivalent of \$102,529, predominantly in Euros, was held in Europe. Cash and cash equivalents held internationally may be subject to foreign withholding taxes if repatriated to the United States. The components of the \$60,084 increase in cash and cash equivalents are described in more detail below, but the increase was primarily attributable to cash provided by operations of \$545,548 less cash used in financing activities of \$337,677 and cash used in investing activities of \$146,812.

Net working capital at July 31, 2024 was \$1,083,005 compared to \$1,077,098 at July 31, 2023. Capital expenditures of \$139,635 for fiscal 2024 were made primarily for production building additions and improvements and replacing machinery and equipment used in the ordinary course of business.

We strive to maintain adequate cash balances to ensure we have sufficient resources to respond to opportunities and changing business conditions. In addition, the unused availability under our revolving asset-based credit facility is generally available to the Company for general operating purposes and approximated \$814,000 at July 31, 2024. We believe our on-hand cash and cash equivalents and funds generated from operations, along with funds available under the revolving asset-based credit facility, will be sufficient to fund expected operational requirements for the foreseeable future.

Our priorities for the use of current and future available cash generated from operations remain consistent with our history, and include reducing our indebtedness, maintaining and, over time, growing our dividend payments and funding our growth, both organically and, opportunistically, through acquisitions. We may also consider strategic and opportunistic repurchases of shares of THOR stock under the share repurchase authorizations as discussed in Note 17 to the Consolidated Financial Statements, and special dividends based upon market and business conditions and excess cash availability, subject to potential customary limits and restrictions pursuant to our credit facilities, applicable legal limitations and determination by the Company's Board of Directors ("Board"). We believe our on-hand cash and cash equivalents and funds generated from operations will be sufficient to fund expected cash dividend payments and share repurchases for the foreseeable future.

Our current estimate of committed and internally approved capital spend for fiscal 2025 is \$225,000, primarily for certain building projects and certain automation projects, as well as replacing and upgrading machinery, equipment and other assets throughout our facilities to be used in the ordinary course of business. We anticipate approximately two-thirds of our capital spend will be in North America and one-third in Europe, and that these expenditures will be funded by cash provided by our operating activities.

The Company's Board currently intends to continue regular quarterly cash dividend payments in the future. As is customary under credit facilities, certain actions, including our ability to pay dividends, are subject to the satisfaction of certain payment conditions prior to payment. The conditions for the payment of dividends under the existing debt facilities include a minimum level of adjusted excess cash availability and a fixed charge coverage ratio test, both as defined in the credit agreements. The declaration of future dividends and the establishment of the per share amounts, record dates and payment dates for any such future dividends are subject to the determination of the Board, and will be dependent upon future earnings, cash flows and other factors, in addition to compliance with any then-existing financing facilities.

Operating Activities

Net cash provided by operating activities for fiscal 2024 was \$545,548 as compared to net cash provided by operating activities of \$981,633 for fiscal 2023.

For fiscal 2024, net income adjusted for non-cash items (primarily depreciation, amortization of intangibles, deferred income tax benefit and stock-based compensation) provided \$564,153 of operating cash. The change in net working capital used operating cash of \$18,605 during fiscal 2024, primarily due to a reduction in inventory levels being more than offset by a decrease in accounts payable associated with the decrease in inventory levels, required income tax payments exceeding the income tax provision for fiscal 2024 and a decrease in certain accrued liabilities as a result of the reduction in sales and production compared to fiscal 2023.

For fiscal 2023, net income adjusted for non-cash items (primarily depreciation, amortization of intangibles, deferred income tax benefit and stock-based compensation) provided \$664,339 of operating cash. The change in net working capital provided additional operating cash of \$317,294 during fiscal 2023, primarily due to decreases in accounts receivable due to lower sales levels and a reduction in inventory levels.

Investing Activities

Net cash used in investing activities for fiscal 2024 was \$146,812, primarily due to capital expenditures of \$139,635.

Net cash used in investing activities for fiscal 2023 was \$222,483, primarily due to capital expenditures of \$208,194.

Financing Activities

Net cash used in financing activities for fiscal 2024 was \$337,677, including borrowings of \$113,502 on the asset-based credit facility for temporary working capital needs and subsequent payments of \$111,555 on the asset-based credit facility. In addition, borrowings of \$186,723 were made in connection with the debt refinancing as discussed in Note 13 to the Consolidated Financial Statements, and payments totaling \$340,619 were made on the term-loan credit facilities, of which \$127,626 was paid in connection with the debt refinancing. Additionally, the Company made regular quarterly cash dividend payments of \$0.48 per share for each quarter of fiscal 2024 totaling \$102,137, and \$68,387 was used for treasury share repurchases.

Net cash used in financing activities for fiscal 2023 was \$635,685, including payments of \$100,000 on the ABL facility and \$402,355 on the term-loan credit facilities. Additionally, the Company made regular quarterly cash dividend payments of \$0.45 per share for each quarter of fiscal 2023 totaling \$95,969, and \$42,007 was used for treasury share repurchases.

The Company increased its previous regular quarterly dividend of \$0.45 per share to \$0.48 per share in October 2023. The Company increased its previous regular quarterly dividend of \$0.43 per share to \$0.45 per share in October 2022.

Principal Contractual Obligations and Commercial Commitments

Our principal contractual obligations and commercial commitments at July 31, 2024 are summarized in the following charts. Unrecognized income tax benefits in the amount of \$12,405 have been excluded from the table because we are unable to determine a reasonably reliable estimate of the timing of future payment. We have no other material off-balance sheet commitments.

<u>Contractual Obligations</u>	Payments Due By Period				
	Total	Fiscal 2025	Fiscal 2026-2027	Fiscal 2028-2029	After 5 Years
Debt principal payments ⁽¹⁾	\$ 1,151,279	\$ 32,650	\$ 5,838	\$ 10,720	\$ 1,102,071
Finance leases ⁽²⁾	\$ 3,144	\$ 1,083	\$ 2,003	\$ 58	\$ —
Operating leases ⁽²⁾	\$ 59,678	\$ 17,182	\$ 20,373	\$ 8,445	\$ 13,678
Purchase obligations ⁽³⁾	\$ 191,621	\$ 191,621	\$ —	\$ —	\$ —
Total contractual cash obligations	<u>\$ 1,405,722</u>	<u>\$ 242,536</u>	<u>\$ 28,214</u>	<u>\$ 19,223</u>	<u>\$ 1,115,749</u>

(1) See Note 13 to the Consolidated Financial Statements for additional information.

(2) See Note 16 to the Consolidated Financial Statements for additional information.

(3) Represent commitments to purchase specified quantities of raw materials at market prices. The dollar values above have been estimated based on July 31, 2024 market prices.

<u>Other Commercial Commitments</u>	Total Amounts Committed	Amount of Commitment Expiration Per Period			
		Less Than One Year ⁽¹⁾	1-3 Years	4-5 Years	Over 5 Years
Standby repurchase obligations ⁽¹⁾	\$ 3,642,137	\$ 2,210,005	\$ 1,432,132	\$ —	\$ —

(1) The standby repurchase totals above do not consider any curtailments that lower the eventual repurchase obligation totals, and these obligations generally extend up to eighteen months from the date of sale of the related product to the dealer. In estimating the expiration of the standby repurchase obligations, we used inventory reports as of July 31, 2024 from our independent dealers' primary lending institutions and made an assumption for obligations for inventory aged 0-12 months that it was financed evenly over the twelve-month period.

Application of Critical Accounting Estimates

See Note 1 to the Consolidated Financial Statements for further information on the Company's significant accounting policies.

The Consolidated Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We believe that of our accounting estimates, the following may involve a higher degree of judgment and complexity:

Business Combinations

We account for the acquisition of a business using the acquisition method of accounting. Assets acquired and liabilities assumed, including amounts attributed to non-controlling interests, are recorded at the acquisition date at their fair values. Assigning fair values requires the Company to make significant estimates and assumptions regarding the fair values of identifiable intangible assets, property, plant and equipment, deferred tax asset valuation allowances, and liabilities, such as uncertain tax positions and contingencies. The Company may refine these estimates, if necessary, over a period not to exceed one year by taking into consideration new information that, if known at the acquisition date, would have affected the fair values ascribed to the assets acquired and liabilities assumed.

Significant estimates and assumptions are used in estimating the value of acquired identifiable intangible assets, including estimating future cash flows based on revenues and margins that the Company expects to generate following the acquisition, selecting an applicable royalty rate where needed, determining an appropriate dealer attrition rate, applying an appropriate discount rate to estimate a present value of those cash flows and determining their useful lives. Subsequent changes to projections driven by actual results following the acquisition date could require the Company to record impairment charges.

Goodwill, Intangible and Long-Lived Assets

Goodwill results from the excess of purchase price over the net assets of an acquired business. The Company's reporting units are generally the same as its operating segments, which are identified in Note 3 to the Consolidated Financial Statements. Goodwill is not amortized but is tested for impairment annually as of May 31 of each fiscal year and whenever events or changes in circumstances indicate that an impairment may have occurred. The total carrying value of goodwill as of July 31, 2024 is \$1,786,973. See Note 7 to the Consolidated Financial Statements for a summary of changes in carrying value by fiscal year and reportable segment. If the carrying amount of a reporting unit exceeds its fair value, an impairment charge equal to that excess is recognized, not to exceed the amount of goodwill allocated to the reporting unit. As part of the annual impairment testing, the Company may utilize a qualitative approach rather than a quantitative approach to determine if an impairment exists, considering various factors including industry changes, actual results as compared to forecasted results, or the timing of a recent acquisition, if applicable.

For the Company's May 31, 2024 annual impairment test, multiple reporting units showed fair value exceeding carrying value by less than 25%. The aggregate value of goodwill in these reporting units is approximately 85% of the Company's consolidated goodwill balance. Fair values are determined using discounted cash flow models, and these estimates are subject to significant management judgment, including the determination of many factors and inputs such as, but not limited to, sales growth rates, gross margin patterns, cost growth rates, terminal value assumptions and discount rates developed using market observable inputs and consideration of risk regarding future performance. Market multiples derived from selected guideline public companies are also utilized to evaluate the discounted cash flow models. Changes in any of these estimates can have a significant impact on the determination of fair value. Additionally, market data and factors outside the Company's control, such as interest rates, dealer and end consumer demand, consumer preferences or unexpected competition could have a significant impact on estimated fair values. Changes in any of these estimates or other factors could potentially result in future material impairments in one or more of the Company's reporting units.

The Company's intangible assets are dealer networks, trademarks and design technology and other intangible assets acquired in business acquisitions. Dealer networks are valued on a Discounted Cash Flow method and are amortized on an accelerated basis over 12 to 20 years, with amortization beginning after any applicable backlog amortization is completed. Trademarks and design technology assets are both valued on a Relief of Royalty method and are both amortized on a straight-line basis, using lives of 15 to 25 years for trademarks and 10 to 15 years for design technology assets, respectively. Amortizable intangible assets, net as of July 31, 2024 totaled \$861,133. See Note 7 to the Consolidated Financial Statements for a summary of the components of that balance.

We review our tangible and intangible long-lived assets (individually or in a related group, as appropriate) for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable from future cash flows attributable to the assets. We continually assess whether events or changes in circumstances represent a 'triggering' event that would require us to complete an impairment assessment. Factors that we consider in determining whether a triggering event has occurred include, among other things, whether there has been a significant adverse change in legal factors, business climate or competition related to the operation of the asset, whether there has been a significant decrease in actual or expected operating results related to the asset and whether there are current plans to sell or dispose of the asset. The determination of whether a triggering event has occurred is subject to significant management judgment, including at which point or fiscal quarter a triggering event has occurred when the relevant adverse factors persist over extended periods.

The Company completed its annual goodwill impairment test as of May 31, 2024, and no impairment was identified. See Note 7 to the Consolidated Financial Statements for further information regarding goodwill and intangible assets.

Product Warranty

We generally provide retail customers of our products with either a one-year or two-year warranty covering defects in material or workmanship, with longer warranties on certain structural components or other items. We record a liability, which totaled \$311,627 at July 31, 2024, based on our best estimate of the amounts necessary to settle unpaid existing claims and estimated future claims on products sold as of the balance sheet date. Factors we use in estimating the warranty liability include a history of retail sold units, existing THOR units in dealer inventory, historical average costs per unit incurred and a profile of the distribution of warranty expenditures over the warranty period. A significant increase in service shop rates, the cost of parts or the frequency of claims could have a material adverse impact on our operating results for the period or periods in which such additional claims or costs materialize. Management believes that the warranty liability is appropriate; however, actual claims incurred could differ from estimates, requiring adjustments to the reserves.

Accounting Pronouncements

Reference is made to Note 1 to the Consolidated Financial Statements in this report for a summary of recently adopted accounting pronouncements, which summary is hereby incorporated by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk from changes in foreign currency exchange rates and interest rates. At times, the Company enters into hedging transactions to mitigate certain of these risks in accordance with guidelines established by the Company's management. The Company does not use financial instruments for trading or speculative purposes.

CURRENCY EXCHANGE RISK – The Company's principal currency exposures mainly relate to the Euro and British Pound Sterling. The Company has used foreign currency forward contracts to manage certain foreign exchange rate exposure related to anticipated sales transactions in Pound Sterling with financial instruments whose maturity date, along with the realized gain or loss, occurs on or near the execution of the anticipated transaction.

The Company also holds \$386,279 of debt denominated in Euros at July 31, 2024. A hypothetical 10% change in the Euro/U.S. dollar exchange rate would change our July 31, 2024 debt balance by an estimated \$38,628.

INTEREST RATE RISK – Based on our assumption of the Company's floating-rate debt levels over the next 12 months, a one-percentage-point increase in interest rates (approximately 14.1% of our weighted-average interest rate at July 31, 2024) would result in an estimated \$6,026 reduction in income before income taxes over a one-year period.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information provided in pages F-1 through F-34 at the end of this Report is incorporated by reference in response to this Item.

Quarterly Financial Data (Unaudited)

Fiscal 2024	Quarter Ended			
	October 31	January 31	April 30	July 31
Net sales	\$ 2,500,759	\$ 2,207,369	\$ 2,801,113	\$ 2,534,167
Gross profit	357,932	270,847	421,852	401,331
Net income attributable to THOR Industries, Inc.	53,565	7,217	114,511	90,015
Earnings per common share: ⁽¹⁾				
Basic	\$ 1.01	\$ 0.14	\$ 2.15	\$ 1.70
Diluted	\$ 0.99	\$ 0.13	\$ 2.13	\$ 1.68
Dividends paid per common share	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48

Market prices per common share

High	\$ 116.31	\$ 122.00	\$ 129.31	\$ 110.32
Low	\$ 84.55	\$ 87.52	\$ 96.99	\$ 88.37

Fiscal 2023	Quarter Ended			
	October 31	January 31	April 30	July 31
Net sales	\$ 3,108,084	\$ 2,346,635	\$ 2,928,820	\$ 2,738,066
Gross profit	486,476	282,935	432,637	394,305
Net income attributable to THOR Industries, Inc.	136,185	27,080	120,719	90,287
Earnings per common share: ⁽¹⁾				
Basic	\$ 2.54	\$ 0.51	\$ 2.26	\$ 1.69
Diluted	\$ 2.53	\$ 0.50	\$ 2.24	\$ 1.68
Dividends paid per common share	\$ 0.45	\$ 0.45	\$ 0.45	\$ 0.45

Market prices per common share

High	\$ 96.11	\$ 94.46	\$ 105.36	\$ 115.52
Low	\$ 67.09	\$ 74.00	\$ 74.50	\$ 75.93

- (1) Earnings per common share are computed independently for each of the quarters presented based on net income attributable to THOR Industries, Inc. The summation of the quarterly amounts will not necessarily equal the total earnings per common share reported for the year due to changes in the weighted-average shares outstanding during the year.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Part A – Disclosure Controls and Procedures

The Company maintains “disclosure controls and procedures”, as such term is defined under Securities Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, the Company’s management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and the Company’s management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company has carried out an evaluation, as of the end of the period covered by this report, under the supervision and with the participation of the Company’s management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms and is accumulated and communicated to the Company’s management as appropriate to allow for timely decisions regarding required disclosure.

Part B – Management’s Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting refers to a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

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

The Company’s management conducted an assessment of the effectiveness of our internal control over financial reporting as of July 31, 2024 using the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management believes that as of July 31, 2024, the Company’s internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on our internal control over financial reporting. The report appears in Part D of this Item 9A.

Part C – Changes in Internal Control Over Financial Reporting

During the fourth quarter of fiscal year 2024, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of THOR Industries, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of THOR Industries, Inc. and subsidiaries (the “Company”) as of July 31, 2024, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of July 31, 2024, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended July 31, 2024, of the Company and our report dated September 24, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management’s Annual Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte & Touche LLP
Chicago, Illinois
September 24, 2024

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

The Company's Insider Trading Policy permits its directors and officers to trade Company stock under a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act, subject to compliance with applicable regulations as well as the Company's Insider Trading Policy and share ownership requirements. The Insider Trading Policy provides that each officer or director Rule 10b5-1 trading arrangement must be entered into in writing during an open trading window and at a time that the officer or director is not aware of material nonpublic information. The Company generally requires that any Rule 10b5-1 trading arrangement adopted by an officer or director must not expire within one year of implementation and is subject to a mandatory cooling-off period requirement.

On July 2, 2024, our Chief Operating Officer, Todd Woelfer, adopted a Rule 10b5-1 trading arrangement (providing for the sale of up to 22,500 shares of Company common stock) that is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. Mr. Woelfer's Rule 10b5-1 trading arrangement provides for a mandatory cooling-off period as required by Rule 10b5-1 and is scheduled to expire on September 26, 2025 or such earlier date as of which all of the shares covered by the arrangement have been sold. As of July 31, 2024, Mr. Woelfer held 72,514 shares of Company common stock not subject to trading under his Rule 10b5-1 trading arrangement.

Except as described above, no director or officer of the Company adopted or terminated a Rule 10b5-1 trading arrangement or "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) during the three months ended July 31, 2024.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has adopted a written code of ethics, the “THOR Industries, Inc. Business Ethics Policy”, which is applicable to all directors, officers and employees of the Company, including the Company’s principal executive officer, principal financial officer, principal accounting officer or controller and other executive officers identified pursuant to this Item 10 who perform similar functions (collectively, the “Selected Officers”). In accordance with the rules and regulations of the SEC, a copy of the code has been posted on the Company’s website at <https://ir.thorindustries.com/corporate-governance/governance-documents/default.aspx> and is also available in print to any person, without charge, upon request. The Company intends to disclose any changes in or waivers from its code of ethics applicable to any Selected Officer on its website at www.thorindustries.com or by filing a Form 8-K.

The other information in response to this Item is included under the captions OUR BOARD OF DIRECTORS; EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS; BOARD OF DIRECTORS: STRUCTURE AND COMMITTEES AND CORPORATE GOVERNANCE: OWNERSHIP OF COMMON STOCK and DELINQUENT SECTION 16(A) REPORTS in the Company’s definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A, which portions of said Proxy Statement are hereby incorporated by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required in response to this Item is contained under the captions COMPENSATION DISCUSSION AND ANALYSIS, EXECUTIVE COMPENSATION: BOARD OF DIRECTORS: STRUCTURE AND COMMITTEES AND CORPORATE GOVERNANCE - DIRECTOR COMPENSATION and COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION in the Company’s definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A, which portions of said Proxy Statement are hereby incorporated by reference.

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

Equity Compensation Plan Information

The following table provides information as of July 31, 2024 about the Company’s Common Stock that is authorized for issuance under the THOR Industries, Inc. 2016 Equity and Incentive Plan (the “2016 Plan”).

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	939,238 (1)	\$ — (2)	823,120 (3)
Equity compensation plans not approved by security holders	—	—	—
Total	939,238	\$ —	823,120

(1) Represents shares underlying restricted stock units and performance stock units granted pursuant to the 2016 Plan.

(2) The restricted stock units and performance stock units totaling 939,238 in column (a) do not have an exercise price.

(3) Represents shares remaining available for future issuance pursuant to the 2016 Plan.

The other information required in response to this Item is contained under the caption OWNERSHIP OF COMMON STOCK in the Company’s definitive Proxy Statement, to be filed with the SEC pursuant to Regulation 14A, which portions of said Proxy Statement are hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required in response to this Item is contained under the captions CERTAIN RELATIONSHIPS AND TRANSACTIONS WITH MANAGEMENT and BOARD OF DIRECTORS: STRUCTURE, COMMITTEES AND CORPORATE GOVERNANCE in the Company's definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A, which portions of said Proxy Statement are hereby incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required in response to this Item is contained under the caption INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES in the Company's definitive Proxy Statement, to be filed with the SEC pursuant to Regulation 14A, which portion of said Proxy Statement is hereby incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements

<u>Report of Independent Registered Public Accounting Firm, Deloitte & Touche LLP (Firm ID No. 34)</u>	Page <u>F-1</u>
<u>Consolidated Balance Sheets, July 31, 2024 and 2023</u>	<u>F-3</u>
<u>Consolidated Statements of Income and Comprehensive Income for the Years Ended July 31, 2024, 2023 and 2022</u>	<u>F-4</u>
<u>Consolidated Statements of Stockholders' Equity for the Years Ended July 31, 2024, 2023 and 2022</u>	<u>F-5</u>
<u>Consolidated Statements of Cash Flows for the Years Ended July 31, 2024, 2023 and 2022</u>	<u>F-6</u>
<u>Notes to the Consolidated Financial Statements as of and for the Years Ended July 31, 2024, 2023 and 2022</u>	<u>F-7</u>

(a) (2) Financial Statement Schedules

All financial statement schedules have been omitted since the required information is either not applicable, not material or is included in the consolidated financial statements and notes thereto included in this Annual Report on Form 10-K.

(b) Exhibits

Exhibit	Description ***
2.1	<u>Purchase Agreement, dated as of September 1, 2021, by and among the Company, AirX Intermediate, Inc. and Airx Midco, LLC (incorporated by reference to Exhibit 2.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2021)</u>
3.1	<u>Thor Industries, Inc. Amended and Restated Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated December 20, 2018)</u>
3.2	<u>Thor Industries, Inc. Amended and Restated By-Laws, as amended (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K dated December 20, 2018)</u>
4.1	<u>Indenture, dated as of October 14, 2021, among the Company, the guarantors named therein and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 14, 2021)</u>
4.2	<u>Form of 4.000% Senior Notes due 2029 (incorporated by reference to Exhibit A to Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 14, 2021)</u>
4.3	Form of Common Stock Certificate (incorporated by reference to Exhibit 4(a) of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1987) (P) Rule 311
4.4	<u>Description of Registrant's Securities (incorporated by reference to Exhibit 4.2 of the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2020)</u>
10.1	<u>Thor Industries, Inc. Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2022) +</u>
10.2	<u>Thor Industries, Inc. Form of Indemnification Agreement for executive officers and directors of the Company (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2011) +</u>
10.3	<u>Amended and Restated Dealer Exclusivity Agreement, dated as of January 30, 2009, by and among Thor Industries, Inc., FreedomRoads Holding Company, LLC, FreedomRoads, LLC and certain subsidiaries of FreedomRoads, LLC (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2011)</u>
10.4	<u>Amendment No. 1 to Amended and Restated Dealer Exclusivity Agreement between the Company, FreedomRoads Holding Company, LLC, FreedomRoads, LLC and certain subsidiaries of FreedomRoads, LLC, dated as of December 22, 2009 (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated December 22, 2009)</u>
10.5	<u>THOR Industries, Inc. 2016 Equity and Incentive Plan, as amended (incorporated by reference to Appendix A to the Company's Additional Proxy Soliciting Materials on Schedule 14A filed on December 2, 2021) +</u>
10.6	<u>Form of Restricted Stock Unit Award Agreement for Grants to Employees of the Company under the Thor Industries, Inc. 2016 Equity and Incentive Plan (incorporated by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K dated March 20, 2017) +</u>

- 10.7 [Form of Restricted Stock Unit Award Agreement for Grants to Non-Employee Directors of the Company under the Thor Industries, Inc. 2016 Equity and Incentive Plan \(incorporated by reference to Exhibit 99.2 of the Company's Current Report on Form 8-K dated March 20, 2017\) +](#)
- 10.8 [Term Loan Agreement, dated as of February 1, 2019, by and among the Company, as borrower, the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as administrative agent \(incorporated by reference to Exhibit 10.1 of the Company's Current report on Form 8-K dated February 1, 2019, as amended April 18, 2019\)](#)
- 10.9 [ABL Credit Agreement, dated as of February 1, 2019, by and among the Company, certain domestic subsidiaries of the Company, certain subsidiaries of EHG organized under the laws of Germany and a subsidiary of EHG organized under the laws of the United Kingdom, the several lenders from time to time parties thereto and JPMorgan, as administrative agent \(incorporated by reference to Exhibit 10.2 of the Company's Current report on Form 8-K dated February 1, 2019, as amended April 18, 2019\)](#)
- 10.10 [Amendment No. 1 to the Term Loan Credit Agreement dated as of March 25, 2021, by and among the Company, certain subsidiaries of the Company and JPMorgan Chase Bank, N.A., as Administrative Agent and Term B-1 Lender \(incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended April 30, 2021\)](#)
- 10.11 [Form of Employment Agreement between the Company and each of Robert W. Martin, Colleen Zuhl, W. Todd Woelfer, and Trevor Q. Gasper dated July 24, 2023 \(incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2023\) +](#)
- 10.12 [Amendment No. 1 to the ABL Credit Agreement, dated as of September 1, 2021, by and among the Company, certain domestic subsidiaries of the Company, certain subsidiaries of EHG organized under the laws of Germany and a subsidiary of EHG organized under the laws of the United Kingdom, the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent \(incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended October 31, 2021\)](#)
- 10.13 [Amendment No. 2 to the Term Loan Credit Agreement dated as of May 9, 2023, by and among the Company, certain subsidiaries of the Company and JPMorgan Chase Bank, N.A., as Administrative Agent and Term B-1 Lender \(incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2023\)](#)
- 10.14 [Amendment No. 2 to the ABL Credit Agreement, dated as of May 1, 2023, by and among the Company, certain domestic subsidiaries of the Company, certain subsidiaries of EHG organized under the laws of Germany and a subsidiary of EHG organized under the laws of the United Kingdom, the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent \(incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2023\)](#)
- 10.15 [Amendment No. 3 to the Term Loan Credit Agreement dated as of November 15, 2023, by and among the Company, certain subsidiaries of the Company and JPMorgan Chase Bank, N.A., as Administrative Agent and Term B-1 Lender \(incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2024\)](#)
- 10.16 [Amendment No. 3 to the ABL Credit Agreement, dated as of November 15, 2023, by and among the Company, certain domestic subsidiaries of the Company, certain subsidiaries of EHG organized under the laws of Germany and a subsidiary of EHG organized under the laws of the United Kingdom, the several lenders from time to time parties thereto and JPMorgan Chase Bank, N.A., as Administrative Agent \(incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2024\)](#)
- 10.17 [Form of Employment Agreement between the Company and Michele McDermott dated January 29, 2024 \(incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended January 31, 2024\) +](#)
- 10.18 [Amendment No. 4 to the Term Loan Credit Agreement dated as of July 1, 2024, by and among the Company, certain subsidiaries of the Company and JPMorgan Chase Bank, N.A., as Administrative Agent and Term B-1 Lender*](#)
- 19.1 [THOR Industries, Inc. Policy ADM-2A: Insider Trading effective July 10, 2015, and revised effective February 1, 2024*](#)
- 21.1 [Subsidiaries of the Registrant*](#)
- 23.1 [Consent of Deloitte & Touche LLP, dated September 24, 2024*](#)
- 31.1 [Certification of the Chief Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*](#)
- 31.2 [Certification of the Chief Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*](#)
- 32.1 [Certification of the Chief Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**](#)

32.2	<u>Certification of the Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**</u>
97.1	<u>THOR Industries, Inc.'s Amended and Restated Policy on Recoupment of Performance-Based Compensation in the Event of an Accounting Restatement*</u>
101.INS	Inline XBRL Instance Document*
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
104.1	The cover page from THOR Industries Inc.'s Annual Report on Form 10-K for the fiscal year ended July 31, 2024 formatted in Inline XBRL (included in Exhibit 101).

Attached as Exhibits 101 to this report are the following financial statements from the Company's Annual Report on Form 10-K for the year ended July 31, 2024 formatted in iXBRL (Inline "eXtensible Business Reporting Language"): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income and Comprehensive Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) the Consolidated Statements of Cash Flows and (v) related notes to these financial statements.

*	Filed herewith
**	Furnished herewith
***	Certain schedules and exhibits referenced in certain agreements filed as exhibits hereto have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request
+	Designates management contract or compensatory plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on September 24, 2024 on its behalf by the undersigned, thereunto duly authorized.

THOR INDUSTRIES, INC.

(Signed) /s/ Robert W. Martin
Robert W. Martin
Director, President and Chief Executive Officer
(Principal executive officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed on September 24, 2024 by the following persons on behalf of the Registrant and in the capacities indicated.

(Signed) <u>/s/ Robert W. Martin</u> Robert W. Martin Director, President and Chief Executive Officer (Principal executive officer)	(Signed) <u>/s/ Colleen Zuhl</u> Colleen Zuhl Senior Vice President and Chief Financial Officer (Principal financial and accounting officer)
(Signed) <u>/s/ Andrew E. Graves</u> Andrew E. Graves Chairman of the Board	(Signed) <u>/s/ Peter B. Orthwein</u> Peter B. Orthwein Director and Chairman Emeritus
(Signed) <u>/s/ Christina Hennington</u> Christina Hennington Director	(Signed) <u>/s/ Amelia A. Huntington</u> Amelia A. Huntington Director
(Signed) <u>/s/ Laurel M. Hurd</u> Laurel M. Hurd Director	(Signed) <u>/s/ Christopher J. Klein</u> Christopher J. Klein Director
(Signed) <u>/s/ William J. Kelley Jr.</u> William J. Kelley Jr. Director	(Signed) <u>/s/ Jeffrey D. Lorenger</u> Jeffrey D. Lorenger Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of THOR Industries, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of THOR Industries, Inc. and subsidiaries (the “Company”) as of July 31, 2024 and 2023, the related consolidated statements of income and comprehensive income, stockholders’ equity, and cash flows, for each of the three years in the period ended July 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of July 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended July 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

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

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

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

Valuation of Goodwill—Airxcel and Heartland Reporting Units—Refer to Notes 1 and 7 to the financial statements

Critical Audit Matter Description

The Company tests goodwill for impairment annually and whenever events or changes in circumstances indicate that an impairment may have occurred. The Company typically utilizes a quantitative assessment to test for impairment, which involves a comparison of the fair value of a reporting unit with its carrying value. Fair values are determined using discounted cash flow models, and these estimates are subject to significant management judgment, including the determination of many factors and inputs such as, but not limited to, sales growth rates, gross margin patterns, cost growth rates, terminal value assumptions and discount rates developed using market observable inputs and consideration of risk regarding future performance. Market multiples derived from selected guideline public companies are also utilized to evaluate the discounted cash flow models. Changes in any of these estimates can have a significant impact on the determination of cash flows and fair value and could potentially result in future material impairments. The goodwill balance was \$1,787 million as of July 31, 2024, of which \$389 million was allocated to the Airxcel reporting unit and \$113 million allocated to the Heartland reporting unit. As a result of the assessment performed by the Company during the year ended July 31, 2024, the Company concluded that the fair values of the Airxcel and Heartland reporting units exceeded their carrying values and that there was no impairment of Airxcel and Heartland reporting unit goodwill.

We identified the valuation of goodwill for the Airxcel and Heartland reporting units as a critical audit matter due to the significant judgments made by management to estimate the fair value of these reporting units and the differences between the fair value of these reporting units and their carrying values. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's sales growth rates and the selection of discount rates used in the discounted cash flow models.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the sales growth rates and discount rates used by management to estimate the fair value of the Airxcel and Heartland reporting units included the following, among others:

- We tested the effectiveness of controls over management's determination of the reporting units' fair values, including controls related to sales growth rates and management's selection of the discount rates.
- We evaluated the reasonableness of the sales growth rates by comparing forecasted sales to historical operating results, internal information communicated to management and the Board of Directors, external data encompassing the recreational vehicle industry, and information furnished to the public by the Company, its peers, and analysts following the Company and the industry.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rates, including testing the underlying source information and the mathematical accuracy of the calculations, and developing ranges of independent estimates and comparing those to the discount rates selected by management.

/s/ Deloitte & Touche LLP
Chicago, Illinois
September 24, 2024

We have served as the Company's auditor since 1981.

THOR Industries, Inc. and Subsidiaries
Consolidated Balance Sheets, July 31, 2024 and 2023
(amounts in thousands, except share and per share data)

	July 31, 2024	July 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 501,316	\$ 441,232
Accounts receivable, trade, net	502,301	543,865
Accounts receivable, other, net	198,594	99,354
Inventories, net	1,366,638	1,653,070
Prepaid income taxes, expenses and other	81,178	56,059
Total current assets	2,650,027	2,793,580
Property, plant and equipment, net	1,390,718	1,387,808
Other assets:		
Goodwill	1,786,973	1,800,422
Amortizable intangible assets, net	861,133	996,979
Deferred income tax assets, net	28,414	5,770
Equity investments	137,272	126,909
Other	166,286	149,362
Total other assets	2,980,078	3,079,442
TOTAL ASSETS	\$ 7,020,823	\$ 7,260,830
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 628,134	\$ 736,275
Current portion of long-term debt	32,650	11,368
Short-term financial obligations	72,051	49,433
Accrued liabilities:		
Compensation and related items	185,249	189,324
Product warranties	311,627	345,197
Income and other taxes	74,987	100,631
Promotions and rebates	169,928	163,410
Product, property and related liabilities	32,278	54,720
Other	60,118	66,124
Total current liabilities	1,567,022	1,716,482
Long-term debt	1,101,265	1,291,311
Deferred income tax liabilities, net	74,401	75,668
Unrecognized tax benefits	12,405	14,835
Other liabilities	191,677	179,136
Total long-term liabilities	1,379,748	1,560,950
Contingent liabilities and commitments		
Stockholders' equity:		
Preferred stock—authorized 1,000,000 shares; none outstanding	—	—
Common stock—par value of \$.10 per share; authorized 250,000,000 shares; issued 66,859,738 and 66,344,340 shares, respectively	6,686	6,634
Additional paid-in capital	577,015	539,032
Retained earnings	4,254,734	4,091,563
Accumulated other comprehensive (loss), net of tax	(93,706)	(68,547)
Less treasury shares of 13,928,314 and 13,030,030, respectively, at cost	(677,299)	(592,667)
Stockholders' equity attributable to THOR Industries, Inc.	4,067,430	3,976,015
Non-controlling interests	6,623	7,383
Total stockholders' equity	4,074,053	3,983,398
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,020,823	\$ 7,260,830

See Notes to the Consolidated Financial Statements.

THOR Industries, Inc. and Subsidiaries**Consolidated Statements of Income and Comprehensive Income for the Years Ended July 31, 2024, 2023 and 2022**

(amounts in thousands, except share and per share data)

	2024	2023	2022
Net sales	\$ 10,043,408	\$ 11,121,605	\$ 16,312,525
Cost of products sold	8,591,446	9,525,252	13,506,495
Gross profit	1,451,962	1,596,353	2,806,030
Selling, general and administrative expenses	895,531	870,054	1,116,462
Amortization of intangible assets	132,544	140,808	156,946
Interest expense, net	88,666	97,447	90,092
Other income, net	13,623	11,309	17,334
Income before income taxes	348,844	499,353	1,459,864
Income taxes	83,444	125,113	321,621
Net income	265,400	374,240	1,138,243
Less: Net income (loss) attributable to non-controlling interests	92	(31)	439
Net income attributable to THOR Industries, Inc.	\$ 265,308	\$ 374,271	\$ 1,137,804
Weighted-average common shares outstanding:			
Basic	53,248,488	53,478,310	55,034,653
Diluted	53,687,377	53,857,143	55,264,046
Earnings per common share:			
Basic	\$ 4.98	\$ 7.00	\$ 20.67
Diluted	\$ 4.94	\$ 6.95	\$ 20.59
Comprehensive income:			
Net income	\$ 265,400	\$ 374,240	\$ 1,138,243
Other comprehensive income (loss), net of tax			
Foreign currency translation gain (loss), net of tax	(25,925)	114,164	(239,038)
Unrealized gain (loss) on derivatives, net of tax	—	(675)	9,330
Other income (loss), net of tax	(86)	(807)	2,047
Total other comprehensive income (loss), net of tax	(26,011)	112,682	(227,661)
Total comprehensive income	239,389	486,922	910,582
Comprehensive (loss) attributable to non-controlling interest	(760)	(409)	(994)
Comprehensive income attributable to THOR Industries, Inc.	\$ 240,149	\$ 487,331	\$ 911,576

See Notes to the Consolidated Financial Statements.

THOR Industries, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity for the Years Ended July 31, 2024, 2023 and 2022

(amounts in thousands, except share and per share data)

	Common Stock		Additional	Retained	Accumulated	Treasury Stock		Stockholders'	Non-	Total
	Shares	Amount	Paid-In	Earnings	Other	Shares	Amount	Equity	controlling	Stockholders'
			Capital		Comprehensive			Attributable	Interests	Equity
					Income (Loss), net			to THOR		
Balance at August 1, 2021	65,651,570	\$ 6,565	\$ 460,482	\$ 2,770,401	\$ 44,621	10,285,329	\$(360,226)	\$ 2,921,843	\$ 26,263	\$ 2,948,106
Net income	—	—	—	1,137,804	—	—	—	1,137,804	439	1,138,243
Purchase of treasury shares	—	—	—	—	—	1,944,243	(165,107)	(165,107)	—	(165,107)
Restricted stock unit activity	407,833	41	4,527	—	—	152,869	(18,011)	(13,443)	—	(13,443)
Cash dividends \$1.72 per common share	—	—	—	(94,944)	—	—	—	(94,944)	—	(94,944)
Stock compensation expense	—	—	31,421	—	—	—	—	31,421	—	31,421
Other comprehensive income (loss)	—	—	—	—	(226,228)	—	—	(226,228)	(1,433)	(227,661)
Dividend paid to non-controlling interest	—	—	—	—	—	—	—	—	(555)	(555)
Acquisitions	—	—	1,516	—	—	—	—	1,516	(16,922)	(15,406)
Balance at July 31, 2022	66,059,403	\$ 6,606	\$ 497,946	\$ 3,813,261	\$ (181,607)	12,382,441	\$(543,344)	\$ 3,592,862	\$ 7,792	\$ 3,600,654
Net income (loss)	—	—	—	374,271	—	—	—	374,271	(31)	374,240
Purchase of treasury shares	—	—	—	—	—	549,532	(42,007)	(42,007)	—	(42,007)
Restricted stock unit activity	284,937	28	1,574	—	—	98,057	(7,316)	(5,714)	—	(5,714)
Cash dividends \$1.80 per common share	—	—	—	(95,969)	—	—	—	(95,969)	—	(95,969)
Stock compensation expense	—	—	39,512	—	—	—	—	39,512	—	39,512
Other comprehensive income (loss)	—	—	—	—	113,060	—	—	113,060	(378)	112,682
Balance at July 31, 2023	66,344,340	\$ 6,634	\$ 539,032	\$ 4,091,563	\$ (68,547)	13,030,030	\$(592,667)	\$ 3,976,015	\$ 7,383	\$ 3,983,398
Net income	—	—	—	265,308	—	—	—	265,308	92	265,400
Purchase of treasury shares	—	—	—	—	—	720,997	(68,387)	(68,387)	—	(68,387)
Restricted stock unit activity	515,398	52	82	—	—	177,287	(16,245)	(16,111)	—	(16,111)
Cash dividends \$1.92 per common share	—	—	—	(102,137)	—	—	—	(102,137)	—	(102,137)
Stock compensation expense	—	—	37,901	—	—	—	—	37,901	—	37,901
Other comprehensive income (loss)	—	—	—	—	(25,159)	—	—	(25,159)	(852)	(26,011)
Balance at July 31, 2024	<u>66,859,738</u>	<u>\$ 6,686</u>	<u>\$ 577,015</u>	<u>\$ 4,254,734</u>	<u>\$ (93,706)</u>	<u>13,928,314</u>	<u>\$(677,299)</u>	<u>\$ 4,067,430</u>	<u>\$ 6,623</u>	<u>\$ 4,074,053</u>

See Notes to the Consolidated Financial Statements.

THOR Industries, Inc. and Subsidiaries
Consolidated Statements of Cash Flows for the Years Ended July 31, 2024, 2023 and 2022
(amounts in thousands)

	2024	2023	2022
Cash flows from operating activities:			
Net income	\$ 265,400	\$ 374,240	\$ 1,138,243
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	144,601	136,120	127,507
Amortization of intangibles	132,544	140,808	156,946
Amortization of debt issuance costs and extinguishment charges	18,274	11,455	11,322
Deferred income tax benefit	(24,970)	(34,477)	(51,885)
Gain on disposition of property, plant and equipment	(9,597)	(3,319)	(7,564)
Stock-based compensation expense	37,901	39,512	31,421
Changes in assets and liabilities:			
Accounts receivable	(60,153)	313,410	39,247
Inventories	236,916	109,975	(381,543)
Prepaid income taxes, expenses and other	(26,840)	1,052	(13,884)
Accounts payable	(101,910)	(120,684)	(116,608)
Accrued liabilities and other	(85,081)	295	78,385
Long-term liabilities and other	18,463	13,246	(21,471)
Net cash provided by operating activities	545,548	981,633	990,116
Cash flows from investing activities:			
Purchases of property, plant and equipment	(139,635)	(208,194)	(242,357)
Proceeds from dispositions of property, plant and equipment	24,927	13,655	16,067
Business acquisitions, net of cash acquired	(7,314)	(6,184)	(781,967)
Other	(24,790)	(21,760)	(41,000)
Net cash used in investing activities	(146,812)	(222,483)	(1,049,257)
Cash flows from financing activities:			
Borrowings on term-loan credit facilities	186,723	—	—
Payments on term-loan credit facilities	(340,619)	(402,355)	(332,907)
Borrowings on revolving asset-based credit facilities	113,502	—	660,088
Payments on revolving asset-based credit facilities	(111,555)	(100,000)	(559,035)
Proceeds from issuance of senior unsecured notes	—	—	500,000
Payments on other debt	(11,152)	(11,968)	(11,535)
Payments of debt issuance costs	(10,480)	—	(8,445)
Cash dividends paid	(102,137)	(95,969)	(94,944)
Payments on finance lease obligations	(755)	(1,215)	(1,084)
Purchase of treasury shares	(68,387)	(42,007)	(165,107)
Payments related to vesting of stock-based awards	(16,245)	(7,316)	(18,011)
Other	23,428	25,145	(16,861)
Net cash used in financing activities	(337,677)	(635,685)	(47,841)
Effect of exchange rate changes on cash and cash equivalents	(975)	6,214	(30,171)
Net increase (decrease) in cash and cash equivalents	60,084	129,679	(137,153)
Cash and cash equivalents, beginning of period	441,232	311,553	448,706
Cash and cash equivalents, end of period	<u>\$ 501,316</u>	<u>\$ 441,232</u>	<u>\$ 311,553</u>
Supplemental cash flow information:			
Income taxes paid	\$ 147,126	\$ 143,077	\$ 380,874
Interest paid	\$ 86,421	\$ 95,383	\$ 74,455
Non-cash investing and financing transactions:			
Capital expenditures in accounts payable	\$ 5,429	\$ 5,447	\$ 4,733

See Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements as of and for the Years Ended July 31, 2024, 2023 and 2022
(All Dollar and Euro amounts are presented in thousands, except share and per share data or as otherwise specified)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – THOR Industries, Inc. was founded in 1980 and is the sole owner of operating subsidiaries (collectively, the “Company” or “THOR”), that, combined, represent the world’s largest manufacturer of recreational vehicles (“RVs”) by units sold and revenue. The Company manufactures a wide variety of RVs in the United States and Europe and sells those vehicles, as well as related parts and accessories, primarily to independent, non-franchise dealers throughout the United States, Canada and Europe. Unless the context requires or indicates otherwise, all references to “THOR,” the “Company,” “we,” “our” and “us” refer to THOR Industries, Inc. and its subsidiaries.

The Company’s business activities are primarily comprised of three distinct operations, which include the design, manufacture and sale of North American Towable Recreational Vehicles, North American Motorized Recreational Vehicles and European Recreational Vehicles, with the European vehicles including both towable and motorized products as well as other RV-related products and services. Accordingly, the Company has presented financial information for these three segments in Note 3 to the Consolidated Financial Statements.

Principles of Consolidation – The accompanying Consolidated Financial Statements include the accounts of THOR Industries, Inc. and its subsidiaries. The Company consolidates all majority-owned subsidiaries, and all intercompany balances and transactions are eliminated upon consolidation. The results of any companies acquired during a year are included in the consolidated financial statements for the applicable year from the effective date of the acquisition.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Key estimates include the valuation of acquired assets and liabilities, reserves for inventory, incurred but not reported medical claims, warranty claims, dealer promotional accruals, workers’ compensation claims, vehicle repurchases, uncertain tax positions, product and non-product litigation and assumptions made in asset impairment assessments. The Company bases its estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. The Company believes that such estimates are made using consistent and appropriate methods. Actual results could differ from these estimates.

Cash and Cash Equivalents – Interest-bearing deposits and other investments with maturities of three months or less when purchased are considered cash equivalents. At July 31, 2024 and July 31, 2023, cash and cash equivalents of \$318,918 and \$316,401, respectively, were held by one U.S. financial institution. In addition, at July 31, 2024 and July 31, 2023, the equivalent of \$90,816 and \$68,170, respectively, was held in Euros by one European financial institution.

Derivatives – The Company uses derivative financial instruments to manage its risk related to changes in foreign currency exchange rates and interest rates. The Company does not hold derivative financial instruments of a speculative nature or for trading purposes. The Company records all derivatives on the Consolidated Balance Sheet at fair value using available market information and other observable data. See Note 4 to the Consolidated Financial Statements for further discussion.

Fair Value of Financial Instruments – The fair value of long-term debt is discussed in Note 13 to the Consolidated Financial Statements.

Inventories – Inventories are primarily determined on the first-in, first-out (“FIFO”) basis, with the remainder on the last-in, first-out (“LIFO”) basis. Inventories are stated at the lower of cost or net realizable value, except for inventories determined based on LIFO, which are stated at the lower of cost or market value. Manufacturing costs included in inventory include materials, labor, freight-in and manufacturing overhead. Unallocated overhead and abnormal costs are expensed as incurred.

Depreciation – Property, plant and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements – 10 to 39 years

Machinery and equipment – 3 to 10 years

Rental vehicles – 6 years

Depreciation expense is recorded in cost of products sold, except for \$24,240, \$26,999 and \$25,388 in fiscal 2024, 2023 and 2022, respectively, which relates primarily to office buildings and office equipment and is recorded in selling, general and administrative expenses.

Business Combinations – The Company accounts for the acquisition of a business using the acquisition method of accounting. Assets acquired and liabilities assumed, including amounts attributed to noncontrolling interests, are recorded at the acquisition date at their fair values. Assigning fair values requires the Company to make significant estimates and assumptions regarding the fair value of identifiable intangible assets, inventory, property, plant and equipment, deferred tax asset valuation allowances, and liabilities, such as uncertain tax positions and contingencies. The Company may refine these estimates, if necessary, over a period not to exceed one year from the acquisition date, by taking into consideration new information that, if known at the acquisition date, would have affected the fair values ascribed to the assets acquired and liabilities assumed.

Goodwill – Goodwill results from the excess of purchase price over the net assets of an acquired business. The Company's reporting units are generally the same as its operating segments, which are identified in Note 3 to the Consolidated Financial Statements. Goodwill is not amortized but is tested for impairment annually as of May 31 of each fiscal year and whenever events or changes in circumstances indicate that an impairment may have occurred. If the carrying amount of a reporting unit exceeds its fair value, an impairment charge equal to that excess is recognized, not to exceed the amount of goodwill allocated to the reporting unit.

Long-lived Assets – Long-lived assets, such as property, plant and equipment and identifiable intangibles that are amortized, amongst others, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable from future cash flows. If the carrying value of a long-lived asset or asset group is impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset or asset group exceeds its fair value. Intangible assets consist of trademarks, dealer networks/customer relationships, design technology and non-compete agreements. Trademarks are amortized on a straight-line basis over 15 to 25 years. Dealer networks/customer relationships are amortized on an accelerated basis over 12 to 20 years, with amortization beginning after backlog amortization is completed, if applicable. Design technology and non-compete agreements are amortized using the straight-line method over 2 to 15 years.

Product Warranties – Estimated warranty costs are provided at the time of sale of the related products. See Note 12 to the Consolidated Financial Statements for further information.

Insurance Reserves – Generally, the Company is self-insured for workers' compensation, products liability and group medical insurance. Upon the exhaustion of the applicable deductibles or retentions, the Company maintains insurance coverage. Under these plans, liabilities are recognized for claims incurred, including those incurred but not reported. The liability for workers' compensation claims is determined by the Company with the assistance of a third-party administrator and actuary using various state statutes and historical claims experience. Group medical reserves are estimated using historical claims experience. The Company has established a liability for product liability and personal injury occurrences based on historical data, known cases and actuarial information.

Revenue Recognition – Revenue is recognized as performance obligations under the terms of contracts with customers are satisfied. The Company's recreational vehicle and other sales contracts have a single performance obligation of providing the promised goods (recreational vehicles or component parts, as applicable), which is satisfied when control of the goods is transferred to the customer.

For recreational vehicle sales, the Company recognizes revenue when its performance obligation has been satisfied and control of the product is transferred to the dealer, which generally aligns with shipping terms. Shipping terms vary depending on regional contracting practices. U.S. customers primarily contract under FOB shipping point terms. European customers generally contract on ExWorks ("EXW") incoterms (meaning the seller fulfills its obligation to deliver when it makes goods available at its premises, or another specified location, for the buyer to collect). Under EXW incoterms, the performance obligation is satisfied and control is transferred at the point when the customer is notified that the vehicle is available for pickup. Customers do not have a right of return. Most warranties provided are assurance-type warranties.

In addition to recreational vehicle sales, the Company also sells specialized component parts and aluminum extrusions to RV original equipment manufacturers and aftermarket sales through dealers and retailers. The Company's European recreational vehicle reportable segment also sells accessory items and provides repair services through our two owned dealerships. Each part or item represents a distinct performance obligation satisfied when control of the good is transferred to the customer. Service and repair contracts with customers are short term in nature and are recognized when the service is complete.

Revenue is measured as the amount of consideration to which the Company expects to be entitled in exchange for the Company's products and services. The amount of revenue recognized includes adjustments for any variable consideration, such as sales discounts, sales allowances, promotions, rebates and other sales incentives which are included in the transaction price and allocated to each performance obligation based on the standalone selling price. The Company estimates variable consideration based on the expected value of total consideration to which customers are likely to be entitled to based primarily on historical experience and current market conditions. Included in the estimate is an assessment as to whether any variable consideration is constrained. Revenue estimates are adjusted at the earlier of a change in the expected value of consideration or when the consideration becomes fixed. During fiscal 2024, fiscal 2023 and fiscal 2022, adjustments to revenue from performance obligations satisfied in prior periods, which relate primarily to changes in estimated variable consideration, were immaterial.

Amounts billed to customers related to shipping and handling activities are included in net sales. The Company has elected to account for shipping and handling costs as fulfillment activities, and these costs are predominantly included in cost of products sold. We do not disclose information about the transaction price allocated to the remaining performance obligations at period end because our contracts generally have original expected durations of one year or less. In addition, we expense when incurred contract acquisition costs, primarily sales commissions, because the amortization period, which is aligned with the contract term, is one year or less.

Advertising Costs – Advertising costs, which consist primarily of trade shows, are expensed as incurred and were \$77,029, \$66,169 and \$55,461 in fiscal 2024, 2023 and 2022, respectively.

Foreign Currency – The financial statements of the Company's foreign operations with a functional currency other than the U.S. dollar are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities, and, for revenues and expenses, the weighted-average exchange rate for each applicable period, and the resulting translation adjustments are recorded in Accumulated Other Comprehensive (Loss), net of tax. Transaction gains and losses from foreign currency exchange rate changes are recorded in Other income, net in the Consolidated Statements of Income and Comprehensive Income.

Repurchase Agreements – The Company is contingently liable under terms of repurchase agreements with financial institutions providing inventory financing for certain independent domestic and foreign dealers of certain of its RV products. See Note 15 to the Consolidated Financial Statements for further information.

Income Taxes – The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. Judgment is required in assessing the future tax consequences of events that have been recognized in our financial statements or tax returns. The actual outcome of these future tax consequences could differ from our estimates and have a material impact on our financial position or results of operations.

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

Judgment is required in determining the Company's provision for income taxes, the Company's deferred tax assets and liabilities and the valuation allowance recorded against the Company's deferred tax assets. Valuation allowances must be considered due to the uncertainty of realizing deferred tax assets. The Company assesses whether valuation allowances should be established against our deferred tax assets on a tax jurisdictional basis based on the consideration of all available evidence, including cumulative income over recent periods, using a more likely than not standard.

Research and Development – Research and development costs are expensed when incurred and totaled \$49,380, \$36,592 and \$38,998 in fiscal 2024, 2023 and 2022, respectively.

Stock-Based Compensation – The Company records compensation expense based on the fair value of stock-based awards, including restricted stock units and performance stock units, on a straight-line basis over the requisite service period, which is generally three years, while some stock-based awards use a graded vesting period. Stock-based compensation expense is recorded net of estimated forfeitures, which is based on historical forfeiture rates over the vesting period of employee awards.

Earnings Per Share – Basic earnings per common share (“EPS”) is computed by dividing net income attributable to THOR Industries, Inc. by the weighted-average number of common shares outstanding. Diluted EPS is computed by dividing net income attributable to THOR Industries, Inc. by the weighted-average number of common shares outstanding assuming dilution. The difference between basic EPS and diluted EPS is the result of unvested restricted stock units and performance stock units as follows:

	2024	2023	2022
Weighted-average shares outstanding for basic earnings per share	53,248,488	53,478,310	55,034,653
Unvested restricted stock units and performance stock units	438,889	378,833	229,393
Weighted-average shares outstanding assuming dilution	53,687,377	53,857,143	55,264,046

The Company excludes unvested restricted stock units and performance stock units that have an antidilutive effect from its calculation of weighted-average shares outstanding. Antidilutive unvested restricted stock units and performance stock units excluded from the July 31, 2024, July 31, 2023 and July 31, 2022 calculations were not material.

Accounting Pronouncements

Recently Issued Accounting Standards Not Yet Adopted

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update No. 2023-07 (“ASU 2023-07”) “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”, which requires additional disclosures about significant segment expenses regularly provided to the Chief Operating Decision Maker. ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023, or the annual report for fiscal 2025 for the Company, and interim periods within fiscal years beginning after December 15, 2024, or interim periods starting in fiscal 2026 for the Company. Early adoption is permitted. We are currently evaluating the impact of ASU 2023-07 on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”, requiring enhancements and further transparency to certain income tax disclosures. Under this ASU, entities must disclose, on an annual basis, specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. In addition, ASU 2023-09 requires entities to disclose additional information about income taxes paid. The new standard also eliminates certain existing disclosure requirements related to uncertain tax positions and unrecognized deferred tax liabilities. ASU 2023-09 is effective for financial statements for annual periods beginning after December 15, 2024. This ASU is effective for the Company in its fiscal year 2026 beginning on August 1, 2025. Early adoption is permitted. The Company is currently evaluating the potential impact of adopting this guidance on the consolidated financial statements.

2. ACQUISITIONS

Airxcel

On September 1, 2021, the Company acquired Wichita, Kansas-based AirX Intermediate, Inc. ("Airxcel"). Airxcel manufactures a comprehensive line of high-quality component products which are sold primarily to original equipment RV manufacturers as well as consumers via aftermarket sales through dealers and retailers. Airxcel provides industry-leading products in recreational vehicle heating, cooling, ventilation, cooking, window coverings, sidewalls and roofing materials, among others. The total cash consideration paid was subject to the final determination of the actual acquired net working capital as of the close of business on September 1, 2021, which was finalized in the second quarter of fiscal 2022. The final cash consideration was \$745,279, net of cash acquired.

The following table summarizes the final fair values of the Airxcel net assets acquired on the acquisition date.

Cash	\$	23,404
Inventory		71,150
Other assets		62,657
Property, plant and equipment		40,518
Amortizable intangible assets:		
Customer relationships		284,000
Trademarks		56,900
Design technology assets		60,600
Backlog		700
Goodwill		372,608
Current liabilities		(115,535)
Deferred income tax liabilities		(77,086)
Other liabilities		(10,494)
Non-controlling interest		(739)
Total fair value of net assets acquired		768,683
Less: Cash acquired		(23,404)
Total cash consideration for acquisition, less cash acquired	\$	745,279

On the acquisition date, amortizable intangible assets had a weighted-average useful life of 18.3 years. The customer relationships were valued based on the Discounted Cash Flow Method and are being amortized on an accelerated basis over 20 years. The trademarks were valued on the Relief from Royalty Method and are being amortized on a straight-line basis over 20 years. The design technology assets were valued on the Relief from Royalty Method and are being amortized on a straight-line basis over 10 years. Backlog was valued based on the Discounted Cash Flow Method and was amortized on a straight-line basis over two months. The majority of the goodwill recognized as a result of this transaction is not deductible for tax purposes.

Pro forma Information

The following unaudited pro forma information represents the Company's results of operations as if the fiscal 2022 acquisition of Airxcel had occurred at the beginning of fiscal 2021. The disclosure of pro forma net sales and earnings does not purport to indicate the results that would actually have been obtained had the acquisitions been completed on the assumed dates for the periods presented, or which may be realized in the future. The unaudited pro forma information does not reflect any operating efficiencies or cost savings that may have been realized from the integration of these acquisitions.

	Fiscal 2022
Net sales	\$ 16,359,983
Net income attributable to THOR Industries, Inc.	\$ 1,144,617
Basic earnings per common share	\$ 20.80
Diluted earnings per common share	\$ 20.71

3. BUSINESS SEGMENTS

The Company has three reportable segments, all related to recreational vehicles: (1) North American Towable Recreational Vehicles, (2) North American Motorized Recreational Vehicles and (3) European Recreational Vehicles.

The North American Towable Recreational Vehicle reportable segment consists of the following operating segments that have been aggregated: Airstream (towable), Heartland (including Cruiser RV and DRV), Jayco (including Jayco towable, Starcraft and Highland Ridge), Keystone (including CrossRoads and Dutchmen), and KZ (including Venture RV). The North American Motorized Recreational Vehicle reportable segment consists of the following operating segments that have been aggregated: Airstream (motorized), Jayco (including Jayco motorized and Entegra Coach), Thor Motor Coach and Tiffin Group (namely, Tiffin Motorhomes, Inc.). The European Recreational Vehicles reportable segment consists solely of the EHG business. EHG manufactures a full line of towable and motorized recreational vehicles, including caravans, motorcaravans, urban vehicles and campervans in eight primary RV production locations within Europe. EHG produces and sells numerous brands primarily within Europe, including Buccaneer, Buerstner, Carado, CrossCamp, Dethleffs, Elddis, Eriba, Etrusco, Hymer, Laika, LMC, Niesmann+Bischoff, Sunlight and Xplore. In addition, EHG's operations include other RV-related products and services.

The operations of the Company's Postle and Airxcel subsidiaries are included in "Other", along with the operations of Roadpass Digital through December 30, 2022 as discussed in Note 8 to the Consolidated Financial Statements. Net sales included in Other related primarily to the sale of specialized component parts and aluminum extrusions. Intercompany eliminations primarily adjust for Postle and Airxcel sales to the Company's North American Towables and North American Motorized segments, which are consummated at established transfer prices generally consistent with the selling prices of products to third parties.

Total assets include those assets used in the operation of each reportable and non-reportable segment, and the Corporate assets consist primarily of cash and cash equivalents, deferred income taxes, deferred compensation plan assets, equity and other investments and certain Corporate real estate holdings primarily utilized by THOR's U.S.-based operating subsidiaries.

	2024	2023	2022
NET SALES:			
Recreational vehicles			
North American Towable	\$ 3,679,671	\$ 4,202,628	\$ 8,661,945
North American Motorized	2,445,850	3,314,170	3,979,647
Total North America	6,125,521	7,516,798	12,641,592
European	3,364,980	3,037,147	2,887,453
Total recreational vehicles	9,490,501	10,553,945	15,529,045
Other	781,927	777,639	1,225,824
Intercompany eliminations	(229,020)	(209,979)	(442,344)
Total	<u>\$ 10,043,408</u>	<u>\$ 11,121,605</u>	<u>\$ 16,312,525</u>

INCOME (LOSS) BEFORE INCOME TAXES:

Recreational vehicles			
North American Towable	\$ 169,232	\$ 237,123	\$ 1,050,536
North American Motorized	126,496	255,207	436,604
Total North America	295,728	492,330	1,487,140
European	231,377	179,625	87,116
Total recreational vehicles	527,105	671,955	1,574,256
Other, net	45,299	36,965	110,798
Corporate	(223,560)	(209,567)	(225,190)
Total	<u>\$ 348,844</u>	<u>\$ 499,353</u>	<u>\$ 1,459,864</u>

	2024	2023
TOTAL ASSETS:		
Recreational vehicles		
North American Towable	\$ 1,290,117	\$ 1,429,899
North American Motorized	1,077,808	1,268,109
Total North America	2,367,925	2,698,008
European	2,871,316	2,898,175
Total recreational vehicles	5,239,241	5,596,183
Other, net	1,058,842	1,048,076
Corporate	722,740	616,571
Total	<u>\$ 7,020,823</u>	<u>\$ 7,260,830</u>

	2024	2023	2022
DEPRECIATION AND INTANGIBLE ASSET AMORTIZATION EXPENSE:			
Recreational vehicles			
North American Towable	\$ 54,716	\$ 60,880	\$ 65,260
North American Motorized	34,789	32,639	29,088
Total North America	89,505	93,519	94,348
European	126,831	121,464	131,518
Total recreational vehicles	216,336	214,983	225,866
Other, net	58,233	60,172	56,855
Corporate	2,576	1,773	1,732
Total	<u>\$ 277,145</u>	<u>\$ 276,928</u>	<u>\$ 284,453</u>

CAPITAL ACQUISITIONS:

Recreational vehicles			
North American Towable	\$ 16,938	\$ 63,898	\$ 72,892
North American Motorized	16,329	42,902	36,321
Total North America	33,267	106,800	109,213
European	70,497	65,745	97,328
Total recreational vehicles	103,764	172,545	206,541
Other, net	26,108	34,190	33,162
Corporate	9,745	2,173	858
Total	<u>\$ 139,617</u>	<u>\$ 208,908</u>	<u>\$ 240,561</u>

DESTINATION OF NET SALES BY GEOGRAPHIC REGION:

United States	\$ 6,190,597	\$ 7,444,023	\$ 12,235,760
Germany	2,023,566	1,816,282	1,728,565
Other Europe	1,343,081	1,220,158	1,158,563
Canada	435,839	587,559	1,132,788
Other foreign	50,325	53,583	56,849
Total	<u>\$ 10,043,408</u>	<u>\$ 11,121,605</u>	<u>\$ 16,312,525</u>

	2024	2023
PROPERTY, PLANT AND EQUIPMENT BY GEOGRAPHIC REGION:		
United States	\$ 787,696	\$ 806,230
Germany	448,182	433,136
Other Europe	137,588	139,188
Other	17,252	9,254
Total	<u>\$ 1,390,718</u>	<u>\$ 1,387,808</u>

4. DERIVATIVES AND HEDGING

At times, the Company uses interest rate swap agreements, foreign currency forward contracts and certain non-derivative financial instruments to help manage its risks associated with foreign currency exchange rates and interest rates. The Company records derivatives as assets and liabilities on the balance sheet at fair value. Changes in the fair value of derivative instruments are recognized in earnings unless the derivative qualifies and is designated as a hedge. Cash flows from derivatives are classified in the Consolidated Statements of Cash Flows in the same category as the cash flows from the items subject to designated hedge or undesignated (economic) hedge relationships. The Company evaluates hedge effectiveness at inception and on an ongoing basis. If a derivative is no longer expected to be effective, hedge accounting is discontinued.

As of July 31, 2024 and July 31, 2023 there were no derivative instruments designated as hedges, except for the net investment hedge discussed below.

Net Investment Hedge

The Company designates its outstanding Euro-denominated term loan tranche as a hedge of foreign currency exposures related to investments the Company has in certain Euro-denominated functional currency subsidiaries.

The foreign currency transaction gains and losses on the Euro-denominated portion of the term loan are included as a component of the foreign currency translation adjustment. Gains (losses), net of tax, included in the foreign currency translation adjustment were \$7,375, \$(27,211), and \$62,244 for the fiscal years ended July 31, 2024, July 31, 2023 and July 31, 2022, respectively.

There were no amounts reclassified out of accumulated other comprehensive (loss) pertaining to the net investment hedge during the fiscal years ended July 31, 2024, 2023 and 2022.

Derivatives Not Designated as Hedging Instruments

The Company has certain other derivative instruments which have not been designated as hedges. These other derivative instruments had a notional amount totaling approximately \$22,333 and a fair value liability of \$1,137 as of July 31, 2024. These other derivative instruments had a notional amount totaling approximately \$25,248 and a fair value liability of \$932 as of July 31, 2023. For these derivative instruments, changes in fair value are recognized in earnings.

The total amounts presented in the Consolidated Statements of Income and Comprehensive Income due to changes in the fair value of the following derivative instruments for the fiscal years ended July 31, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Gain (Loss) on Derivatives Designated as Cash Flow Hedges			
Gain (loss) recognized in Other comprehensive income (loss), net of tax			
Foreign currency forward contracts	\$ —	\$ —	\$ 6
Interest rate swap agreements ⁽¹⁾	—	(675)	9,324
Total gain (loss)	\$ —	\$ (675)	\$ 9,330

(1) Other comprehensive income, net of tax, before reclassification from AOCI was \$0, \$702 and \$3,626 for fiscal years 2024, 2023 and 2022, respectively.

	2024	
	Sales	Interest Expense
(Loss) on Derivatives Not Designated as Hedging Instruments		
Amount of (loss) recognized in income, net of tax		
Foreign currency forward contracts	\$ (962)	\$ —
Interest rate swap agreements	—	(160)
Total (loss)	<u>\$ (962)</u>	<u>\$ (160)</u>
	2023	
	Sales	Interest Expense
Gain (Loss) Reclassified from AOCI, Net of Tax		
Foreign currency forward contracts	\$ (58)	\$ —
Interest rate swap agreements	—	1,377
Gain (Loss) on Derivatives Not Designated as Hedging Instruments		
Amount of gain (loss) recognized in income, net of tax		
Foreign currency forward contracts	2,742	—
Commodities swap agreements	(2,229)	—
Interest rate swap agreements	—	167
Total gain (loss)	<u>\$ 455</u>	<u>\$ 1,544</u>
	2022	
	Sales	Interest Expense
Gain (Loss) Reclassified from AOCI, Net of Tax		
Foreign currency forward contracts	\$ (723)	\$ —
Interest rate swap agreements	—	(5,698)
Gain (Loss) on Derivatives Not Designated as Hedging Instruments		
Amount of gain (loss) recognized in income, net of tax		
Interest rate swap agreements	—	428
Total gain (loss)	<u>\$ (723)</u>	<u>\$ (5,270)</u>

5. INVENTORIES

Major classifications of inventories are as follows:

	July 31, 2024	July 31, 2023
Finished goods – RV	\$ 249,949	\$ 164,456
Finished goods – other	91,371	93,476
Work in process	261,043	313,006
Raw materials	434,165	563,614
Chassis	478,220	681,122
Subtotal	1,514,748	1,815,674
Excess of FIFO costs over LIFO costs	(148,110)	(162,604)
Total inventories, net	<u>\$ 1,366,638</u>	<u>\$ 1,653,070</u>

Of the \$1,514,748 and \$1,815,674 of inventories at July 31, 2024 and July 31, 2023, \$1,109,062 and \$1,224,069, respectively, was valued on the first-in, first-out (“FIFO”) basis, and \$405,686 and \$591,605, respectively, was valued on the last-in, first-out (“LIFO”) basis. During fiscal years 2024 and 2023 the amount of inventories in certain LIFO pools decreased and resulted in the liquidation of LIFO inventory layers carried at lower costs. The effect of these liquidations was to increase consolidated net income before income taxes in fiscal 2024 by approximately \$29,200, with \$23,900 in the North American Motorized segment and the remainder in the North American Towable segment, and to increase consolidated net income before income taxes in fiscal 2023 by approximately \$8,300, all in the North American Towable segment.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	July 31, 2024	July 31, 2023
Land	\$ 151,164	\$ 147,633
Buildings and improvements	1,053,812	1,038,394
Machinery and equipment	738,535	672,499
Rental vehicles	126,794	99,360
Lease right-of-use assets – operating	43,139	47,969
Lease right-of-use assets – finance	4,772	5,518
Total cost	2,118,216	2,011,373
Less: Accumulated depreciation	(727,498)	(623,565)
Property, plant and equipment, net	<u>\$ 1,390,718</u>	<u>\$ 1,387,808</u>

See Note 16 to the Consolidated Financial Statements for further information regarding the lease right-of-use assets.

7. INTANGIBLE ASSETS AND GOODWILL

The components of Amortizable intangible assets are as follows:

	July 31, 2024		July 31, 2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Dealer networks/customer relationships	\$ 1,107,396	\$ 610,106	\$ 1,112,273	\$ 526,327
Trademarks	353,435	114,272	355,560	96,087
Design technology and other intangibles	258,260	133,580	258,868	107,483
Non-compete agreements	1,400	1,400	1,400	1,225
Total amortizable intangible assets	<u>\$ 1,720,491</u>	<u>\$ 859,358</u>	<u>\$ 1,728,101</u>	<u>\$ 731,122</u>

Estimated annual amortization expense is as follows:

For the fiscal year ending July 31, 2025	\$	118,489
For the fiscal year ending July 31, 2026		107,233
For the fiscal year ending July 31, 2027		98,525
For the fiscal year ending July 31, 2028		89,691
For the fiscal year ending July 31, 2029		74,378
For the fiscal year ending July 31, 2030 and thereafter		372,817
	<u>\$</u>	<u>861,133</u>

The Company completed its annual Goodwill impairment test for fiscal 2024 as of May 31, 2024, and no impairment was identified. There were no impairments of goodwill during fiscal 2023 or 2022.

Changes in the carrying amount of Goodwill by reportable segment as of July 31, 2024 and July 31, 2023 are summarized as follows:

	North American Towable	North American Motorized	European	Other	Total
Net balance as of July 31, 2022	\$ 344,975	\$ 53,875	\$ 893,383	\$ 511,918	\$ 1,804,151
Fiscal year 2023 activity:					
Goodwill acquired	4,097	—	—	—	4,097
Measurement period adjustments	—	—	—	4,682	4,682
Foreign currency translation and other	(11,189)	11,189	72,375	—	72,375
Deconsolidation of Roadpass Digital	—	—	—	(84,883)	(84,883)
Net balance as of July 31, 2023	<u>\$ 337,883</u>	<u>\$ 65,064</u>	<u>\$ 965,758</u>	<u>\$ 431,717</u>	<u>\$ 1,800,422</u>
Fiscal year 2024 activity:					
Goodwill acquired	—	—	—	3,635	3,635
Foreign currency translation and other	—	—	(17,084)	—	(17,084)
Net balance as of July 31, 2024	<u>\$ 337,883</u>	<u>\$ 65,064</u>	<u>\$ 948,674</u>	<u>\$ 435,352</u>	<u>\$ 1,786,973</u>

The components of the goodwill balances by reportable segment as of July 31, 2024 and July 31, 2023 are summarized as follows:

	North American Towable	North American Motorized	European	Other	Total
Goodwill	\$ 348,032	\$ 82,316	\$ 948,674	\$ 435,352	\$ 1,814,374
Accumulated impairment charges	(10,149)	(17,252)	—	—	(27,401)
Net balance as of July 31, 2024	<u>\$ 337,883</u>	<u>\$ 65,064</u>	<u>\$ 948,674</u>	<u>\$ 435,352</u>	<u>\$ 1,786,973</u>

	North American Towable	North American Motorized	European	Other	Total
Goodwill	\$ 348,032	\$ 82,316	\$ 965,758	\$ 431,717	\$ 1,827,823
Accumulated impairment charges	(10,149)	(17,252)	—	—	(27,401)
Net balance as of July 31, 2023	<u>\$ 337,883</u>	<u>\$ 65,064</u>	<u>\$ 965,758</u>	<u>\$ 431,717</u>	<u>\$ 1,800,422</u>

8. EQUITY INVESTMENTS

Effective December 30, 2022, the Company entered into a Subscription and Contribution Agreement with TechNexus Holdings LLC (“TechNexus”), whereby the Company transferred TH2Connect, LLC d/b/a Roadpass Digital (“Roadpass Digital”) and its associated legal entities to TN-RP Holdings, LLC (“TN-RP”), a new legal entity formed by TechNexus, in a non-cash transaction following which the Company and TechNexus own 100% of the Class A-RP units and Class C-RP units, respectively, issued by TN-RP. The Company also simultaneously entered into an Operating Agreement with TechNexus related to TN-RP whereby TechNexus manages the day-to-day operations of TN-RP subject to certain protective rights maintained by the Company. The rights and privileges of the Company and TechNexus as unit holders of TN-RP are governed by the terms of the Operating Agreement, which includes provisions for distributions during its existence and at dissolution.

As a result of the December 30, 2022 agreements and the factors noted above, the Company no longer had a controlling financial interest in Roadpass Digital which resulted in the deconsolidation of Roadpass Digital subsequent to December 30, 2022. The Company’s investment in TN-RP was valued at approximately \$105,600 as of the agreement date based on the Discounted Cash Flow Method and Option Pricing Model. This fair value measurement includes significant management judgment, particularly estimates of future cash flows based on revenues and margins that TN-RP is forecasted to generate in the future, terminal value assumptions and discount rates developed using market observable inputs and consideration of risks regarding future performance. Additionally, the Option Pricing Model further utilized estimates related to volatility, incorporating a selection of guideline public companies, and expected time to exit. The Discounted Cash Flow Method and Option Pricing Model both used level 3 inputs as defined by ASC 820.

The derecognition of the Roadpass Digital net assets and recognition of the Company’s investment in TN-RP resulted in an immaterial gain that the Company recognized in Other income, net, in the Consolidated Statements of Income and Comprehensive Income in fiscal 2023.

TN-RP is a variable interest entity (“VIE”), in which both the Company and TechNexus each have a variable interest. The Company’s equity interest, which entitles the Company to a share of future distributions from TN-RP, represents a variable interest. The Company has significant influence due to its Class A-RP unit ownership interest, non-majority seats on the TN-RP advisory board and certain protective rights, and therefore the Company’s investment in TN-RP is accounted for under the equity method of accounting and reported as a component of Equity investments in the Consolidated Balance Sheets. Similarly, the Company holds an additional investment that is also a VIE over which the Company has significant influence. This is also reported as a component of Equity investments in the Consolidated Balance Sheets.

The Company had the following aggregate investment and maximum exposure to loss related to these VIEs:

	July 31, 2024		July 31, 2023	
Carrying amount of equity investments	\$	137,272	\$	126,909
Maximum exposure to loss	\$	144,047	\$	161,459

The Company’s share of gains and losses accounted for under the equity method of accounting are included in Other income, net in the Consolidated Statements of Income and Comprehensive Income. The losses recognized in fiscal year ended July 31, 2024 and July 31, 2023 were \$13,106 and \$10,130, respectively.

9. CONCENTRATION OF RISK

One dealer, FreedomRoads, LLC, accounted for approximately 14% of the Company’s consolidated net sales in fiscal 2024 and for approximately 13% in both fiscal 2023 and fiscal 2022. Sales to this dealer are reported within both the North American Towable and North American Motorized segments. This dealer also accounted for approximately 10% of the Company’s consolidated trade accounts receivable at July 31, 2024 and approximately 13% at July 31, 2023. The loss of this dealer could have a material effect on the Company’s business.

10. EMPLOYEE BENEFIT PLANS

Substantially all non-highly compensated U.S. employees are eligible to participate in a 401(k) plan. The Company may make discretionary contributions to the 401(k) plan according to a matching formula determined by each operating subsidiary. Total expense for the plan was \$4,840 in fiscal 2024, \$5,179 in fiscal 2023 and \$4,848 in fiscal 2022.

The Company has established a deferred compensation plan for highly compensated U.S. employees who are not eligible to participate in a 401(k) plan. This plan allows participants to defer a portion of their compensation and the Company then invests the funds in a combination of corporate-owned life insurance ("COLI") and mutual fund investments held by the Company. The employee deferrals and the results and returns of the investments selected by the participants, which totaled \$130,218 at July 31, 2024 and \$110,043 at July 31, 2023, are recorded as Other long-term liabilities in the Consolidated Balance Sheets. Investments held by the Company are accounted for at cash surrender value for COLI and at fair value for mutual fund investments. Both types of company-owned assets, which in total approximate the same value as the plan liabilities, are reported as Other long-term assets on the Consolidated Balance Sheets. Changes in the value of the plan assets are reflected within Other income, net on the Consolidated Statements of Income and Comprehensive Income. Changes in the value of the liability are reflected within Selling, general and administrative expenses on the Consolidated Statements of Income and Comprehensive Income. The Company does not make matching contributions to the deferred compensation plan.

11. FAIR VALUE MEASUREMENTS

The Company assesses the inputs used to measure the fair value of certain assets and liabilities using a three-level hierarchy, as prescribed in ASC 820, "Fair Value Measurements and Disclosures," as defined below:

- Level 1 inputs include quoted prices in active markets for identical assets or liabilities and are the most observable.
- Level 2 inputs include inputs other than Level 1 that are either directly or indirectly observable, such as quoted market prices for similar but not identical assets or liabilities, quoted prices in inactive markets or other inputs that can be corroborated by observable market data.
- Level 3 inputs are not observable, are supported by little or no market activity and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The financial assets and liabilities that were accounted for at fair value on a recurring basis at July 31, 2024 and July 31, 2023 are as follows:

	Input Level	July 31, 2024	July 31, 2023
Cash equivalents	Level 1	\$ 310,210	\$ 286,984
Deferred compensation plan mutual fund assets	Level 1	\$ 28,985	\$ 40,220
Equity investments	Level 1	\$ 1,169	\$ 4,105
Interest rate swap liabilities, net	Level 2	\$ 1,137	\$ 932

Cash equivalents represent investments in short-term money market instruments that are direct obligations of the U.S. Treasury and/or repurchase agreements backed by U.S. Treasury obligations. These investments are reported as a component of Cash and cash equivalents in the Consolidated Balance Sheets.

Deferred compensation plan assets accounted for at fair value are investments in securities (primarily mutual funds) traded in an active market held for the benefit of certain employees of the Company as part of a deferred compensation plan. Additional plan investments in corporate-owned life insurance are recorded at their cash surrender value, not fair value, and therefore are not included above.

Equity investments represent certain stock investments that are publicly traded in an active market.

The fair value of interest rate swaps is determined by discounting the estimated future cash flows based on the applicable observable yield curves.

12. PRODUCT WARRANTY

The Company generally provides retail customers of its products with a one- or two-year warranty covering defects in material or workmanship, with longer warranties on certain structural components. The Company records a liability based on its best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. Factors used in estimating the warranty liability include a history of retail units sold, existing dealer inventory, average cost incurred and a profile of the distribution of warranty expenditures over the warranty period. Actual claims incurred could differ from estimates, requiring adjustments to the liabilities.

Changes in our product warranty liabilities during the indicated periods are as follows:

	2024	2023	2022
Beginning balance	\$ 345,197	\$ 317,908	\$ 267,620
Provision	290,491	347,588	339,009
Payments	(323,094)	(324,042)	(290,407)
Acquisitions	—	—	9,828
Foreign currency translation	(967)	3,743	(8,142)
Ending balance	<u>\$ 311,627</u>	<u>\$ 345,197</u>	<u>\$ 317,908</u>

13. LONG-TERM DEBT

The components of long-term debt are as follows:

	July 31, 2024	July 31, 2023
Term loan	\$ 594,361	\$ 758,094
Senior unsecured notes	500,000	500,000
Unsecured notes	27,070	27,558
Other debt	29,848	41,753
Total long-term debt	<u>1,151,279</u>	<u>1,327,405</u>
Debt issuance costs, net of amortization	<u>(17,364)</u>	<u>(24,726)</u>
Total long-term debt, net of debt issuance costs	<u>1,133,915</u>	<u>1,302,679</u>
Less: Current portion of long-term debt	<u>(32,650)</u>	<u>(11,368)</u>
Total long-term debt, net, less current portion	<u>\$ 1,101,265</u>	<u>\$ 1,291,311</u>

The Company is a party to a seven-year term loan (“term loan”) agreement, which includes both a United States dollar-denominated term loan tranche (“USD term loan”) and a Euro-denominated term loan tranche (“Euro term loan”) and a five-year asset-based credit facility (“ABL”). Since originally entering these loans on February 1, 2019, the Company has entered into various amendments to extend maturities, lower interest rates and make other minor modifications. Key provisions of the current agreements and the nature of recent amendments are described below.

During the quarter ended July 31, 2023, amendments were made to the term loan and ABL to transition the reference rate for loans denominated in U.S. dollars from LIBOR to the term Secured Overnight Financing Rate (“SOFR”). This transition included a spread adjustment of 11.448 basis points to be added to the SOFR reference rate for USD term loan borrowings (which was subsequently eliminated with the November 15, 2023 amendment) and 10 basis points to be added to the SOFR reference rate for U.S. dollar ABL borrowings. These amendments only modified contract terms related to the reference rate change. In accordance with the optional expedients available under ASU No. 2020-04, these amendments were accounted for as not substantial changes.

On November 15, 2023, the Company entered into amendments to both its term loan and ABL agreements to extend maturities and lower the applicable margins used to determine the interest rate on the USD term loan. Pursuant to the November 15, 2023 term loan amendments, the applicable margin used to determine the interest rate on USD term loan was reduced by 0.25% so that the applicable margin for Alternate Base Rate (“ABR”)-based loans was 1.75% and 2.75% for SOFR-based loans. The SOFR credit spread adjustment applicable to U.S. dollar-denominated SOFR-based loans was eliminated. The applicable margin for Euro-denominated EURIBOR-based loans of 3.00% was not changed with this amendment. The maturity date for the term loan was extended from February 1, 2026 to November 15, 2030. Covenants and other material provisions of the term loan agreement were not materially changed. Pursuant to the ABL amendment, the maturity date for loans under the ABL agreement was extended from September 1, 2026 to November 15, 2028. Maximum availability under the ABL remains at \$1,000,000. The applicable margin, covenants and other material provisions of the ABL remain materially unchanged.

The November 15, 2023 debt amendments noted above were evaluated on a creditor-by-creditor basis pursuant to the requirements in ASC 470-50 related to syndicated loan arrangements. Extinguishment accounting was applied to the creditors

that were deemed to have a substantial difference in terms based on an analysis of the present values of cash flows before and after the amendments. As a result of this analysis, the Company recorded expense of \$14,741 in the second quarter of fiscal 2024. \$7,566 of this \$14,741 expense was classified as interest expense in the Company’s Condensed Consolidated Statements of Income and Comprehensive Income and primarily represents extinguishment charges, while the remaining \$7,175 was classified as administrative expense and primarily represents third-party costs attributed to the modified loans. In addition, during the second quarter of fiscal 2024 the Company capitalized qualifying financing-related costs of \$10,480 related to these amendments which will be amortized over the remaining term of the amended agreements subject to acceleration for early term loan principal payments.

On July 1, 2024, the Company entered into an amendment to the term loan to modify the applicable margins used to determine the interest rate on both the USD term loan and the Euro term loan. USD term loan interest under the amended agreement was reduced by 0.50% so that the applicable margin for ABR-based loans is now 1.25% and for SOFR-based loans is 2.25%. The applicable margin for the Euro term loan was also reduced by 0.25% so that the applicable margin for the EURIBOR-based loans is 2.75%. The November 15, 2030 maturity date for the term loan remains unchanged. The covenants and other provisions of the Credit Agreement remain unchanged. The costs associated with this repricing amendment were not material.

Under the term loan, required annual principal payments of 1.00% of the November 15, 2023 term loan balance are payable quarterly in 0.25% installments starting on May 1, 2024. As of July 31, 2024, however, the Company had made sufficient payments on the USD term loan and Euro term loan to fulfill all future annual principal payment requirements over the term of the loan.

The Company must make mandatory prepayments of principal under the term loan agreement upon the occurrence of certain specified events, including certain asset sales, debt issuances and receipt of annual cash flows in excess of certain amounts. No such specified events occurred during fiscal 2024 or fiscal 2023. The Company may, at its option, prepay any borrowings under the term loan, in whole or in part, at any time without premium or penalty (except in certain circumstances).

As of July 31, 2024, the outstanding USD term loan balance of \$265,000 was subject to a SOFR-based rate totaling 7.594%. As of July 31, 2023, the outstanding USD term loan balance of \$271,900 was subject to a SOFR-based rate totaling 8.433%. The total interest rate on the July 31, 2024 outstanding Euro term loan balance of \$329,361 was 6.346%, and the total interest rate on the July 31, 2023 outstanding Euro term loan balance of \$486,194 was 6.625%

As of July 31, 2024 and July 31, 2023 there were no outstanding ABL borrowings. The Company may, generally at its option, repay any borrowings under the ABL, in whole or in part, at any time and from time to time, without penalty or premium.

Availability under the ABL agreement is subject to a borrowing base based on a percentage of applicable eligible receivables and eligible inventory. The ABL currently carries interest at an annual base rate plus 0.25% to 0.50%, or EURIBOR plus 1.25% to 1.50%, or SOFR plus 1.35% to 1.60%, based on adjusted excess availability as defined in the ABL agreement. This agreement also includes a 0.20% unused facility fee.

The ABL contains a financial covenant which requires the Company to maintain a minimum consolidated fixed-charge coverage ratio of 1.0X, although the covenant is only applicable when adjusted excess availability falls below a threshold of the greater of a) 10% of the lesser of the borrowing base availability or the revolver line total, or b) \$60,000. Up to \$80,000 of the ABL is available for the issuance of letters of credit, and up to \$100,000 is available for swing-line loans. The Company may also increase commitments under the ABL by up to \$200,000 by obtaining additional commitments from lenders and adhering to certain other conditions.

The unused availability under the ABL is generally available to the Company for general operating purposes, and based on July 31, 2024 eligible receivable and inventory balances and net of amounts drawn, if any, totaled approximately \$814,000.

On October 14, 2021, the Company issued an aggregate principal amount of \$500,000 of 4.000% Senior Unsecured Notes due 2029 (“Senior Unsecured Notes”). The Senior Unsecured Notes will mature on October 15, 2029 unless redeemed or repurchased earlier. Net proceeds from the Senior Unsecured Notes, along with cash on hand, were used to repay \$500,000 of borrowings then outstanding on the Company’s ABL and for certain transaction costs. Interest on the Senior Unsecured Notes is payable in semi-annual installments on April 15 and October 15 of each year. The Senior Unsecured Notes rank equally in right of payment with all of the Company’s existing and future senior indebtedness and senior to the Company’s future subordinated indebtedness, and effectively junior in right of payment to the Company’s existing and future secured indebtedness to the extent of the assets securing such indebtedness.

The unsecured notes of 25,000 Euro (\$27,070) at July 31, 2024 relate to long-term debt of our European segment. There are two series, 20,000 Euro (\$21,656) with an interest rate of 1.945% maturing in March 2025, and 5,000 Euro (\$5,414) with an interest rate of 2.534% maturing March 2028. Other debt relates primarily to real estate loans with varying maturity dates through September 2032 and interest rates ranging from 2.38% to 2.87%.

Total contractual debt maturities are as follows:

For the fiscal year ending July 31, 2025	\$	32,650
For the fiscal year ending July 31, 2026		3,185
For the fiscal year ending July 31, 2027		2,653
For the fiscal year ending July 31, 2028		8,067
For the fiscal year ending July 31, 2029		2,653
For the fiscal year ending July 31, 2030 and thereafter		1,102,071
	\$	<u>1,151,279</u>

For fiscal 2024, 2023 and 2022, interest expense on total long-term debt was \$99,970, \$92,977 and \$77,324, respectively. These interest expense amounts include amortization of capitalized debt issuance costs and the fiscal 2024 debt extinguishment charges noted above of \$18,274, \$11,455 and \$11,322 for fiscal years 2024, 2023 and 2022, respectively.

The fair value of the Company’s term-loan debt at July 31, 2024 and July 31, 2023 was \$597,334 and \$759,487, respectively, and the fair value of the Company’s Senior Unsecured Notes at July 31, 2024 and July 31, 2023 was \$450,450 and \$430,650, respectively. The fair value of all other debt held by the Company approximates carrying value. The fair values of the Company’s long-term debt are primarily estimated using Level 2 inputs as defined by ASC 820, based on quoted prices in markets that are not active.

Subsequent to July 31, 2024, the Company made a payment of \$60,000 against the principal balance of its USD term loan.

14. INCOME TAXES

The sources of income before income taxes are as follows:

	For the Fiscal Year Ended July 31,		
	2024	2023	2022
United States	\$ 115,618	\$ 315,939	\$ 1,359,841
Foreign	233,226	183,414	100,023
Total	<u>\$ 348,844</u>	<u>\$ 499,353</u>	<u>\$ 1,459,864</u>

The components of the provision for income taxes are as follows:

	For the Fiscal Year Ended July 31,		
	2024	2023	2022
Income Taxes:			
U.S. Federal	\$ 52,832	\$ 102,919	\$ 296,716
U.S. state and local	10,372	14,803	55,159
Foreign	48,242	45,174	17,848
Total current expense	<u>111,446</u>	<u>162,896</u>	<u>369,723</u>
U.S. Federal	(22,236)	(28,819)	(21,317)
U.S. state and local	(4,116)	(3,447)	(2,089)
Foreign	(1,650)	(5,517)	(24,696)
Total deferred expense (benefit)	<u>(28,002)</u>	<u>(37,783)</u>	<u>(48,102)</u>
Total income tax expense	<u>\$ 83,444</u>	<u>\$ 125,113</u>	<u>\$ 321,621</u>

The differences between income tax expense at the federal statutory rate and the actual income tax expense are as follows:

	For the Fiscal Year Ended July 31,		
	2024	2023	2022
Provision at federal statutory rate	\$ 73,257	\$ 104,864	\$ 306,571
Differences between U.S. Federal statutory and foreign tax rates	3,821	(41,300)	58,573
Foreign currency remeasurement (gains) losses	(7,621)	33,737	(73,914)
U.S. state and local income taxes, net of federal benefit	4,840	9,524	38,919
Nondeductible compensation	3,976	4,413	5,438
Contingent liability accrual and settlement	(7,456)	—	6,300
Global Intangible Low-Taxed Income	12,068	10,936	2,000
Other	559	2,939	(22,266)
Total income tax expense	<u>\$ 83,444</u>	<u>\$ 125,113</u>	<u>\$ 321,621</u>

A summary of the deferred income tax balances is as follows:

	July 31,	
	2024	2023
Deferred income tax asset (liability):		
Inventory basis	\$ 10,019	\$ 10,226
Employee benefits	10,146	10,306
Self-insurance reserves	5,021	4,968
Accrued product warranties	62,687	71,800
Accrued incentives	7,335	9,110
Sales returns and allowances	2,544	2,282
Accrued expenses	6,409	5,641
Property, plant and equipment	(45,494)	(49,036)
Operating leases	10,970	13,086
Deferred compensation	31,359	29,667
Intangibles	(197,012)	(212,478)
Net operating loss and other carryforwards	30,861	38,064
Unrealized (gain) loss	737	(8,843)
Unrecognized tax benefits	2,161	2,965
Research and development	20,237	10,816
Other	8,709	2,395
Valuation allowance	(12,676)	(10,867)
Deferred income tax (liability), net	<u>\$ (45,987)</u>	<u>\$ (69,898)</u>

Deferred tax assets are reduced by a valuation allowance if, based upon available evidence, it is more likely than not that some, or all, of the deferred tax assets will not be realized. The valuation allowances recorded at July 31, 2024 and July 31, 2023 relate to certain foreign net operating loss carryforwards, other assets in foreign jurisdictions and certain disallowed state interest carry forwards.

As of July 31, 2024, the Company has \$285 of deferred tax assets related to U.S. state tax credit carryforwards that expire in fiscal 2035 of which the Company expects to realize prior to expiration. The Company has \$16,303 of deferred tax assets related to NOL carryforwards in certain foreign jurisdictions that will expire from fiscal 2025 or be carried forward indefinitely, of which \$11,146 has been fully reserved with a valuation allowance, and the remaining amount the Company expects to realize. In addition, the Company has \$739 of tax affected U.S. state tax NOL carryforwards that expire from fiscal 2025 to 2044 of which no deferred tax asset or valuation allowance has been recorded on \$323 of these amounts since there is no expectation of future realization. The Company has a deferred tax asset related to disallowed interest carryforwards of \$12,779 in foreign jurisdictions, which it expects to fully realize, and \$992 of deferred tax assets related to U.S. state disallowed interest carryforwards, on which a full \$992 valuation allowance is recorded.

With the exception of foreign subsidiary investment basis differences not attributable to un-repatriated foreign earnings, we consider all of our undistributed earnings of our foreign subsidiaries, as of July 31, 2024, to not be indefinitely reinvested outside of the United States. As of July 31, 2024, the related income tax cost of the repatriation of foreign earnings is not material.

The benefits of tax positions reflected on income tax returns but whose outcome remains uncertain are only recognized for financial accounting purposes if they meet minimum recognition thresholds. The total amount of unrecognized tax benefits that, if recognized, would have impacted the Company's effective tax rate were \$8,614 for fiscal 2024, \$11,106 for fiscal 2023 and \$14,461 for fiscal 2022.

Changes in the unrecognized tax benefit during fiscal years 2024, 2023 and 2022 were as follows:

	2024	2023	2022
Beginning balance	\$ 13,712	\$ 17,998	\$ 17,025
Tax positions related to prior years:			
Additions	1,692	649	705
Reductions	(1,977)	(1,588)	(1,280)
Tax positions related to current year:			
Additions	386	974	4,660
Settlements	(2,133)	(2,531)	(2,453)
Lapses in statute of limitations	(1,246)	(1,790)	(3,010)
Tax positions acquired	—	—	2,351
Ending balance	\$ 10,434	\$ 13,712	\$ 17,998

It is the Company's policy to recognize interest and penalties accrued relative to unrecognized tax benefits in income tax expense. The total amount of interest and penalties expense recognized in the Consolidated Statements of Income and Comprehensive Income for the fiscal years ended July 31, 2024, July 31, 2023 and July 31, 2022 were \$111, \$523 and \$134, respectively.

The total unrecognized tax benefits above, along with the related accrued interest and penalties, are reported within the liability section of the Consolidated Balance Sheets. A portion of the unrecognized tax benefits is classified as short-term and is included in the "Income and other taxes" line of the Consolidated Balance Sheets, while the remainder is classified as a long-term liability.

The components of total unrecognized tax benefits are summarized as follows:

	July 31,	
	2024	2023
Unrecognized tax benefits	\$ 10,434	\$ 13,712
Reduction to unrecognized tax benefits which offset tax credit carryforwards	(605)	(414)
Accrued interest and penalties	2,576	2,694
Total unrecognized tax benefits	\$ 12,405	\$ 15,992
Short-term, included in "Income and other taxes"	\$ —	\$ 1,157
Long-term	12,405	14,835
Total unrecognized tax benefits	\$ 12,405	\$ 15,992

Within the next 12 months, the Company does not anticipate any material changes in its unrecognized tax benefits as of July 31, 2024.

The Company files income tax returns in the U.S. federal jurisdiction and in many U.S. state and foreign jurisdictions. The Company is currently under exam by certain foreign jurisdictions for fiscal years ended 2016 through 2021. The Company believes it has adequately reserved for its exposure to additional payments for uncertain tax positions in its liability for unrecognized tax benefits.

The major tax jurisdictions we file in, with the years still subject to income tax examinations, are listed below:

Major Tax Jurisdiction	Tax Years Subject to Exam
United States – Federal	Fiscal 2021 – Fiscal 2023
United States – State	Fiscal 2021 – Fiscal 2023
Germany	Fiscal 2016 – Fiscal 2022
France	Fiscal 2021 – Fiscal 2023
Italy	Fiscal 2016– Fiscal 2022
United Kingdom	Fiscal 2023

15. CONTINGENT LIABILITIES AND COMMITMENTS

The Company is contingently liable under terms of repurchase agreements with financial institutions providing inventory financing for certain independent dealers of certain of its RV products. These arrangements, which are customary in the RV industry, provide for the repurchase of products sold to dealers in the event of default by the dealer on their agreement to pay the financial institution. The repurchase price is generally determined by the original sales price of the product and predefined curtailment arrangements. The Company typically resells the repurchased product at a discount from its repurchase price. The risk of loss from these agreements is spread over numerous dealers. In addition to the guarantee under these repurchase agreements, the Company may also be required to repurchase inventory relative to dealer terminations in certain states in accordance with state laws or regulatory requirements. The repurchase activity related to dealer terminations in certain states has historically not been material in relation to our repurchase obligation with financial institutions.

The Company’s total commercial commitments under standby repurchase obligations on dealer inventory financing as of July 31, 2024 and July 31, 2023 were \$3,642,137 and \$3,893,048, respectively. The commitment term is generally up to eighteen months.

The Company accounts for the guarantee under repurchase agreements of dealers’ financing by deferring a portion of the related product sale that represents the estimated fair value of the guarantee at inception. This deferred amount is included in the repurchase and guarantee reserve balances of \$14,356 and \$12,114 as of July 31, 2024 and July 31, 2023, respectively, which are included in Other current liabilities in the Consolidated Balance Sheets.

Losses incurred related to repurchase agreements that were settled in fiscal 2024 totaled \$7,107 and were not material in fiscal 2023 and fiscal 2022. Estimating the timing and volume of any potential future repurchase demands, and the related losses to the Company, is difficult and subject to uncertainty. As of July 31, 2024, the Company is not aware of any specific information that would indicate future losses under these agreements would have a material effect on the Company’s consolidated financial position, results of operations or cash flows.

The Company is also involved in certain litigation arising out of its operations in the normal course of its business, most of which is based upon state “lemon laws,” warranty claims and vehicle accidents (for which the Company carries insurance above a specified self-insured retention or deductible amount). The outcomes of legal proceedings and claims brought against the Company are subject to significant uncertainty. There is significant judgment required in assessing both the probability of an adverse outcome and the determination as to whether an exposure can be reasonably estimated. Based on current conditions, management does not believe the ultimate disposition of any current legal proceedings or claims against the Company will have a material effect on the Company’s financial condition, operating results or cash flows. Litigation is, however, inherently uncertain and an adverse outcome from such litigation could have a material effect on the operating results of a particular reporting period.

A product recall was issued in late fiscal 2021 related to certain purchased parts utilized in certain of our products, and an accrual to cover anticipated costs was established at that time. Starting in fiscal 2022, the accrual has been adjusted quarterly based on developments involving the recall, including our expectations regarding the extent of vendor reimbursements and the estimated total cost of the recall. The Company has been, and will continue to be, reimbursed for a portion of the costs it will incur related to this recall. Based on current available information, the Company does not believe there will be a material adverse impact to our future results of operations and cash flows due to this ongoing product recall issue. In addition, the Company recorded a contingent liability during fiscal 2022 based on developments related to an investigation by certain German-based authorities regarding the adequacy of historical disclosures of vehicle weight in advertisements and other Company-provided literature in Germany. Throughout fiscal 2023 and fiscal 2024, this accrual was adjusted quarterly, if necessary, based on developments involving this matter. The Company fully cooperated with the investigation, which was fully resolved and related payments made by the end of fiscal 2024 in an amount not materially different from the adjusted amounts previously accrued. In fiscal 2024, the Company recognized income of \$17,979 as a component of selling, general and administrative expense related to these two matters. In fiscal 2023, the net impact on the Company's results of operations related to these two matters was not material, and in fiscal 2022, the Company recognized \$37,975 of net expense as a component of selling, general and administrative expense related to these two matters.

16. LEASES

The Company has operating leases primarily for land, buildings and equipment and has various finance leases for certain land and buildings principally expiring through 2035.

Certain of the Company's leases include options to extend or terminate the leases and these options have been included in the relevant lease term to the extent that they are reasonably certain to be exercised.

The Company does not include significant restrictions or covenants in our lease agreements, and residual value guarantees are not generally included within our operating leases.

The components of lease costs for the fiscal years ended July 31, 2024, July 31, 2023 and July 31, 2022 were as follows:

	Fiscal Year Ended July 31,		
	2024	2023	2022
Operating lease cost	\$ 32,248	\$ 30,200	\$ 27,391
Finance lease cost			
Amortization of right-of-use assets	746	746	746
Interest on lease liabilities	305	388	471
Total lease cost	<u>\$ 33,299</u>	<u>\$ 31,334</u>	<u>\$ 28,608</u>

Other information related to leases was as follows:

<u>Supplemental Cash Flow Information</u>	Fiscal Year Ended July 31,		
	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 32,167	\$ 30,089	\$ 27,364
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 7,960	\$ 15,426	\$ 21,258

Supplemental Balance Sheet Information	July 31,	
	2024	2023
Operating leases:		
Operating lease right-of-use assets	\$ 43,139	\$ 47,969
Operating lease liabilities		
Other current liabilities	\$ 11,405	\$ 11,238
Other long-term liabilities	32,007	36,775
Total operating lease liabilities	<u>\$ 43,412</u>	<u>\$ 48,013</u>
Finance leases:		
Finance lease right-of-use assets	\$ 4,772	\$ 5,518
Finance lease liabilities		
Other current liabilities	\$ 855	\$ 754
Other long-term liabilities	1,866	2,722
Total finance lease liabilities	<u>\$ 2,721</u>	<u>\$ 3,476</u>
	July 31,	
	2024	2023
Weighted-average remaining lease term		
Operating leases	9.1 years	9.3 years
Finance leases	2.8 years	3.8 years
Weighted-average discount rate		
Operating leases	4.8 %	4.7 %
Finance leases	9.7 %	9.7 %

Future minimum rental payments required under operating and finance leases as of July 31, 2024 were as follows:

	Operating Leases	Finance Leases
For the fiscal year ending July 31, 2025	\$ 17,182	\$ 1,083
For the fiscal year ending July 31, 2026	12,169	1,107
For the fiscal year ending July 31, 2027	8,204	896
For the fiscal year ending July 31, 2028	5,135	58
For the fiscal year ending July 31, 2029	3,310	—
For the fiscal year ending July 31, 2030 and thereafter	13,678	—
Total future lease payments	<u>\$ 59,678</u>	<u>\$ 3,144</u>
Less: Amount representing interest	(16,266)	(423)
Total reported lease liability	<u>\$ 43,412</u>	<u>\$ 2,721</u>

17. STOCKHOLDERS' EQUITY

Stock-based Compensation

The Board and the shareholders approved, and subsequently amended, the THOR Industries, Inc. 2016 Equity and Incentive Plan (the "2016 Equity and Incentive Plan"). The maximum number of shares issuable under the amended 2016 Equity and Incentive Plan is 3,600,000. As of July 31, 2024, the remaining shares available to be granted under the 2016 Equity and Incentive Plan is 823,120. Awards may be in the form of options (incentive stock options and non-statutory stock options), restricted stock, restricted stock units, performance compensation awards and stock appreciation rights.

Under the Company's program to award restricted stock units ("RSU"), the Compensation and Development Committee of the Board generally approves awards each October related to the financial performance of the most recently completed fiscal year. The awarded employee restricted stock units vest, and shares of common stock are issued, in equal installments on the first, second and third anniversaries of the date of grant. In addition, concurrent with the timing of the employee awards, the Environmental, Social, Governance and Nominating Committee of the Board has awarded restricted stock units to Board members that will vest, and shares of common stock will be issued, on the first anniversary of the date of the grant.

The fair value of the employee and Board member restricted stock units is determined using the Company's stock price on the date of grant.

Under the Company's program to provide performance stock units ("PSU") awards to certain members of the Company's executive management, a portion of their equity compensation is determined based on performance related to targets set for both the Company's return on invested capital and free cash flow during a multi-year measurement period. These PSU awards are based on a sliding scale of actual performance against relevant goals within a range of fifty percent (50%) to one hundred fifty percent (150%) of the target. Performance below the fifty percent (50%) threshold results in no earned shares, while performance above the one hundred fifty percent (150%) level results in an award of shares equal to two times the amount of target shares. In deriving the number of shares earned, if any, both performance metrics are weighted equally. Following the measurement period, in accordance with actual achievement and certification of performance metrics, fully vested shares of common stock are issued to the award recipients. The fair value of the PSU awards is determined using the Company's stock price on the grant date. These awards are equity classified and expensed over the applicable measurement period based on the extent to which achievement of the performance metrics is probable.

Total stock-based expense recognized in fiscal 2024, 2023 and 2022 for these RSU and PSU awards totaled \$37,901, \$39,512 and \$31,421, respectively. The Company's tax benefit related to this total stock-based compensation expense approximates \$6,290, \$6,028 and \$4,260 for fiscal 2024, 2023 and 2022, respectively. The fair value of the RSU and PSU shares that vested in fiscal 2024, 2023 and 2022 totaled \$47,282, \$21,152 and \$48,204, respectively.

A summary of restricted stock unit and performance stock unit activity during fiscal 2024, 2023 and 2022 is included below:

	2024		2023		2022	
	Stock Units	Weighted-Average Grant Date Fair Value	Stock Units	Weighted-Average Grant Date Fair Value	Stock Units	Weighted-Average Grant Date Fair Value
Nonvested, beginning of year	1,175,711	\$ 88.37	682,233	\$ 103.76	716,485	\$ 68.70
Granted	304,984	93.12	805,075	77.64	378,999	127.51
Vested	(515,398)	89.82	(284,678)	93.01	(407,512)	64.19
Forfeited	(26,059)	81.35	(26,919)	108.37	(5,739)	105.44
Nonvested, end of year	<u>939,238</u>	<u>\$ 88.40</u>	<u>1,175,711</u>	<u>\$ 88.37</u>	<u>682,233</u>	<u>\$ 103.76</u>

At July 31, 2024 there was \$36,321 of total unrecognized compensation costs related to restricted stock unit and performance stock unit awards that are expected to be recognized over a weighted-average period of 1.57 years.

Share Repurchase Program

On December 21, 2021, the Company's Board of Directors authorized Company management to utilize up to \$250,000 to repurchase shares of the Company's common stock through December 21, 2024. On June 24, 2022, the Board authorized Company management to utilize up to an additional \$448,321 to repurchase shares of the Company's common stock through July 31, 2025.

Under the share repurchase program, the Company is authorized to repurchase, on a discretionary basis and from time-to-time, outstanding shares of its common stock in the open market, in privately negotiated transactions or by other means. The timing and amount of share repurchases will be determined at the discretion of the Company's management team based upon the market price of the stock, management's evaluation of general market and economic conditions, cash availability and other factors. The share repurchase program may be suspended, modified or discontinued at any time, and the Company has no obligation to repurchase any amount of its common stock under the program.

During fiscal 2024, the Company purchased 720,997 shares of its common stock, at various times in the open market, at a weighted-average price of \$94.85 and held them as treasury shares at an aggregate purchase price of \$68,387, with 453,194 shares, or \$42,886, coming from the December 21, 2021 authorization and 267,803 shares, or \$25,501, coming from the June 24, 2022 authorization. Since the inception of the initial December 21, 2021 authorization, the Company has repurchased 3,214,772 shares of its common stock, at various times in the open market, at a weighted-average price of \$85.70 and held them as treasury shares at an aggregate purchase price of \$275,501.

As of July 31, 2024, there is no remaining amount of the Company's common stock that may be repurchased under the December 21, 2021 \$250,000 authorization expiring on December 21, 2024. As of July 31, 2024, the remaining amount of the Company's common stock that may be repurchased under the June 24, 2022 authorization expiring on July 31, 2025 is \$422,820.

18. REVENUE RECOGNITION

The table below disaggregates revenue to the level that the Company believes best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. Other RV-related revenues shown below in the European segment include sales related to accessories and services, new and used vehicle sales at owned dealerships and RV rentals. Performance obligations for all material revenue streams are recognized at a point-in-time. Other sales relate primarily to component part sales to RV original equipment manufacturers and aftermarket sales through dealers and retailers, as well as aluminum extruded components.

	2024	2023	2022
NET SALES:			
Recreational vehicles			
North American Towable			
Travel Trailers and Other	\$ 2,395,246	\$ 2,587,686	\$ 5,430,526
Fifth Wheels	1,284,425	1,614,942	3,231,419
Total North American Towable	3,679,671	4,202,628	8,661,945
North American Motorized			
Class A	776,836	1,066,617	1,779,295
Class C	1,162,140	1,536,398	1,408,470
Class B	506,874	711,155	791,882
Total North American Motorized	2,445,850	3,314,170	3,979,647
Total North American	6,125,521	7,516,798	12,641,592
European			
Motorcaravan	1,747,291	1,409,137	1,457,226
Campervan	1,064,293	987,623	750,310
Caravan	235,928	358,415	365,902
Other RV-related	317,468	281,972	314,015
Total European	3,364,980	3,037,147	2,887,453
Total recreational vehicles	9,490,501	10,553,945	15,529,045
Other	781,927	777,639	1,225,824
Intercompany eliminations	(229,020)	(209,979)	(442,344)
Total	\$ 10,043,408	\$ 11,121,605	\$ 16,312,525

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) ("OCI") and the changes in the Company's accumulated other comprehensive income (loss) ("AOCI") by component were as follows:

	2024					
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivatives	Other	AOCI, net of tax, Attributable to THOR	Non-controlling Interests	Total AOCI
Balance at beginning of period, net of tax	\$ (68,911)	\$ —	\$ 364	\$ (68,547)	\$ (2,583)	\$ (71,130)
OCI before reclassifications	(25,073)	—	(86)	(25,159)	(852)	(26,011)
Income taxes associated with OCI before reclassifications ⁽¹⁾	—	—	—	—	—	—
Amounts reclassified from AOCI	—	—	—	—	—	—
Income taxes associated with amounts reclassified from AOCI	—	—	—	—	—	—
OCI, net of tax for the fiscal year	(25,073)	—	(86)	(25,159)	(852)	(26,011)
AOCI, net of tax	\$ (93,984)	\$ —	\$ 278	\$ (93,706)	\$ (3,435)	\$ (97,141)

	2023					
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivatives	Other	AOCI, net of tax, Attributable to THOR	Non-controlling Interests	Total AOCI
Balance at beginning of period, net of tax	\$ (183,453)	\$ 675	\$ 1,171	\$ (181,607)	\$ (2,205)	\$ (183,812)
OCI before reclassifications	114,542	847	(807)	114,582	(378)	114,204
Income taxes associated with OCI before reclassifications ⁽¹⁾	—	(203)	—	(203)	—	(203)
Amounts reclassified from AOCI	—	(1,732)	—	(1,732)	—	(1,732)
Income taxes associated with amounts reclassified from AOCI	—	413	—	413	—	413
OCI, net of tax for the fiscal year	114,542	(675)	(807)	113,060	(378)	112,682
AOCI, net of tax	\$ (68,911)	\$ —	\$ 364	\$ (68,547)	\$ (2,583)	\$ (71,130)

	2022					
	Foreign Currency Translation Adjustment	Unrealized Gain (Loss) on Derivatives	Other	AOCI, net of tax, Attributable to THOR	Non-controlling Interests	Total AOCI
Balance at beginning of period, net of tax	\$ 54,152	\$ (8,655)	\$ (876)	\$ 44,621	\$ (772)	\$ 43,849
OCI before reclassifications	(237,605)	3,775	2,047	(231,783)	(1,433)	(233,216)
Income taxes associated with OCI before reclassifications ⁽¹⁾	—	(866)	—	(866)	—	(866)
Amounts reclassified from AOCI	—	8,502	—	8,502	—	8,502
Income taxes associated with amounts reclassified from AOCI	—	(2,081)	—	(2,081)	—	(2,081)
OCI, net of tax for the fiscal year	(237,605)	9,330	2,047	(226,228)	(1,433)	(227,661)
AOCI, net of tax	\$ (183,453)	\$ 675	\$ 1,171	\$ (181,607)	\$ (2,205)	\$ (183,812)

(1) We do not recognize deferred taxes for foreign currency translation gains and losses because we do not anticipate reversal in the foreseeable future.

20. WEATHER DAMAGE AT MANUFACTURING FACILITIES

On March 14, 2024, a weather event that included large damaging hail occurred at and around the Company's Jackson Center, OH facilities. The hail resulted in significant roof damage to the motorized production facility and significant damage to inventory that was stored outside, primarily motorized chassis, but also some work in process and finished goods inventory. Due to the lack of chassis, the motorized manufacturing plant was generally unable to produce units from the date of the incident throughout most of the fiscal 2024 fourth quarter, but was generally back to a normal production schedule by the end of fiscal 2024 with the exception of a few certain models, which are expected to be back on line in the first quarter of fiscal 2025.

The Company maintains insurance coverage, subject to a \$1,000 self-insured retention, for the repair or replacement of covered assets that suffer loss, as well as coverage for business interruption, including lost profits. Inventory is a covered asset under the insurance policy, as is the production facility itself.

As of July 31, 2024, the Company has a receivable in the amount of \$43,325 related to estimated damages incurred for which we deem the recovery of such losses from our insurance carriers to be probable. Total estimated losses are \$64,325 and are primarily attributed to the write-off of motorized chassis. This insurance recovery receivable is included in Accounts receivable, other, net on the Consolidated Balance Sheets, as we believe recovery will be realized within one year of the balance sheet date.

Given the expectation of recovery from insurance, the impact on our consolidated income before income taxes during fiscal 2024 related to the losses incurred on the weather damages noted above was not material. As of the date of this report, the Company is still in the process of fully assessing damages and submitting relevant insurance claim information, but the Company did receive an initial payment of \$20,000 in insurance proceeds relating to this event in the fiscal year ended July 31, 2024.

Although our insurance covers business interruption, the Company did not recognize recovery for business interruption during the fiscal year ended July 31, 2024 and will do so at the time of final settlement or when nonrefundable cash advances are made in subsequent periods.

AMENDMENT NO. 4 TO TERM LOAN CREDIT AGREEMENT

AMENDMENT NO. 4, dated as of July 1, 2024 (this “Amendment”), to the Term Loan Credit Agreement dated as of February 1, 2019 (as amended by Amendment No. 1 to Term Loan Credit Agreement, dated as of March 25, 2021, Amendment No. 2 to Term Loan Credit Agreement, dated as of May 9, 2023 and Amendment No. 3 to Term Loan Credit Agreement, dated as of November 15, 2023, and as further amended, supplemented, amended and restated or otherwise modified from time to time prior to the date hereof, the “Credit Agreement”; the Credit Agreement as amended by this Amendment, the “Amended Credit Agreement”) among THOR INDUSTRIES INC., a corporation organized under the laws of Delaware (the “Borrower”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the “Administrative Agent”) and the other parties thereto. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Amended Credit Agreement.

WHEREAS, Section 2.27 of the Credit Agreement provides that the Borrower may incur Term Refinancing Facilities, the proceeds of which are used to refinance in whole or in part any tranche of Term Loans by entering into Refinancing Amendments with Lenders willing to provide such Term Refinancing Facilities;

WHEREAS, the Borrower desires, pursuant to Section 2.27 of the Credit Agreement, to create a new tranche of Term B-3 USD Loans (as defined in the Amended Credit Agreement) and a new tranche of Term B-3 Euro Loans (as defined in the Amended Credit Agreement) (the Term B-3 USD Loans together with the Term B-3 Euro Loans, collectively, the “Term B-3 Loans”) under the Credit Agreement having the terms set forth in the Amended Credit Agreement;

WHEREAS, each Term B-2 Lender that executes and delivers a consent substantially in the form of Exhibit B hereto (a “Consent”) to exchange all (or such lesser amount allocated to it by the Administrative Agent) of its outstanding (x) Term B-2 USD Loans for Term B-3 USD Loans and (y) Term B-2 Euro Loans for Term B-3 Euro Loans, in each case, upon effectiveness of this Amendment and thereafter become a Term B-3 Lender, shall be deemed to have consented to this Amendment;

WHEREAS, JPMorgan Chase Bank, N.A. (“JPMorgan”), Barclays Bank PLC (“Barclays”), BMO Capital Markets Corp. (“BMOCM”) and U.S. Bank National Association (“U.S. Bank”) will act as joint lead arrangers and joint bookrunners, in each case, for the Term B-3 Facilities (as defined in the Amended Credit Agreement);

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Term B-3 Lenders and Term B-3 Loans.

(a) (x) Each Term B-3 USD Lender hereby agrees to make Term B-3 USD Loans and (y) each Term B-3 Euro Lender hereby agrees to make Term B-3 Euro Loans, in each case, in an aggregate principal amount specified opposite its name on Schedule I attached hereto on the Amendment No. 4 Effective Date. The Term B-3 Commitments of the Term B-3 Lenders pursuant to this Section 1(a) shall terminate upon the funding of the Term B-3 Loans on the Amendment No. 4 Effective Date. Once repaid, the Term B-3 Loans may not be reborrowed. The Term B-3 Loans shall have the terms set forth

in this Amendment and in the Amended Credit Agreement and each Term B-3 Lender party hereto consents to this Amendment.

(b) Subject to the terms and conditions set forth herein, on the Amendment No. 4 Effective Date, (i) each Term B-3 Lender shall become a “Term Lender” and a “Lender” under the Amended Credit Agreement and (ii) each Term B-3 Lender shall have all the rights and obligations of a “Term Lender” and a “Lender” holding a Term Loan under the Amended Credit Agreement and other Loan Documents. On the Amendment No. 4 Effective Date, each Term B-2 Lender (in its capacity as such, but not in any other capacity) shall cease to be a Lender party to the Credit Agreement (and, for the avoidance of doubt, shall not be a party to the Amended Credit Agreement with respect to the Term B-2 Loans (except to the extent that it shall subsequently become a party thereto (A) pursuant to an Assignment and Assumption Agreement entered into with any Lender in accordance with the terms of the Amended Credit Agreement, (B) as a Rollover Term Lender pursuant to the cashless settlement mechanism in accordance with this Amendment or (C) through other means in accordance with the terms and provisions of the Amended Credit Agreement)), and all accrued and unpaid fees and other amounts payable under the Existing Credit Agreement for the account of each Term B-2 Lender shall be due and payable on the Amendment No. 4 Effective Date.

(c) Each Rollover Term Lender severally agrees to (i) exchange its Exchanged Term B-2 USD Loans (as defined in the Amended Credit Agreement) for a like principal amount of Term B-3 USD Loans and/or (ii) exchange its Exchanged Term B-2 Euro Loans (as defined in the Amended Credit Agreement) for a like principal amount of Term B-3 Euro Loans, in each case on the Amendment No. 4 Effective Date.

(d) The Term B-3 USD Loans may from time to time be Term Benchmark Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Section 2.2 or 2.12 of the Amended Credit Agreement. The Term B-3 Euro Loans shall be Term Benchmark Loans. The Applicable Margin shall be a percentage per annum determined in accordance with the definition of “Applicable Margin” set forth in the Amended Credit Agreement.

(e) The proceeds of the Term B-3 Loans shall be applied toward the prepayment of the aggregate outstanding principal amount of the Non-Exchanged Term B-2 Loans (as defined in the Amended Credit Agreement) and fees, costs, expenses and original issue discount payable in connection with the Term B-3 Loans.

(f) With effect from the effectiveness of this Amendment, each Term B-3 Loan made on the Amendment No. 4 Effective Date in accordance with Section 1(a) and 1(c) shall constitute, for all purposes of the Credit Agreement as amended hereby, a Term B-3 Loan made pursuant to the Amended Credit Agreement. The initial Interest Period applicable to the Term B-3 Loans will be a length set forth in the Borrowing Request delivered by the Borrower to the Administrative Agent in connection with such Term B-3 Loans.

Section 2. Amendments Relating to the Term B-3 Loans.

(a) Effective as of the Amendment No. 4 Effective Date, the Credit Agreement is hereby amended in accordance with Exhibit A hereto by deleting the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and inserting the double-underlined text (indicated textually in the same manner as the following example: double-underlined text), in each case in place where such text appears therein.

(b) Each Lender delivering a Consent hereunder waives any right to compensation for losses incurred by such Lender to which it may otherwise be entitled pursuant to Section 2.20 of the Credit Agreement in respect of the transactions contemplated hereby.

Section 3. Representations and Warranties.

Each Loan Party represents and warrants to the Lenders as of the Amendment No. 4 Effective Date that:

(a) Each Loan Party has the corporate or similar organizational power and authority, and the legal right, to make, deliver and perform the Amendment and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary corporate or similar organizational action to authorize the execution, delivery and performance of the Amendment and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Amendment. This Amendment has been duly executed and delivered on behalf of each Loan Party party thereto. This Amendment constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) The execution, delivery and performance of this Amendment, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for violations that could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation.

(c) Each of the representations and warranties made by any Loan Party in or pursuant to this Amendment and the other Loan Documents shall be true and correct in all material respects (or in all respects if qualified by materiality) on and as of such date as if made on and as of such date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall have been so true and correct as of such earlier date.

(d) At the time and immediately after giving effect to the incurrence of the Term B-3 Loans, no Default or Event of Default shall have occurred and be continuing.

Section 4. Conditions to Effectiveness.

This Amendment shall become effective on the date on which each of the following conditions is satisfied:

(a) The Administrative Agent's receipt of counterparts of this Amendment duly executed by each Term B-3 Lenders and each of the Loan Parties.

(b) The Administrative Agent's receipt of the following:

(1) written opinions of Ice Miller LLP, Delaware, New York and Indiana counsel to the Loan Parties;

(2) (i) a certificate of each Loan Party, dated the Amendment No. 4 Effective Date, substantially in the form of Exhibit F to the Credit Agreement, with appropriate insertions and attachments, including the certificate of incorporation of each Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization;

(3) a certificate signed by a Responsible Officer of the Borrower certifying as to the satisfaction of the conditions set forth in paragraphs (f) and (g) of this Section 4 as of the Amendment No. 4 Effective Date; and

(4) a solvency certificate from a Responsible Officer of the Borrower in the form of Exhibit L to the Credit Agreement.

(c) The aggregate principal amount of the Exchanged Term B-2 Loans plus the aggregate principal amount of the Term B-3 Commitments shall equal the aggregate principal amount of the outstanding Term B-2 Loans immediately prior to the Amendment No. 4 Effective Date.

(d) The Borrower shall have paid to the Administrative Agent, for the ratable account of the Term B-2 Lenders immediately prior to the Amendment No. 4 Effective Date, all accrued and unpaid interest on the Term B-2 Loans to, but not including, the Amendment No. 4 Effective Date and the aggregate principal amount of all Term B-2 Loans shall be repaid in full (or cashlessly exchanged pursuant to the terms hereof).

(e) All reasonable and documented out-of-pocket fees and expenses due to the Administrative Agent (including pursuant to Section 10 hereof) shall have been paid (or the Borrower shall have made arrangements reasonably satisfactory to the Administrative Agent for such payment).

(f) At the time and immediately after giving effect to the incurrence of the Term B-3 Loans, no Default or Event of Default shall have occurred and be continuing.

(g) Each of the representations and warranties made by any Loan Party in or pursuant to this Amendment and the other Loan Documents shall be true and correct in all material respects (or in all respects if qualified by materiality) on and as of such date as if made on and as of such date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall have been so true and correct as of such earlier date.

(h) (i) The Administrative Agent shall have received at least three Business Days prior to the Amendment No. 4 Effective Date any information requested at least ten Business Days prior to the Amendment No. 4 Effective Date by the Administrative Agent that such Administrative Agent reasonably determines is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the USA Patriot Act and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation (as defined in the Amended Credit Agreement), at least five days prior to the Amendment No. 4 Effective Date, any Lender that has requested, in a written notice to the Borrower at least ten days prior to the Amendment No. 4 Effective Date, a Beneficial Ownership Certification (as defined in the Amended Credit Agreement) in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Term B-3 Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

(i) The Administrative Agent shall have received the Borrowing Request required by Section 2.2 of the Credit Agreement.

(j) The Administrative Agent shall have received (a) "Life-of-Loan" Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each Mortgaged Property; and (b) in the event any such Mortgaged Property is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area, (x) a notice about special flood hazard area status and flood disaster assistance, duly executed by the Borrower and the applicable Loan Party and (y) evidence of flood insurance as required by the Credit Agreement.

Section 5. Acknowledgments.

Each Loan Party hereby expressly acknowledges and agrees to the terms of this Amendment and reaffirms and confirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby and that on and after the Amendment No. 4 Effective Date each Loan Document remains in full force and effect, (ii) its guarantee of the Obligations (including, without limitation, the Term B-3 Loans) pursuant to the Guarantee Agreement and that that on and after the Amendment No. 4 Effective Date its guarantee will extend to the Obligations as amended by this Amendment, and (iii) its grant of Liens on the Collateral to secure the Obligations (including, without limitation, the Obligations with respect to the Term B-3 Loans) pursuant to the Security Documents and that on and after the Amendment No. 4 Effective Date the Liens will continue to secure the Obligations as amended by this Agreement.

Section 6. Liens Unimpaired.

After giving effect to this Amendment, neither the modification of the Credit Agreement effected pursuant to this Amendment nor the execution, delivery, performance or effectiveness of this Amendment:

(a) impairs the validity, effectiveness or priority of the Liens granted pursuant to any Loan Document, and such Liens continue unimpaired with the same priority to secure repayment of all Obligations, whether heretofore or hereafter incurred; or

(b) requires that any new filings be made or other action taken to perfect or to maintain the perfection of such Liens.

Section 7. Entire Agreement.

This Amendment, the Credit Agreement and the other Fundamental Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties hereto with respect to the subject matter hereof. Except as expressly set forth herein, this Amendment and the Credit Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of any party under, the Credit Agreement, nor alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect. It is understood and agreed that each reference in each Loan Document to the “Credit Agreement,” whether direct or indirect, shall hereafter be deemed to be a reference to the Credit Agreement as amended by this Amendment and that this Amendment is a “Loan Document” and a “Refinancing Amendment.”

Section 8. Amendment, Modification and Waiver.

This Amendment may not be amended, modified or waived except pursuant to a writing signed by each of the parties hereto.

Section 9. Expenses.

The Borrower agrees to reimburse the Administrative Agent for its reasonable and documented out-of-pocket expenses incurred by them in connection with this Amendment, including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent, pursuant to the terms of Section 11.4 of the Credit Agreement.

Section 10. Counterparts.

This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Section 10.8(b) of the Amended Credit Agreement is hereby incorporated by reference into this Amendment and shall apply hereto.

Section 11. Governing Law and Waiver of Right to Trial by Jury.

THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. SECTIONS 10.12 AND 10.16 OF THE CREDIT AGREEMENT

ARE HEREBY INCORPORATED BY REFERENCE INTO THIS AMENDMENT AND SHALL APPLY HERETO.

Section 12. Headings.

The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

Section 13. Effect of Amendment.

Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

Section 14. Post-Closing Requirements

Within 90 days after the Amendment No. 4 Effective Date (or such later date as may be agreed by the Administrative Agent in its sole discretion) the Administrative Agent shall have received with respect to each Mortgaged Property, in each case in form and substance reasonably acceptable to the Administrative Agent, either:

(A) written or e-mail confirmation from local counsel in the jurisdiction in which the Mortgaged Property is located substantially to the effect that: (x) the recording of the existing Mortgage is the only filing or recording necessary to give constructive notice to third parties of the Lien created by such mortgage as security for the Obligations (as defined in the Mortgage), including the obligations evidenced by this Amendment and the other documents executed in connection herewith, for the benefit of the Secured Parties, and (y) no other documents, instruments, filings, recordings, re-recordings, re-filings or other actions, including, without limitation, the payment of any mortgage recording taxes or similar taxes are necessary or appropriate under applicable law in order to maintain the continued enforceability, validity or priority of the Lien created by such Mortgage as security for the Obligations, including the obligations evidenced by this Amendment and the other documents executed in connection herewith, for the benefit of the Secured Parties; or

(B) (a) an amendment to the existing Mortgage (the "Mortgage Amendment") to reflect the matters set forth in this Amendment, duly executed and acknowledged by the applicable Loan Party, and in form for recording in the recording office where such Mortgage was recorded, together with such certifications, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof under applicable law;

- (b) a favorable opinion, addressed to the Administrative Agent and the Secured Parties covering, the enforceability of the applicable Mortgage as amended by the Mortgage Amendment;
- (c) a date down endorsement (or other title product where a date down endorsement is not available in the applicable jurisdiction) to the existing Mortgage Policy, which shall reasonably assure the Administrative Agent as of the date of such endorsement (or other title product) that the real property subject to the lien of such Mortgage is free and clear of all defects and encumbrances except for Permitted Liens; and Specified Permitted Liens
- (d) evidence of payment by the Borrower of all escrow charges and related charges, mortgage recording taxes, fees, charges and costs and expenses required for the recording of the Mortgage Amendment referred to above; and
- (e) such affidavits, certificates, information and instruments of indemnification as shall be required to induce the title company to issue the endorsement (or other title product) contemplated above and evidence of payment of all applicable title insurance premiums, search and examination charges, and related charges required for the issuance of the endorsement.

[Signature Pages to Follow]

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

THOR INDUSTRIES INC.

By /s/ Colleen Zuhl
Name: Colleen A. Zuhl
Title: Senior Vice President and Chief
Financial Officer

AIRSTREAM, INC.
CRUISER RV, LLC
DRV, LLC.
HEARTLAND RECREATIONAL VEHICLES, LLC
K.Z., INC.
KEYSTONE RV COMPANY
MOTORIZED REAL ESTATE, LLC
POSTLE OPERATING, LLC
THOR LIVIN' LITE, INC.
THOR MOTOR COACH, INC.
THOR TECH, INC.
THOR WAKARUSA LLC
TOWABLE HOLDINGS, INC.
2700 REAL ESTATE HOLDINGS, LLC

By /s/ Colleen Zuhl
Name: Colleen A. Zuhl
Title: Treasurer

[SIGNATURE PAGE TO AMENDMENT NO. 4]

JAYCO, INC.
AIRXCEL, INC.
CLEER VISION TEMPERED GLASS, LLC
CLEER VISION WINDOWS, LLC
DICOR CORPORATION, INC.
MCD INNOVATIONS, INC.
SEAL DESIGN, LLC
UNITED SHADE, LLC
VIXEN COMPOSITES, LLC

By /s/ Colleen Zuhl
Name: Colleen A. Zuhl
Title: Vice President

TIFFIN MOTOR HOMES, INC.

By /s/ Colleen Zuhl
Name: Colleen A. Zuhl
Title: Secretary

[SIGNATURE PAGE TO AMENDMENT NO. 4]

JPMORGAN CHASE BANK, N.A., as Administrative Agent and a Term B-3 Lender

By: /s/ Alaina Moran

Name: Alaina Moran

Title: Authorized Signatory

[SIGNATURE PAGE TO AMENDMENT NO. 4]

JPMORGAN CHASE BANK, N.A., London
Branch as a Term B-3 Lender

By: /s/ Altan Kayaalp
Name: Altan Kayaalp
Title: Executive Director

[SIGNATURE PAGE TO AMENDMENT NO. 4]

SIGNATURE PAGES OF OTHER TERM B-3 LENDERS

[On file with the Administrative Agent]

SCHEDULE 1

Term B-3 Euro Commitment:

Lender	Commitment
JPMorgan Chase Bank, N.A., London Branch	€1,559,412.18
TOTAL	€1,559,412.18

Term B-3 USD Commitment:

Lender	Commitment
JPMorgan Chase Bank, N.A.	\$18,572,491.96
TOTAL	\$18,572,491.96

EXHIBIT A

Amended Credit Agreement

[See Attached]

TERM LOAN CREDIT AGREEMENT

among

THOR INDUSTRIES, INC.

as Borrower,

The Several Lenders from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent

Dated as of February 1, 2019,
as amended by Amendment No. 1 dated as of March 25, 2021,
as amended by Amendment No. 2 dated as of May 9, 2023 ~~and~~,
as amended by Amendment No. 3 dated as of November 15, 2023 ~~and~~
as amended by Amendment No. 4 dated as of July 1, 2024

BARCLAYS BANK PLC,
as Syndication Agent

BANK OF MONTREAL
and
U.S. BANK NATIONAL ASSOCIATION,
as Documentation Agents, and

JPMORGAN CHASE BANK, N.A.,
BARCLAYS BANK PLC,
BMO CAPITAL MARKETS CORP.
and
U.S. BANK NATIONAL ASSOCIATION,
as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

SECTION 1.	DEFINITIONS	1
1.1	Defined Terms	1
1.2	Other Definitional Provisions	50
1.3	Conversion of Foreign Currencies	50
1.4	Interest Rates;	51
1.5	Compliance with Anti-Boycott Laws	52
SECTION 2.	AMOUNT AND TERMS OF COMMITMENTS	52
2.1	Commitments	52
2.2	Procedure for Revolving Loan Borrowing	52
2.3	Repayment of Term Loans	53
2.4	[Reserved]	53
2.5	[Reserved]	53
2.6	[Reserved]	53
2.7	[Reserved]	53
2.8	Fees, etc.	53
2.9	[Reserved]	53
2.10	Optional Prepayments	53
2.11	Mandatory Prepayments and Commitment Reductions	54
2.12	Conversion and Continuation Options	56
2.13	Limitations on Term Benchmark Tranches	56
2.14	Interest Rates and Payment Dates	56
2.15	Computation of Interest and Fees	57
2.16	Inability to Determine Interest Rate	57
2.17	Pro Rata Treatment and Payments	59
2.18	Requirements of Law	61
2.19	Taxes	62
2.20	Indemnity	65
2.21	Change of Lending Office	66
2.22	Replacement of Lenders	66
2.23	[Reserved]	67
2.24	Incremental Facilities	67
2.25	Loan Purchases	69
2.26	Loan Modification Offers	70
2.27	Refinancing Facilities	71
SECTION 3.	[RESERVED]	72
SECTION 4.	REPRESENTATIONS AND WARRANTIES	72
4.1	Financial Condition	74
4.2	No Change	74
4.3	Existence; Compliance with Law	74
4.4	Power; Authorization; Enforceable Obligations	74
4.5	No Legal Bar	74
4.6	Litigation	74

4.7	No Default	75
4.8	Ownership of Property; Liens	75
4.9	Intellectual Property	75
4.10	Taxes	75
4.11	Federal Regulations	75
4.12	Labor Matters	75
4.13	ERISA	76
4.14	Investment Company Act; Other Regulations	76
4.15	Subsidiaries; Capital Stock	76
4.16	Use of Proceeds	77
4.17	Environmental Matters	77
4.18	Accuracy of Information, etc.	78
4.19	Security Documents	78
4.20	Solvency	79
4.21	Senior Indebtedness	79
4.22	Flood Laws	79
4.23	Certain Documents	79
4.24	Anti-Corruption Laws, Anti-Money Laundering and Sanctions	79
4.25	Affected Financial Institutions	79
4.26	Plan Assets; Prohibited Transactions	79
SECTION 5.	CONDITIONS PRECEDENT	79
5.1	Conditions to Initial Extension of Credit	79
5.2	Conditions to Each Extension of Credit	84
SECTION 6.	AFFIRMATIVE COVENANTS	84
6.1	Financial Statements	85
6.2	Certificates; Other Information	86
6.3	Payment of Obligations	87
6.4	Maintenance of Existence; Compliance	87
6.5	Maintenance of Property; Insurance	87
6.6	Inspection of Property; Books and Records; Discussions	87
6.7	Notices	87
6.8	Environmental Laws	88
6.9	Additional Loan Parties	88
6.10	Additional Collateral, etc	89
6.11	Designation of Subsidiaries	90
6.12	Maintenance of Ratings	90
6.13	Post-Closing Covenants	91
6.14	Control Agreements	91
SECTION 7.	NEGATIVE COVENANTS	91
7.1	[Reserved]	91
7.2	Indebtedness	91
7.3	Liens	95
7.4	Fundamental Changes	98
7.5	Disposition of Property	99

7.6	Restricted Payments	100
7.7	Investments	102
7.8	Optional Payments and Modifications of Certain Debt Instruments	105
7.9	Transactions with Affiliates	106
7.10	Sales and Leasebacks	106
7.11	Swap Agreements	107
7.12	Changes in Fiscal Periods	107
7.13	Negative Pledge Clauses	107
7.14	Clauses Restricting Subsidiary Distributions	107
7.15	Lines of Business	108
7.16	Amendments to Acquisition Documents	108
7.17	Use of Proceeds	108
7.18	Repayment	108
SECTION 8.	EVENTS OF DEFAULT	109
SECTION 9.	THE AGENTS	111
9.1	Appointment	111
9.2	Delegation of Duties	111
9.3	Exculpatory Provisions	112
9.4	Reliance by Administrative Agent	112
9.5	Notice of Default	112
9.6	Non-Reliance on Agents and Other Lenders	112
9.7	Indemnification	113
9.8	Agent in Its Individual Capacity	113
9.9	Successor Administrative Agent	113
9.10	Arranger, Syndication Agent and Documentation Agents	114
9.11	Credit Bidding	114
9.12	Certain ERISA Matters	115
9.13	Flood Laws	116
9.14	Release from any Restrictions on Representing Several Persons and Self-Dealing	116
9.15	Acknowledgement of Lenders	116
SECTION 10.	MISCELLANEOUS	117
10.1	Amendments and Waivers	117
10.2	Notices	119
10.3	No Waiver; Cumulative Remedies	120
10.4	Survival of Representations and Warranties	120
10.5	Payment of Expenses and Taxes	120
10.6	Successors and Assigns; Participations and Assignments	122
10.7	Adjustments; Set-off	126
10.8	Counterparts	126
10.9	Severability	128
10.10	Integration	128
10.11	GOVERNING LAW	128
10.12	Submission to Jurisdiction; Waivers	128

10.13	Acknowledgements	128
10.14	Releases of Guarantees and Liens	129
10.15	Confidentiality	130
10.16	WAIVERS OF JURY TRIAL	131
10.17	USA Patriot Act	131
10.18	Intercreditor Agreement	131
10.19	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	131

SCHEDULES:

1.1A Initial Term Commitments
1.1B Mortgaged Property
1.1C Consolidated EBITDA
4.1(d) Contingent Liabilities
4.4(b) Consents; Authorizations
4.13 Pension Plans
4.15 Subsidiaries; Capital Stock
4.19(a) Filing Jurisdictions
7.2(e) Existing Indebtedness
7.3(f) Existing Liens
7.5(l) Scheduled Dispositions
7.7(k) Existing Investments

EXHIBITS:

A Form of Guarantee Agreement
B Form of Security Agreement
C Form of Borrowing Request
D Form of Interest Election Request
E Form of Compliance Certificate
F Form of Closing Certificate
G Form of Assignment and Assumption
H Form of U.S. Tax Compliance Certificate
I-1 Form of Incremental Term Loan Activation Notice
I-2 Form of New Lender Supplement
J Auction Procedures
K Form of Intercreditor Agreement
L Form of Solvency Certificate

TERM LOAN CREDIT AGREEMENT (this “Agreement”), dated as of February 1, 2019, among Thor Industries, Inc., a Delaware corporation (the “Borrower”), the several banks and other financial institutions or entities from time to time parties to this Agreement (the “Lenders”), JPMorgan Chase Bank, N.A., as Administrative Agent.

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“ABL Administrative Agent” means JPMorgan Chase Bank, N.A., as administrative agent under the ABL Loan Documents, and its successors and assigns.

“ABL Commitments” means the “Commitments” as defined in the ABL Credit Agreement.

“ABL Credit Agreement” means the ABL Credit Agreement, dated as of the Closing Date, among the Borrower, the lenders and agents party thereto and the ABL Administrative Agent.

“ABL Loan Documents” means collectively (a) the ABL Credit Agreement, (b) the ABL Security Documents, (c) the Intercreditor Agreement, (d) any promissory note evidencing loans under the ABL Credit Agreement and (e) any amendment, waiver, supplement or other modification to any of the documents described in clauses (a) through (d).

“ABL Loans” means loans outstanding under the ABL Credit Agreement.

“ABL Obligations Payment Date” has the meaning set forth in the Intercreditor Agreement.

“ABL Priority Collateral” has the meaning set forth in the Intercreditor Agreement.

“ABL Representative” has the meaning set forth in the Intercreditor Agreement.

“ABL Security Documents” means the collective reference to the Security Documents (as defined in the ABL Credit Agreement), the Mortgages (as defined in the ABL Credit Agreement) and all other security documents delivered to the ABL Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any ABL Loan Document.

“ABR” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Term SOFR Rate for a one month Interest Period as published by two U.S. Government Securities Business Days prior to such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%, provided that for the purpose of this definition, the Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the SOFR Reference Rate methodology. Any change in the ABR due to a change in the Prime Rate, the NYFRB Rate or the Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Term SOFR Rate, respectively. If the ABR is being used as an alternate rate of interest pursuant to Section 2.16 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.16(b)), then the ABR shall be the greater of clauses (a) and (b) above and shall be determined

without reference to clause (c) above. For the avoidance of doubt, if the ABR as so determined would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“ABR Loans” means Loans the rate of interest applicable to which is based upon the ABR.

“Accepting Lenders” has the meaning set forth in Section 2.26(a).

“Acquisition” means the acquisition by the Borrower, directly or indirectly, of 100% of the Capital Stock of the Target.

“Acquisition Agreement” means the Sale and Purchase Agreement, dated as of September 18, 2018, among Gertraud Hymer, Carolin Hachenberg, Christian Hymer, as sellers (collectively, the “Sellers”), Tyr Holdings LLC & Co. KG, as buyer, and the Borrower.

“Acquisition Documentation” means collectively, (i) the Acquisition Agreement and all schedules, exhibits and annexes thereto and (ii) all side letters and agreements affecting the terms thereof that are material to the interests of the Lenders.

“Acquisition Signing Date” means September 18, 2018.

“Additional Permitted Amount” has the meaning set forth in the definition of Permitted Refinancing Indebtedness.

“Administrative Agent” means JPMorgan Chase Bank, N.A. in its capacity as administrative agent and collateral agent for the Lenders hereunder. References to the “Administrative Agent” shall include J.P. Morgan Europe Limited (including but not limited to administrative matters pertaining to the Initial Euro Term Loans, the Term B-1 Euro Loans ~~and~~ the Term B-2 Euro Loans and the Term B-3 Euro Loans) and any other branch or affiliate of JPMorgan Chase Bank, N.A. designated by JPMorgan Chase Bank, N.A. in accordance with this Agreement for the purpose of performing its obligations in such capacity.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Agents” means the collective reference to the Administrative Agent and any other agent identified on the cover page of this Agreement.

“Aggregate Exposure” means with respect to any Lender at any time, an amount equal to the aggregate then unpaid principal amount of such Lender’s Loans.

“Aggregate Exposure Percentage” means with respect to any Lender at any time, the

ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"Agreement" has the meaning set forth in the preamble hereto.

"Amendment No. 1" means Amendment No. 1 to the Term Loan Credit Agreement dated as of the Amendment No. 1 Effective Date.

"Amendment No. 2" means Amendment No. 2 to the Term Loan Credit Agreement dated as of the Amendment No. 2 Effective Date.

"Amendment No. 3" means Amendment No. 3 to the Term Loan Credit Agreement dated as of the Amendment No. 3 Effective Date.

"Amendment No. 4" means Amendment No. 4 to the Term Loan Credit Agreement dated as of the Amendment No. 4 Effective Date.

"Amendment No. 1 Effective Date" means March 25, 2021, the date on which all conditions precedent set forth in Section 4 of Amendment No. 1 are satisfied.

"Amendment No. 2 Effective Date" means May 9, 2023, the date on which all conditions precedent set forth in Section 4 of Amendment No. 2 are satisfied.

"Amendment No. 3 Effective Date" means November 15, 2023, the date on which all conditions precedent set forth in Section 4 of Amendment No. 3 are satisfied.

"Amendment No. 4 Effective Date" means July 1, 2024, the date on which all conditions precedent set forth in Section 4 of Amendment No. 4 are satisfied.

"Ancillary Document" has the meaning set forth in Section 10.8(b).

"Anti-Boycott-Provisions" has the meaning set forth in Section 1.5.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Anti-Money Laundering Laws" means applicable laws or regulations in any jurisdiction in which the Borrower or its Subsidiaries is located or doing business that relate to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

"Applicable Margin" means (~~x~~w) prior to the Amendment No. 1 Effective Date, (i) with respect to Initial USD Term Loans constituting ABR Loans, 2.75% per annum, (ii) with respect to Initial USD Term Loans constituting Term Benchmark Loans, 3.75% per annum; and (iii) with respect to Initial Euro Term Loans constituting Term Benchmark Loans, 4.00% per annum, (~~y~~x) from and after the Amendment No. 1 Effective Date and prior to the Amendment No. 3 Effective Date, (i) with respect to Term B-1 USD Loans constituting ABR Loans, 2.00% per annum, (ii) with respect to Term B-1 USD Loans constituting Term Benchmark Loans, 3.00% per annum; and (iii) with respect to Term B-1 Euro Loans constituting Term Benchmark Loans, 3.00% per annum ~~and~~, (~~z~~y) from and after the Amendment No. 3 Effective Date and prior to the Amendment No. 4 Effective Date, (i) with respect to Term B-2 USD Loans constituting ABR Loans, 1.75% per annum, (ii) with respect to Term B-2 USD Loans

constituting Term Benchmark Loans, 2.75% per annum; and (iii) with respect to Term B-2 Euro Loans constituting Term Benchmark Loans, 3.00% per annum- and (z) from and after the Amendment No. 4 Effective Date, (i) with respect to Term B-3 USD Loans constituting ABR Loans, 1.25% per annum, (ii) with respect to Term B-3 USD Loans constituting Term Benchmark Loans, 2.25% per annum; and (iii) with respect to Term B-3 Euro Loans constituting Term Benchmark Loans, 2.75% per annum.

(b) for Incremental Term Loans, such per annum rates as shall be agreed to by the Borrower and the applicable Incremental Term Lenders as shown in the applicable Incremental Term Loan Activation Notice.

“Applicable Reference Period” means as at any date of determination, the most recently ended Reference Period for which financial statements with respect to each fiscal quarter included in such Reference Period have been delivered pursuant to Section 6.1(a) or 6.1(b) (or, prior to the delivery of any such financial statements, the Reference Period ended October 31, 2018).

“Approved Fund” has the meaning set forth in Section 10.6(b).

“Arranger” means each Joint Lead Arranger and Joint Bookrunner identified on the cover page of this Agreement.

“Asset Sale” means any Disposition of property or series of related Dispositions of property (excluding any such Disposition permitted by clause (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m) or (p) of Section 7.5) that yields gross proceeds to any Group Member (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$35,000,000, individually, or \$50,000,000, in the aggregate for each fiscal year of the Borrower.

“Assignee” has the meaning set forth in Section 10.6(b).

“Assignment and Assumption” means an Assignment and Assumption, substantially in the form of Exhibit G, or such other form as the Administrative Agent may approve.

“Attributable Indebtedness” means in respect of any sale and leaseback transaction, as at the time of determination, the present value (discounted at the implied interest rate in such transaction compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

“Auction Manager” has the meaning set forth in Section 2.25.

“Auction Notice” means an auction notice given by the Borrower in accordance with the Auction Procedures with respect to an Auction Purchase Offer.

“Auction Procedures” means the auction procedures with respect to Auction Purchase Offers set forth in Exhibit I hereto.

“Auction Purchase Offer” means an offer by the Borrower to purchase Term Loans of one or more Facilities pursuant to modified Dutch auctions conducted in accordance with the Auction Procedures and otherwise in accordance with Section 2.25.

“Available Amount” means at any time, the excess if any, of:

- (a) the sum (without duplication) of:
- (i) \$112,500,000,
 - (ii) an amount equal to 50% of Cumulative Consolidated Net Income;
 - (iii) the Net Cash Proceeds (Not Otherwise Applied) received after the Closing Date and on or prior to such date from any issuance of Qualified Capital Stock by the Borrower (other than any such issuance to a Group Member);
 - (iv) the Net Cash Proceeds of Indebtedness and Disqualified Capital Stock of the Borrower, in each case incurred or issued after the Closing Date, which have been exchanged or converted into Qualified Capital Stock;
 - (v) the Net Cash Proceeds of Dispositions of Investments made using the Available Amount on or after the Closing Date; provided that such Net Cash Proceeds added pursuant to this clause (v) shall be no greater than the portion of the Available Amount used to make such Investment;
 - (vi) to the extent not already included in Consolidated Net Income, returns, profits, distributions and similar amounts received in cash or Cash Equivalents on Investments made using the Available Amount on or after the Closing Date; provided that such Net Cash Proceeds added pursuant to this clause (vi) shall be no greater than the portion of the Available Amount used to make such Investment;
 - (vii) the Investments made on or after the Closing Date using the Available Amount of the Borrower and its Restricted Subsidiaries in any Unrestricted Subsidiary that has been re-designated as a Restricted Subsidiary or that has been merged, consolidated, amalgamated or Divided into the Borrower or any of its Restricted Subsidiaries or the fair market value of the assets of any Unrestricted Subsidiary purchased with Investments made on or after the Closing Date using the Available Amount that have been transferred (other than for value) to the Borrower or any of its Restricted Subsidiaries;
 - (viii) the Net Cash Proceeds of Dispositions of Unrestricted Subsidiaries and Joint Ventures in an amount not to exceed the portion of the Available Amount used to make Investments therein;
 - (ix) the aggregate amount received after the Closing Date by the Borrower or any Restricted Subsidiary in cash from any dividend or other distribution by a Joint Venture (except to the extent increasing Consolidated Net Income); provided that such amounts received from a Joint Venture and added pursuant to this clause (ix) shall be no greater than the portion of the Available Amount used to make the Investment in such Joint Venture; and
 - (x) the aggregate amount of the Declined Amounts (calculated from the Closing Date); minus
- (b) the sum of all Restricted Payments made on or after the Closing Date and prior to such time in reliance on Section 7.6(g), plus all Investments made on or after the Closing Date, prior to such time in reliance on Section 7.7(r), plus all Restricted Debt Payments made on after the Closing Date and prior to such time in reliance on Section 7.8(a)(v), in each case utilizing the Available

Amount or portions thereof in effect on the date of any such Restricted Payment, Investment or Restricted Debt Payment.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (f) of Section 2.16.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” means Title 11 of the United States Code (11 U.S.C. § 101 et seq.).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States (or any other applicable jurisdiction) or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Bankruptcy Plan” means a reorganization or plan of liquidation pursuant to any Debtor Relief Laws.

“Basel III” means:

(a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement –

Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

- (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“Benchmark” means, initially, (a) Daily Simple SOFR or (b) with respect to a Term Benchmark Loan, the Relevant Rate for such currency; provided that if a Benchmark Transition Event, and its related Benchmark Replacement Date have occurred with respect to the Term SOFR Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) or clause (c) of Section 2.16.

“Benchmark Replacement” means, for any Available Tenor, the first relevant alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (1) in the case of any Loan denominated in Dollars, Daily Simple SOFR;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for dollar-denominated syndicated credit facilities at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Loan, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be

appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date;

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) in each case, or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently

or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.16 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.16.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Base Incremental Amount” means as of any date, an amount equal to (a) the greater of (i) \$1,000,000,000 and (ii) 100% of Four Quarter EBITDA, *less* (b) the aggregate principal amount of Incremental Term Loans established prior to such date in reliance on the Base Incremental Amount, less (c) the aggregate principal amount of Incremental Equivalent Debt established prior to such date in reliance on the Base Incremental Amount.

“Benefitted Lender” has the meaning set forth in Section 10.7(a).

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

“Borrower” has the meaning set forth in the preamble hereto.

“Borrowing” means Term Loans of the same Type and made to the Borrower, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

“Borrowing Date” means any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Borrowing Request” means a request by the Borrower for Term Loans in accordance with Section 2.2, which shall be substantially in the form of Exhibit C or any other form approved by the Administrative Agent.

“Business” has the meaning set forth in Section 4.17(b).

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that (i) in relation to Loans referencing the Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Term SOFR Rate or any other dealings of such Loans referencing the Term SOFR Rate, any such day that is only a U.S. Government Securities Business Day and (ii) with respect to any transaction in Euros (including notices with respect thereto), such date is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shares platform and which was launched on 19 November 2007 (TARGET 2) is open.

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

“Capital Lease Obligations” means as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP; provided further that all leases of any Person that were or would have been characterized as operating leases in accordance with GAAP immediately prior to July 31, 2018 (whether or not such operating leases were in effect on such date) shall be accounted for as operating leases (and not as capital leases) for purposes of this Agreement if any change in GAAP following such date would otherwise require such leases to be re-characterized as capital leases.

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

“Cash Equivalents” means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within two years from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$250,000,000; (c) commercial paper of an issuer rated at least A-2 by Standard & Poor’s Financial Services LLC (“S&P”) or P-2 by Moody’s Investors Service, Inc. (“Moody’s”), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within nine months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States

government; (e) securities with maturities of two years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000; or (i) in the case of Investments by a Restricted Subsidiary that is a Foreign Subsidiary, Investments of comparable tenor and credit quality to those described in the foregoing clauses (a) through (h) customarily utilized in countries in which such Foreign Subsidiary operates for short-term cash management purposes.

"CFC" means each Person that is a "controlled foreign corporation" for purposes of the Code.

"CFC Subsidiary" means any Subsidiary that is (a) a CFC, (b) a Domestic Subsidiary (including any Person classified as a partnership or disregarded entity, in each case for US federal income tax purposes owned by such Domestic Subsidiary) substantially all of the assets of which consist of Capital Stock or Indebtedness of one or more CFCs, or (c) owned directly or indirectly by a CFC (including any Person classified as a partnership or disregarded entity, in each case for US federal income tax purposes owned by such CFC).

"Change of Control" means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder) of Capital Stock of the Borrower (other than the acquisition by the Sellers in connection with the Equity Contribution) representing more than 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding Capital Stock of the Borrower; (b) persons who were (i) directors of the Borrower on the Closing Date, (ii) nominated by the board of directors of the Borrower or (iii) appointed by directors who were directors of the Borrower on the Closing Date or were nominated or approved as provided in clause (ii) above ceasing to occupy a majority of the seats (excluding vacant seats) on the board of directors of the Borrower; or (c) the occurrence of any "change in control" (or similar event, however denominated) with respect to the Borrower under and as defined in any indenture or other agreement or instrument evidencing or governing the rights of the holders of any Material Indebtedness (other than Continuing External Debt) of the Borrower or any of its Restricted Subsidiaries.

"Closing Date" means the date on which the conditions precedent to the effectiveness set forth in Section 5.1 are satisfied, which date was February 1, 2019.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

“Commitment” means, with respect to each Lender, the Initial USD Term Loan Commitment, the Initial Euro Term Loan Commitment, the Term B-1 USD Commitment, the Term B-1 Euro Commitment, the Term B-2 USD Commitment **and**, the Term B-2 Euro Commitment, Term B-3 USD Commitment and the Term B-3 Euro Commitment of such Lender.

“Compliance Certificate” means a certificate duly executed by a Responsible Officer substantially in the form of Exhibit E.

“Confidential Information Memorandum” means the Confidential Information Memorandum dated October 2018.

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

“Consolidated Cash Taxes” means for any period, with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis, the aggregate amount of all income and similar Taxes, to the extent the same are payable in cash with respect to such period.

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

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

“Consolidated EBITDA” means for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of:

- (a) income tax expense,
- (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans and the ABL Loans),
- (c) depreciation and amortization expense,
- (d) non-cash charges, losses, expenses or impairments, including stock-based compensation and LIFO reserves established during such period from time to time (but excluding any such non-cash charge to the extent that it represents an accrual or reserve for cash expenses in any future period),
- (e) any extraordinary, unusual or non-recurring expenses or losses (including losses on sale of equipment or businesses outside of the ordinary course of business),
- (f) any fees, charges, costs or expenses incurred during such period in connection with any Investment (including any Permitted Acquisition), Disposition, issuance of Indebtedness or Capital Stock, or amendment, modification, repayment or refinancing of any debt instrument, in each case permitted under this Agreement, including (i) any such transactions undertaken but not completed and

any transactions consummated prior to the Closing Date and (ii) any financial advisory fees, accounting fees, legal fees and other similar advisory and consulting fees (collectively, “Advisory Fees”),

(g) any fees and expenses incurred in connection with the Transactions, including Advisory Fees and (solely for purposes of this clause (g)) cash charges in respect of strategic market reviews, stay or sign-on bonuses, integration-related bonuses, restructuring, consolidation, severance or discontinuance of any portion of operations, employees and/or management,

(h) restructuring and similar charges, accruals, reserves, severance, relocation costs, integration and facilities opening costs and other business optimization expenses (including in connection with revenue synergies), signing costs, retention or completion bonuses, transition costs, costs related to closure/consolidation of facilities and curtailments or modifications to pension and post-retirement employee benefit plans,

(i) the amount of pro forma “run-rate” cost savings, operating expense reductions and synergies actually implemented by the Borrower or related to a Permitted Acquisition projected to be realized as a result of actions taken or are expected to be taken, in each case, that are reasonably identifiable, factually supportable and projected by the Borrower in good faith to be realized as a result of Permitted Acquisitions, Dispositions permitted under Section 7.5, cost savings or business optimization initiatives or other similar transactions or initiatives taken on or after the Closing Date, in each case to the extent not prohibited by this Agreement (collectively, “Initiatives”) (calculated on a Pro Forma Basis as though such cost savings, operating expense reductions, and synergies had been realized on the first day of the relevant Reference Period), net of the amount of actual benefits realized in respect thereof; provided that (i) actions in respect of such cost-savings, operating expense reductions, and synergies have been, or will be, taken within 18 months of the applicable Initiative, (ii) no cost savings, operating expense reductions or synergies shall be added pursuant to this clause (i) to the extent duplicative of any expenses or charges otherwise added to (or excluded from) Consolidated EBITDA, whether through a pro forma adjustment or otherwise, for such period, (iii) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this clause (i) to the extent occurring more than six full fiscal quarters after the applicable Initiative, (iv) the Borrower must deliver to the Administrative Agent (A) a certificate of a Responsible Officer setting forth such estimated cost-savings, operating expense reductions, operating improvements and synergies and (B) information and calculations supporting in reasonable detail such estimated cost savings, operating expense reductions and synergies and (v) with respect to any Reference Period, the aggregate amount added back in the calculation of Consolidated EBITDA for such Reference Period pursuant to this clause (i) shall not exceed 25% of Consolidated EBITDA (calculated prior to giving effect to any add-backs pursuant to this clause (i)),

(j) non-recurring cash expenses recognized for restructuring costs, information technology and other integration costs and business optimization expenses in connection with any Initiative,

(k) net unrealized losses on Swap Agreements, and

minus,

(a) to the extent included in the statement of such Consolidated Net Income for such period, the sum of:

- (i) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business),
 - (ii) income tax credits (to the extent not netted from income tax expense),
 - (iii) net unrealized gains on Swap Agreements and
 - (iv) any other non-cash income (including gains on the sale of equipment or businesses and LIFO reserves terminated during such period from time to time) other than normal accruals in the ordinary course of business for non-cash income that represents an accrual for cash income in a future period and
- (b) any cash payments made during such period in respect of items described in clause (d) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis.

For the purposes of calculating Consolidated EBITDA for any Reference Period pursuant to any determination of the Consolidated Leverage Ratio, Consolidated Secured Leverage Ratio or Four Quarter EBITDA, (i) if at any time during such Reference Period the Borrower or any Restricted Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Reference Period and (ii) if during such Reference Period the Borrower or any Restricted Subsidiary shall have made a Material Acquisition, Consolidated EBITDA for such Reference Period shall be calculated after giving pro forma effect thereto as if such Material Acquisition occurred on the first day of such Reference Period. Notwithstanding the foregoing, but subject to the immediately preceding sentence and any adjustments made pursuant to a calculation made on a “Pro Forma Basis”, Consolidated EBITDA for each of the fiscal quarters ended January 31, 2018, April 30, 2018, July 31, 2018 and October 31, 2018 shall be deemed to be the respective amounts set forth of Schedule 1.1C.

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

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the cumulative effect of a change in accounting principles, (b) the net after tax effect of extraordinary, non-recurring, unusual or exceptional gains, losses, charges and expenses, including any relating to or arising in connection with claims or litigation (including legal fees, settlements, judgments and awards), (c) the net after tax effect of gains, losses, charges and expenses attributable to asset dispositions or the sale or other disposition of any equity interests of any person other than in the ordinary course of business, as determined in good faith by a Responsible Officer of the Borrower, (d) the net after tax effect of gains, losses, charges and expenses attributable to disposed, discontinued, closed or abandoned operations and any net after tax gains, losses, charges and expenses related to the disposal of disposed, abandoned, closed or discontinued operations, (e) the net after tax effect of gains, losses, charges and expenses attributable to the early extinguishment or conversion of Indebtedness, hedge agreements or other derivative instruments (including deferred financing expenses written off and premiums paid), (f) the net income (or loss) for such period of any

Unrestricted Subsidiary, or that is accounted for by the equity method of accounting; provided that Consolidated Net Income shall be increased by the amount of dividends or distributions or other payments that are actually paid to the Borrower or any Restricted Subsidiary in respect of such period in cash or Cash Equivalents (or to the extent subsequently converted into cash or Cash Equivalents), (g) the effects of adjustments (including the effects of such adjustments pushed down to the Borrower and its Restricted Subsidiaries) in any line item in such Person's consolidated financial statements pursuant to GAAP resulting from the application of purchase accounting, as the case may be, in connection with the Transactions, any Acquisition or any joint venture investments or the amortization or write off of any amounts thereof, net of taxes, (h) impairment and amortization charges, asset write offs and write downs (but excluding any write offs or write downs of inventory), including impairment and amortization charges, asset write offs and write downs related to goodwill, intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP, (i) non-cash compensation charges and expenses, including any such charges and expenses arising from grants of stock appreciation or similar rights, phantom equity, stock options, restricted stock, restricted stock units, deferred stock or other rights or equity incentive programs and non-cash deemed finance charges in respect of any pension liabilities or other provisions, (j) (i) charges and expenses pursuant to any management equity plan, long term incentive plan or stock option plan or any other management or employee benefit plan or agreement, any stock subscription or shareholder agreement and (ii) charges, expenses, accruals and reserves in connection with the rollover, acceleration or payout of equity interests held by management of the Borrower or any Restricted Subsidiary, in the case of each of (i) and (ii) above, to the extent that (in the case of any cash charges and expenses) such charges, expenses, accruals and reserves are funded with cash proceeds contributed to the capital of the Borrower or net cash proceeds of an issuance of equity interests (other than Disqualified Capital Stock) of the Borrower, (k) any non-cash loss, charge or expense relating to the incurrence of obligations in respect of an "earn out" or other similar contingent obligations (but only for so long as such loss, charge or expense remains a non-cash contingent obligation), (l) to the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Borrower has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that (i) such coverage is not denied by the applicable carrier or indemnifying party in writing within 365 days and (ii) such amount is in fact reimbursed within 365 days of the date of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so reimbursed within 365 days), losses, charges, expenses, accruals and reserves with respect to liability or casualty events or business interruption, (m) (i) non-cash or unrealized gains or losses in respect of obligations under hedge agreements or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of obligations under hedge agreements, and (ii) gains or losses resulting from unrealized currency translation gains or losses related to currency re-measurements of Indebtedness (including gains or losses resulting from (x) hedge agreements for currency exchange risk and (y) intercompany Indebtedness), (n) non-cash interest and similar charges or expenses on defined benefit, defined contribution or other pension plans, (o) any expenses or charges to the extent paid by a third party that is not a Restricted Subsidiary on behalf of the Borrower or a Restricted Subsidiary (and not required to be reimbursed), and any gain resulting from such payment, (p) any expenses, charges or losses that are covered by indemnification or other reimbursement provisions in connection with any Investment, Permitted Acquisition or any sale, conveyance, transfer or other disposition of assets permitted under the Loan Documents, to the extent actually reimbursed, or, so long as the Borrower has made a determination that a reasonable basis exists for indemnification or reimbursement and only to the extent that such amount is in fact indemnified or reimbursed within 365 days of such determination (with a deduction in the applicable future period for any amount so added back to the extent not so indemnified or reimbursed within such 365 day period), (q) any net pension or other post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, including amortization of such amounts

arising in prior periods, amortization of the unrecognized net obligation (and loss or cost) existing at the date of initial application of FASB Accounting Standards Codification 712 and 715, Statement on Financial Accounting Standards Nos. 87, 106 and 112, as applicable, and any other items of a similar nature, (r) non-recurring charges, expenses and fees incurred, including financial advisory, accounting, auditor, legal and other consulting and advisory fees and any or other filing fees and expenses, or any amortization thereof, in connection with any equity offering, acquisition, merger, consolidation, amalgamation, Division, Investment, recapitalization, Disposition, incurrence or repayment of Indebtedness (including deferred financing expenses), refinancing transaction, restructuring or amendment or modification of any debt instrument (in each case, including in connection with the Transactions and any such transaction consummated prior to the Closing Date and any transaction undertaken but not completed) and any non-recurring charges and expenses (including non-recurring merger, consolidation, amalgamation or Division expenses) incurred as a result of any such transaction and (s) losses, charges and expenses relating to the Transactions paid within the six months after the Closing Date (including, without limitation, any financial advisory fees, filing fees, accounting fees, legal fees and other similar advisory and consulting fees and related out of pocket expenses and other fees, discounts and commissions, including with regard to arranging or syndication).

“Consolidated Secured Debt” means at any date, Consolidated Total Debt at such date that is secured by a Lien on any property of any Group Member.

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

“Consolidated Total Assets” means at any date of determination, the total assets, in each case reflected on the consolidated balance sheet of the Borrower and its Restricted Subsidiaries as at the end of the most recently ended fiscal quarter of the Borrower for which a balance sheet is available, determined in accordance with GAAP (and, in the case of any determination related to the incurrence of Indebtedness or Liens or any Investment, on a *pro forma* basis including any property or assets being acquired in connection therewith).

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

“Continuing External Debt” means Indebtedness of Target and its Subsidiaries that by its terms cannot be prepaid without the consent of the lender(s) thereof and which remains outstanding on the Closing Date.

“Consolidated Working Capital” means, as of any date, with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis, Consolidated Current Assets at such date minus Consolidated Current Liabilities at such date; provided that, increases or decreases in Consolidated Working Capital shall be calculated without regard to any changes in Consolidated Current Assets or Consolidated Current Liabilities as a result of (a) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and non-current; (b) the effects of purchase accounting; (c) any changes in fair value of derivative instruments, to the extent those changes are excluded from Consolidated Net Income due to hedge accounting treatment of derivative instruments; or (d) any acquisitions permitted pursuant to the terms hereof, of an operating or geographical unit of a business or Persons by the Borrower or any of its Restricted Subsidiaries.

“Contract Consideration” has the meaning set forth in the definition of “Excess Cash Flow”.

“Contractual Obligation” means as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Party” means the Administrative Agent or any other Lender and, for the purposes of Section 10.13 only, any other Agent and any Arranger.

“Cumulative Consolidated Net Income” means at any date of determination, an amount (which may not be less than zero) equal to the aggregate cumulative sum of Consolidated Net Income for each fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 6.1(a) or (b), as applicable, beginning with the first fiscal quarter after the Closing Date.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower; provided that if the Daily Simple SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Declined Amount” has the meaning set forth in Section 2.11(e).

“Default” means any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Deposit Account” has the meaning set forth in the Uniform Commercial Code of the State of New York.

“Deposit Account Control Agreement” means individually and collectively, each “Deposit Account Control Agreement” referred to in the US Security Agreement.

“Designated Non-Cash Consideration” means the fair market value of non-cash consideration received by the Borrower or one of its Restricted Subsidiaries in connection with a Disposition that is so designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer, setting forth the basis of such valuation, less the amount of cash and Cash

Equivalents received in connection with a subsequent sale of such Designated Non-Cash Consideration within 180 days of receipt thereof.

“Disposition” means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof (in one transaction or in a series of transfers and whether effected pursuant to a Division or otherwise). The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Disqualified Capital Stock” means with respect to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock) whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable, either mandatorily or at the option of the holder thereof, for Indebtedness or Capital Stock (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock); or

(c) is redeemable (other than solely for Capital Stock of such Person that does not constitute Disqualified Capital Stock and cash in lieu of fractional shares of such Capital Stock) or is required to be repurchased by the Borrower or any Restricted Subsidiary, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Latest Maturity Date (determined as of the date of issuance thereof or, in the case of any such Capital Stock outstanding on the Closing Date, the Closing Date); provided, however, that (i) Capital Stock of any Person that would not constitute Disqualified Capital Stock but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Capital Stock upon the occurrence of an “asset sale” or a “change of control” (or similar event, however denominated) shall not constitute Disqualified Capital Stock if any such requirement becomes operative only after repayment in full of all the Loans and all other Obligations that are accrued and payable and (ii) Capital Stock of any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Disqualified Lenders” means (a) any Person that was specifically identified by the Borrower to the Administrative Agent in writing by name prior to the Closing Date, (b) any entity that is a competitor of the Borrower, the Target or any of their respective Subsidiaries (each, a “Competitor”), in each case that has been specified by the Borrower in writing to the Administrative Agent on or after the Closing Date, and (c) any Affiliate of any Person described in the foregoing clauses (a) or (b) that is either (i) clearly identifiable solely on the basis of the similarity of its name as an Affiliate of such Person(s) and is not a bona fide debt investment fund or (ii) identified as an Affiliate in writing after the date hereof in a written supplement to the Disqualified Lenders List and is not a bona fide debt investment fund; provided that notwithstanding anything herein to the contrary, (i) any person that is a Lender and subsequently becomes a Disqualified Lender will be deemed to not be a Disqualified Lender hereunder, (ii) “Disqualified Lender” shall exclude any Person identified by the Borrower as no longer

being a “Disqualified Lender” by written notice to the Administrative Agent, and (iii) in no event shall the designation of any Person as a Disqualified Lender apply (x) to disqualify any Person until three (3) Business Days after such Person shall have been identified in writing to the Administrative Agent via electronic mail submitted to JPMDQ_Contact@jpmorgan.com (or to such other address as the Administrative Agent may designate to the Borrower from time to time) (the “Designation Effective Date”), or (y) retroactively to disqualify any Person that, prior to the Designation Effective Date, has (1) acquired an assignment or participation interest under this Agreement, (2) entered into a trade to acquire an assignment or participation interest under this Agreement or (3) become a Competitor before such entity is added to the list of Disqualified Lenders (the “Disqualified Lenders List”).

“Dividing LLC” has the meaning set forth in the definition of “Division”.

“Division” means that division of the assets and/or liabilities of an LLC (the “Dividing LLC”) among two or more LLCs (whether pursuant to a “plan of division” or similar arrangement) which may or may not include the Dividing LLC. The terms “Divide” and “Divided” shall have correlative meanings.

“Division Successor” means any LLC that, upon the consummation of a Division of a Dividing LLC, holds all or any portion of the assets or liabilities previously held by such Dividing LLC immediately prior to the consummation of such Division. A Dividing LLC which retains any of its assets or liabilities after a Division shall be a Division Successor upon the occurrence of such Division in respect of such assets and/or liabilities.

“Documentation Agents” means the Documentation Agents identified on the cover page of this Agreement.

“Documents” has the meaning set forth in the Uniform Commercial Code of the State of New York.

“Dollar Equivalent” means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in another currency, the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of Dollars with such currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Ice Data Services (“IDS”) source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with the currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of IDS chosen by the Administrative Agent in its sole discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent using any method of determination it deems appropriate in its sole discretion.

“Dollars” and “\$” means dollars in lawful currency of the United States.

“Domestic Subsidiary” means any Restricted Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States.

“ECF Percentage” means 50%; provided, that (a) the ECF Percentage shall be reduced to 25% if the Consolidated Secured Leverage Ratio as of the last day of the relevant fiscal year is less

than or equal to 2.00 to 1.00 but greater than 1.75 to 1.00 and (b) the ECF Percentage shall be reduced to 0% if the Consolidated Secured Leverage Ratio as of the last day of the relevant fiscal year is less than or equal to 1.75 to 1.00.

“EEA Financial Institution” means (a) any institution established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, (d) any commercial bank and (e) any other financial institution or investment fund engaged as a primary activity in the ordinary course of its business in making or investing in commercial loans or debt securities, other than, in each case, (i) a natural person or (ii) except to the extent permitted under Sections 2.25 and 10.6(e), the Borrower, any Subsidiary or any other Affiliate of the Borrower; provided that solely for purposes of an assignment pursuant to Section 10.6(b), “Eligible Assignee” shall not include any Person that is a Disqualified Lender at the time of such assignment.

“Environmental Laws” means any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

“Equity Contribution” means the direct or indirect issuance on the Closing Date of shares of common stock of the Company to the Sellers with a value equal to approximately 10% of the aggregate base purchase price under the Acquisition Agreement.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means (a) any entity, whether or not incorporated, that is under common control with a Group Member within the meaning of Section 4001(a)(14) of ERISA; (b) any corporation that is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which a Group Member is a member; (c) any trade or business (whether or not incorporated) that is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which a Group Member is a member; and (d) with respect to any Group Member, any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which any corporation described in clause (b) above or any trade or business described in clause (c) above is a member. Any former ERISA Affiliate of any Group Member shall continue to be

considered an ERISA Affiliate of the Group Member within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of the Group Member and with respect to liabilities arising after such period for which the Group Member could be liable under the Code or ERISA.

“ERISA Event” means (a) the failure of any Plan to comply with any material provisions of ERISA and/or the Code (and applicable regulations under either) or with the material terms of such Plan; (b) the existence with respect to any Plan of a non-exempt Prohibited Transaction; (c) any Reportable Event; (d) the failure of any Group Member or ERISA Affiliate to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived in accordance with Section 412(c) of the Code or Section 302(c) of ERISA; (e) a determination that any Pension Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (f) the filing pursuant to Section 412 of the Code or Section 302 of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (g) the occurrence of any event or condition which could reasonably be expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or the incurrence by any Group Member or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Pension Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Pension Plan; (h) the receipt by any Group Member or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan under Section 4042 of ERISA; (i) the failure by any Group Member or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan pursuant to Sections 431 or 432 of the Code; (j) the incurrence by any Group Member or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Pension Plan or Multiemployer Plan; (k) the receipt by any Group Member or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from a Group Member or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, in “endangered” or “critical” status (within the meaning of Sections 431 or 432 of the Code or Sections 304 or 305 of ERISA), or terminated (within the meaning of Section 4041A of ERISA) or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (l) the failure by any Group Member or any of its ERISA Affiliates to pay when due (after expiration of any applicable grace period) any installment payment with respect to Withdrawal Liability under Section 4201 of ERISA; (m) the withdrawal by any Group Member or any ERISA Affiliate from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to any Group Member or any ERISA Affiliate pursuant to Section 4063 or 4064 of ERISA; (n) the imposition of liability on any Group Member or any ERISA Affiliate pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (o) the occurrence of an act or omission which could give rise to the imposition on any Group Member or any ERISA Affiliate of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Plan; (p) the assertion of a material claim (other than routine claims for benefits) against any Plan other than a Multiemployer Plan or the assets thereof, or against any Group Member or any ERISA Affiliate in connection with any Plan; (q) receipt from the IRS of notice of the failure of any Pension Plan (or any other Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan (or any other Plan) to qualify for exemption from taxation under Section 501(a) of the Code; or (r) the imposition of a Lien pursuant to Section 430(k) of the Code or pursuant to Section 303(k) or 4068 of ERISA with respect to any Pension Plan.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published

by the Loan Market Association (or any successor Person), as in effect from time to time.

“EURIBOR Screen Rate” means the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 11:00 a.m. Brussels time two Business Days prior to the commencement of such Interest Period. If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Company. If the EURIBOR Screen Rate shall be less than zero, the EURIBOR Screen Rate shall be deemed to be zero for purposes of this Agreement.

“EURIBOR Loans” means Loans the rate of interest applicable to which is based on the EURIBOR Screen Rate.

“Euro” or “€” means the single currency of Participating Member States introduced in accordance with the provision of Article 123 of the Treaty and, in respect of all payments to be made under this Agreement in Euro, means immediately available, freely transferable funds in such currency.

“Event of Default” means any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Excess Cash Flow” means for any fiscal year of the Borrower, the excess, if any, of:

- (a) the sum, without duplication, of
 - (i) Consolidated Net Income for such fiscal year,
 - (ii) the amount of all non-cash charges (including depreciation and amortization) deducted in arriving at such Consolidated Net Income, but excluding (A) any such non-cash charges representing an accrual or reserve for potential cash items in any future period (it being understood if any such cash items do not materialize in such future period, they shall increase Excess Cash Flow in such period) and (B) amortization of a prepaid cash item that was paid in a prior period,
 - (iii) decreases in Consolidated Working Capital for such fiscal year,
 - (iv) net cash receipts in respect of Swap Agreements during such period to the extent not otherwise included in such Consolidated Net Income, and
 - (v) the aggregate net amount of non-cash loss on the Disposition of property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in arriving at such Consolidated Net Income over
- (b) the sum, without duplication, of
 - (i) the amount of all non-cash income included in arriving at such Consolidated Net Income,

- (ii) the amount of any prepaid cash item deducted in part for such period, with the balance amortized over a subsequent period;
- (iii) the aggregate amount actually paid by the Borrower and its Restricted Subsidiaries in cash during such fiscal year on account of Capital Expenditures (excluding the principal amount of Indebtedness incurred in connection with such expenditures and any such expenditures financed with the proceeds of any Reinvestment Deferred Amount or the proceeds of any issuance of Capital Stock of the Borrower),
- (iv) the aggregate amount of Restricted Payments made by the Borrower in cash during such fiscal year pursuant to Section 7.6(j) (excluding the principal amount of Indebtedness incurred in connection with such Restricted Payments and any Restricted Payments made with proceeds of any issuance of Capital Stock of the Borrower),
- (v) the aggregate amount of all prepayments of Funded Debt, including the principal component of payments in respect of Capital Lease Obligations (other than (A) the Term Loans and (B) any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereof) of the Borrower and its Restricted Subsidiaries made during such fiscal year (excluding any such prepayments financed with the Available Amount or the proceeds of any issuance of Capital Stock of the Borrower or the issuance of any Indebtedness),
- (vi) the aggregate amount of all regularly scheduled principal payments of Funded Debt (including the Term Loans) of the Borrower and its Restricted Subsidiaries made during such fiscal year (other than in respect of any revolving credit facility to the extent there is not an equivalent permanent reduction in commitments thereunder),
- (vii) increases in Consolidated Working Capital for such fiscal year,
- (viii) the aggregate net amount of non-cash gain on the Disposition of property by the Borrower and its Restricted Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in arriving at such Consolidated Net Income,
- (ix) to the extent not otherwise deducted from Consolidated Net Income, Consolidated Cash Taxes paid during such fiscal year,
- (x) to the extent not otherwise deducted from Consolidated Net Income, interest expense of the Borrower and its Restricted Subsidiaries for such year,
- (xi) the aggregate amount of cash consideration paid by the Borrower and the Restricted Subsidiaries during such fiscal year to make Permitted Acquisitions and Investments permitted by Section 7.7(t) and Section 7.7(u) (excluding any such Permitted Acquisitions or other Investments financed with the proceeds of any Reinvestment Deferred Amount, the Available Amount or the proceeds of any issuance of Capital Stock of the Borrower or the issuance of any Indebtedness), in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries,
- (xii) cash payments by the Borrower and its Restricted Subsidiaries during such period (A) in respect of the permanent reduction of long-term liabilities of the Borrower and its Restricted Subsidiaries (other than Indebtedness) or (B) in respect of pension contributions,

pension true-up or settlement payments, in each case to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income, in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries;

(xiii) the aggregate amount of cash fees, costs and expenses in connection with any Permitted Acquisition or Disposition, and any cash payments of the purchase price in connection therewith and the fees, costs and expenses incurred in connection therewith, to the extent not expensed and not deducted in calculating Consolidated Net Income, in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries; and

(xiv) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Borrower and its Restricted Subsidiaries during such period that are made in connection with any prepayment, early extinguishment or conversion of Indebtedness to the extent such payments are not expensed during such period or are not deducted in calculating Consolidated Net Income, in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries;

(xv) to the extent not already deducted in calculating Consolidated Net Income, cash losses, charges and expenses related to internal software development that are expenses but could have been capitalized under alternative accounting policies in accordance with IFRS, in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries.

(xvi) cash expenditures in respect of Swap Agreements during such period to the extent not deducted in arriving at such Consolidated Net Income;

(xvii) without duplication of amounts deducted pursuant to clause (xx) below in prior fiscal years of the Borrower, (A) the amount of capital expenditures, including but not limited to the purchase of fixed assets, and (B) the aggregate amount of cash consideration paid by the Borrower and its Restricted Subsidiaries in connection with Investments (other than intercompany Investments, except for intercompany Investments in Unrestricted Subsidiaries and Joint Ventures or, to the extent non-attributable to the minority interest in non-wholly owned Restricted Subsidiaries) made pursuant to Section 7.7(g), (h), (k), (m), (r), (t), (u) or (v), during such period, in each case, to the extent financed with Internally Generated Cash of the Borrower and its Restricted Subsidiaries;

(xviii) proceeds of any Asset Sale or Recovery Event to the extent otherwise included in the definition of Excess Cash Flow and to the extent the Borrower is in compliance with the applicable mandatory prepayment requirements set forth in Section 2.11;

(xix) cash charges included in clauses (a) through (s) of the definition of “Consolidated Net Income”; and

(xx) without duplication of amounts deducted from Excess Cash Flow in prior periods and, at the option of the Borrower, the aggregate cash consideration (x) required to be paid by the Borrower and its Restricted Subsidiaries pursuant to binding contracts (the “Contract Consideration”) entered into prior to or during such period relating to Permitted Acquisitions and Investments permitted by Sections 7.7(t) and (u) and (y) expected to be paid in connection with planned Capital Expenditures of the Borrower and its Restricted Subsidiaries

(the “Planned Expenditures”), in each case during the period of four consecutive fiscal quarters of the Borrower following the end of the applicable fiscal year for which Excess Cash Flow is being calculated (except to the extent financed with the proceeds of Indebtedness, any Reinvestment Deferred Amount, the proceeds of any issuance of Capital Stock of the Borrower or utilizing the Available Amount); provided that to the extent the aggregate amount of cash actually utilized to finance such Permitted Acquisitions or Capital Expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration and the Planned Expenditures, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the end of such period of four consecutive fiscal quarters.

“Excess Cash Flow Application Date” has the meaning set forth in Section 2.11(c).

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchanged Initial Euro Term Loans” means each Initial Euro Term Loans extended on the Closing Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 1 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 1 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-1 Euro Loan and the Administrative Agent has allocated into a Term B-1 Euro Loan.

“Exchanged Initial Term Loans” means, collectively, the Exchanged Initial USD Term Loans and the Exchanged Initial Euro Term Loans.

“Exchanged Initial USD Term Loans” means each Initial USD Term Loans extended on the Closing Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 1 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 1 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-1 USD Loan and the Administrative Agent has allocated into a Term B-1 USD Loan.

“Exchanged Term B-1 Euro Loans” means each Term B-1 Euro Loan extended on the Amendment No. 1 Effective Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 3 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 3 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-2 Euro Loan and the Administrative Agent has allocated into a Term B-2 Euro Loan.

“Exchanged Term B-1 Loans” means, collectively, the Exchanged Term B-1 USD Loans and the Exchanged Term B-1 Euro Loans.

“Exchanged Term B-1 USD Loans” means each Term B-1 USD Loan extended on the Amendment No. 1 Effective Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 3 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 3 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-2 USD Loan and the Administrative Agent has allocated into a Term B-2 USD Loan.

“Exchanged Term B-2 USD Loans” means each Term B-2 USD Loan extended on the Amendment No. 3 Effective Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 4 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 4 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-3 USD Loan and the Administrative Agent has allocated into a Term B-3 USD Loan.

“Exchanged Term B-2 Loans” means, collectively, the Exchanged Term B-2 USD Loans and the Exchanged Term B-2 Euro Loans.

“Exchanged Term B-2 USD Loans” means each Term B-2 USD Loan extended on the Amendment No. 3 Effective Date (or portion thereof) and held by a Rollover Term Lender on the Amendment No. 4 Effective Date immediately prior to the extension of credit hereunder on the Amendment No. 4 Effective Date and as to which the Rollover Term Lender thereof has consented to exchange into a Term B-3 Euro Loan and the Administrative Agent has allocated into a Term B-3 Euro Loan.

“Excluded Account” means (i) payroll accounts, fiduciary accounts, escrow accounts or other accounts that any Loan Party may hold in trust for others, (ii) zero balance accounts and (iii) other Deposit Accounts and Securities Accounts of the Loan Parties holding aggregate balances in an amount not to exceed the Dollar Equivalent of \$10,000,000 for all such accounts at any one time.

“Excluded Assets” means (a) Excluded Accounts; (b) Excluded Dealer Assets; (c) assets subject to certificates of title, letter of credit rights other than “supporting obligations” as defined in the UCC and commercial tort claims other than claims with a Dollar Equivalent value less than \$5,000,000, for which a claim has been filed in a court of competent jurisdiction, except to the extent that a security interest may be granted therein by the filing of a financing statement; (d) “margin stock” (within the meaning of Regulation U) and pledges and security interests prohibited by applicable law, rule or regulation or agreements with any Governmental Authority; (e) equity interests in any person other than the Guarantors to the extent such person is not a wholly-owned Subsidiary and such pledge is not permitted by the terms of such Subsidiary’s organizational or joint venture documents, in each case, after giving effect to the applicable anti-assignment provisions of the UCC or any other anti-assignment provisions of any other applicable jurisdiction; (f) equity interests in Unrestricted Subsidiaries; (g) any lease, license, contract or other agreement or document or any property subject to a purchase money security interest or similar arrangement not prohibited by the Loan Documents to the extent that a grant of a security interest therein would require the consent of a third party, violate or invalidate such lease, license, contract agreement, document or purchase money arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a Subsidiary) after giving effect to the applicable anti-assignment provisions of the UCC or any other anti-assignment provisions of any other applicable jurisdiction (other than the proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC or any other anti-assignment provisions of any other applicable jurisdiction); (h) those assets as to which the Administrative Agent and the Borrower reasonably agree in writing that the cost, burden, difficulty or consequence of obtaining such a security interest or perfection thereof is excessive in relation to the benefit to the Lenders of the security to be afforded thereby; (i) assets of any Subsidiary that is prohibited by applicable law, rule or regulation or, to the extent listed on a schedule detailing what is excluded, by any contractual obligation existing on the Closing Date (or, if later, the date it becomes a Restricted Subsidiary) from pledging assets to secure the Obligations or for which governmental (including regulatory) consent, approval, license or authorization would be required for a pledge of such assets unless such consent, approval, license or authorization has been received; (j) assets to the extent a pledge, guarantee, security interest, payment or other action with respect to or in such assets to secure Obligations would result in an investment in “United States property” by a CFC within the meaning of Sections 956 and 957 of the Code and the Treasury regulations thereunder that is taken into account in the income of a direct or indirect owner of such CFC Subsidiary pursuant to Section 951(a)(1)(B) of the Code or would otherwise result in a material adverse tax consequence, as reasonably determined by the Borrower and in consultation with the Administrative Agent; and (k) any intent-to-use trademark application filed in the United States Patent and Trademark Office pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. Section 1051, prior to the accepted filing of a “Statement of Use” and issuance of a “Certificate of Registration” pursuant to Section 1(d) of the Lanham Act or an accepted filing of an “Amendment to Allege Use” whereby such intent-to-use trademark application is converted to a “use in commerce” application pursuant to Section 1(c) of the

Lanham Act and any other Intellectual Property in any jurisdiction where such pledge or security interest would cause the invalidation or abandonment of such Intellectual Property under applicable law.

“Excluded Dealer Assets” means, with respect to the Target and its Restricted Subsidiaries, the non-core assets of dealers acquired in connection with business continuation initiatives with the view of Disposing such assets consistent with past practices.

“Excluded Dealer Subsidiary” means any Subsidiary all or substantially all of whose assets are comprised of Excluded Dealer Assets.

“Excluded Dispositions” means the Disposition of the Capital Stock of the Excluded Dealer Subsidiaries or the Excluded Dealer Assets.

“Excluded Subsidiary” means (a) any Unrestricted Subsidiary, (b) any Excluded Dealer Subsidiary, (c) any Immaterial Subsidiary, (d) any non-Wholly Owned Subsidiary that is a joint venture, to the extent the organizational documents thereof prohibit it from guaranteeing the Obligations, (e) any Subsidiary that is prohibited or restricted by applicable law, rule or regulation or by any contractual obligation that is listed on Schedule 4.15 and existing on the Closing Date (or, if later, the date it becomes a Restricted Subsidiary) from guaranteeing the Obligations or which would require governmental (including regulatory) consent, approval, license or authorization to provide a guarantee unless such consent, approval, licensor authorization has been received, (f) any CFC Subsidiary whose provision of a pledge, guarantee, security interest, payment or other action would constitute an investment in “United States property” within the meaning of Sections 956 and 957 of the Code and the Treasury regulations thereunder that is taken into account in the income of a direct or indirect owner of such CFC Subsidiary pursuant to Section 951(a)(1)(B) of the Code or would otherwise result in a material adverse tax consequence to the Borrower or one of its Subsidiaries as reasonably determined by the Borrower in consultation with the Administrative Agent, (g) not-for-profit Subsidiaries and captive insurance companies, (h) any Restricted Subsidiary acquired pursuant to a Permitted Acquisition financed with Indebtedness permitted to be incurred pursuant to the Loan Documents as assumed Indebtedness and any Restricted Subsidiary thereof that guarantees such Indebtedness, in each case to the extent such secured Indebtedness prohibits such Subsidiary from becoming a Guarantor and (i) any Subsidiary whose provision of a guarantee would have a cost (including tax cost), burden, difficulty or consequence that is excessive in relation to the value afforded thereby as agreed between the Borrower and the Administrative Agent.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Credit Party or required to be withheld or deducted from a payment to a Credit Party, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of a Credit Party being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of a Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) a Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.22) or (ii) a Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.19, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to a Credit Party’s failure to comply with Section 2.19(f) or (g) and (d) any U.S. Federal withholding Taxes imposed under FATCA.

“Existing Indebtedness Refinancing” has the meaning set forth in Section 5.1(c).

“Facility” means each of (a) the Initial Dollar Term Commitments and the Initial Dollar Terms Loans, (b) the Initial Euro Term Commitments and the Initial Euro Terms Loans, (c) the Term B-1 USD Commitments and the Term B-1 USD Loans, (d) the Term B-1 Euro Commitments and the Term B-1 Euro Loans, (e) the Term B-2 USD Commitments and the Term B-2 USD Loans, (f) the Term B-2 Euro Commitments and the Term B-2 Euro Loans ~~and~~, (g) the Term B-3 USD Commitments and the Term B-3 USD Loans, (h) the Term B-3 Euro Commitments and the Term B-3 Euro Loans and (i) the Incremental Term Loans (the “Incremental Term Facility”). Additional Facilities may be established pursuant to Sections 2.26 and 2.27 (collectively “Term Facilities”).

“FATCA” means Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Flood Laws” means, collectively, (a) the National Flood Insurance Reform Act of 1994 (which comprehensively revised the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973) as now or hereafter in effect or any successor statute thereto, (b) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto and (c) the Biggert-Waters Flood Insurance Reform Act of 2012 as now or hereafter in effect or any successor statute thereto.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Term SOFR Rate or Daily Simple SOFR, as applicable. For the avoidance of doubt the initial Floor for each of the Term SOFR Rate, EURIBOR Screen Rate and Daily Simple SOFR shall be 0% per annum.

“Foreign Subsidiary” means any Restricted Subsidiary of the Borrower that is not a Domestic Subsidiary.

“Foreign Benefit Arrangement” means any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Group Member, any ERISA Affiliate or any other entity related to a Group Member on a controlled group basis.

“Foreign Plan” means any pension plan, pension undertaking, supplemental pension, retirement savings or other retirement income plan, obligation or arrangement of any kind other than any state social security arrangements that is not subject to US law and that is established, maintained or contributed to by any Group Member, or ERISA Affiliate or any other entity related to a Group Member on a controlled group basis or in respect of which any Group Member, or ERISA Affiliate or any other entity related to a Group Member on a controlled group basis has any liability, obligation or contingent liability.

“Foreign Plan Event” means with respect to any Foreign Benefit Arrangement or Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Benefit Arrangement or Foreign Plan; (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Benefit Arrangement or Foreign Plan required to be registered; or (c) the failure of any Foreign Benefit Arrangement or Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Benefit Arrangement or Foreign Plan.

“Four Quarter EBITDA” means, as of any date of determination, Consolidated EBITDA for the Reference Period most recently ended for such date for which financial statements shall have been delivered pursuant to Sections 6.1(a) or 6.1(b) (or, prior to the delivery of any such financial statements, ending with the last fiscal quarter included in the Pro Forma Financial Statements delivered pursuant to Section 4.1(a), calculated on a Pro Forma Basis).

“Funded Debt” means as to any Person, all Indebtedness of such Person that matures more than one year from the date of its creation or matures within one year from such date but is renewable or extendible, at the option of such Person, to a date more than one year from such date or arises under a revolving credit or similar agreement that obligates the lender or lenders to extend credit during a period of more than one year from such date, including all current maturities and current sinking fund payments in respect of such Indebtedness whether or not required to be paid within one year from the date of its creation and, in the case of the Borrower, Indebtedness in respect of the Loans and the ABL Loans.

“Funding Office” means each office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“GAAP” means generally accepted accounting principles in the United States as in effect from time to time. In the event that any “Accounting Change” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations to promptly amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s results of operations and/or financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. “Accounting Changes” refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity (including any European supranational body, the European Central Bank and the Council of Ministers of the European Union) exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

“Group Members” means the collective reference to the Borrower and its Restricted Subsidiaries.

“Guarantee Agreement” means the Term Loan Guarantee Agreement to be executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A.

“Guarantee Obligation” means as to any Person (the “guaranteeing person”), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing Person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the “primary obligations”) of any other third Person (the “primary obligor”) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person’s maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

“IFRS” means International Financial Reporting Standards as adopted in the European Union.

“Immaterial Subsidiary” means any Subsidiary that (a) did not, as of the last day of the fiscal quarter of the Borrower most recently ended, have gross assets with a value in excess of 5% of Consolidated Total Assets and (b) taken together with all Immaterial Subsidiaries as of the last day of the fiscal quarter of the Borrower most recently ended, did not have gross assets with a value in excess of 10% of Consolidated Total Assets for the fiscal quarter of the Borrower most recently ended. Each Immaterial Subsidiary as of the Closing Date is noted in Schedule 4.15, and the Borrower shall update the list of Immaterial Subsidiaries on a quarterly basis after the Closing Date as necessary to reflect all Immaterial Subsidiaries at such time as set forth in Section 6.2(a).

“Incremental Acquisition Term Facility” means an Incremental Term Facility designated as an “Incremental Acquisition Term Facility” by the Borrower, the Administrative Agent and the applicable Incremental Term Lenders in the applicable Incremental Term Loan Activation Notice, the making of which is conditioned upon the consummation of, and the proceeds of which will be used to finance, a Permitted Acquisition or other acquisition or Investment permitted hereunder (including the refinancing of Indebtedness in connection therewith (to the extent required in connection with such Permitted Acquisition, acquisition or Investment) and the payment of related fees and expenses).

“Incremental Equivalent Debt” has the meaning set forth in Section 7.2(p).

“Incremental Term Facility” has the meaning set forth in the definition of “Facility”.

“Incremental Term Lenders” means (a) on any Incremental Term Loan Activation Date relating to Incremental Term Loans, the Lenders signatory to the relevant Incremental Term Loan Activation Notice and (b) thereafter, each Lender that is a holder of an Incremental Term Loan.

“Incremental Term Loan Activation Date” means any Business Day on which any Lender shall execute and deliver to the Administrative Agent an Incremental Term Loan Activation Notice pursuant to Section 2.24(a).

“Incremental Term Loan Activation Notice” means a notice substantially in the form of Exhibit I-1 or in such other form as is reasonably acceptable to the Administrative Agent; provided that if such Incremental Term Loan Activation Notice is (a) in respect of an Incremental Term Facility to be designated as an “Incremental Acquisition Term Facility” or (b) is to effect amendments to this Agreement or the other Loan Documents as contemplated by Section 2.24(d), the Administrative Agent shall, in each case, have executed such Incremental Term Loan Activation Notice.

“Incremental Term Loan Closing Date” means any Business Day designated as such in an Incremental Term Loan Activation Notice.

“Incremental Term Loan Maturity Date” means with respect to the Incremental Term Loans to be made pursuant to any Incremental Term Loan Activation Notice, the maturity date specified in such Incremental Term Loan Activation Notice, which date shall not be earlier than the final maturity of the Term B-~~2~~-3 Loans.

“Incremental Term Loans” means any term loans made pursuant to Section 2.24(a).

“Indebtedness” means of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) the liquidation value of all redeemable preferred Disqualified Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (but only to the extent of the lesser of (i) the amount of such Indebtedness and (ii) the fair market value of such property), and (j) for the purposes of Section 8(e) only, all net obligations of such Person in respect of Swap Agreements; provided that Indebtedness shall not include (i) trade payables incurred in the ordinary course of such Person’s business and not overdue more than 90 days, (ii) deferred compensation payable to directors, officers or employees of any Group Member, (iii) any purchase price adjustment or earnout obligation until such adjustment or obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (iv) any other indebtedness or portion thereof with respect to which and to the extent the trustee or other applicable depository in respect of such indebtedness holds cash or cash equivalents in an amount sufficient to repay the principal of, and accrued interest on, such indebtedness, and the foregoing shall constitute a redemption or a complete defeasance of such indebtedness pursuant to the applicable agreement governing such indebtedness. The

Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"Indemnified Liabilities" has the meaning set forth in Section 10.5.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

"Initial Euro Term Commitment" means as to any Lender, the obligation of such Lender, if any, to make Initial Euro Term Loans in an aggregate principal not to exceed the amount set forth under the heading "Initial Euro Term Commitment" opposite such Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Initial Euro Term Commitments on the Closing Date is €617,718,034.23.

"Initial Euro Term Loans" has the meaning set forth in Section 2.1(b).

"Initial Term Lender" means each Lender that holds an Initial Term Loan.

"Initial Term Loans" means, collectively, the Initial USD Term Loans and the Initial Euro Term Loans.

"Initial Term Percentage" means, as to any Initial Term Lender under any Facility at any time, the percentage which the aggregate principal amount of such Lender's Initial Term Loans under such Facility then outstanding constitutes of the aggregate principal amount of the Initial Term Loans of such Facility then outstanding.

"Initial USD Term Commitment" means as to any Lender, the obligation of such Lender, if any, to make Initial USD Term Loans in an aggregate principal not to exceed the amount set forth under the heading "Initial USD Term Commitment" opposite such Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Initial USD Term Commitments on the Closing Date is \$1,386,433,810.16.

"Initial USD Term Loans" has the meaning set forth in Section 2.1(a).

"Insolvent" means with respect to any Multiemployer Plan, the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

"Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, industrial designs, trademarks, trademark licenses, technology, know-how and processes, all registrations and applications therefor, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intercreditor Agreement” means the ABL/Term Loan Intercreditor Agreement, dated as of the Closing Date, among the Borrower, the Subsidiary Guarantors, the Administrative Agent and the ABL Administrative Agent, substantially in the form of Exhibit K.

“Interest Election Request” means a request by the Borrower to convert or continue a Revolving Borrowing in accordance with Section 2.12 and the definition of “Interest Period”, which shall be substantially in the form of Exhibit D or any other form approved by the Administrative Agent.

“Interest Payment Date” means (a) as to any ABR Loan, the first calendar day of each August, November, February and May to occur while such Loan is outstanding and the final maturity date of such Loan, (b) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the Maturity Date, (c) as to any Loan, the date of any repayment or prepayment made in respect thereof and (d) subject to Section 2.16, with respect to any Daily Simple SOFR Loan each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month).

“Interest Period” means as to any Term Benchmark Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Term Benchmark Loan and ending one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment), as the Borrower may elect; *provided*, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.16(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Internally Generated Cash” means, with respect to any period, any cash of the Borrower and its Restricted Subsidiaries generated during such period, excluding Net Cash Proceeds and any cash that is generated from an incurrence of Indebtedness, an issuance of Capital Stock or a capital contribution.

“Investments” has the meaning set forth in Section 7.7.

“IRS” means the United States Internal Revenue Service.

“Joint Venture” means a joint venture, partnership or other similar arrangement entered into by the Borrower or any Restricted Subsidiary, whether in corporate, partnership or other legal form; provided that in no event shall any Subsidiary be considered to be a Joint Venture.

“JPMCB” JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

“Junior Indebtedness” means (a) any Subordinated Indebtedness and (b) any Material Unsecured Indebtedness of any Group Member.

“Latest Maturity Date” means at any date of determination, the latest scheduled maturity date applicable to any Loan hereunder at such time, including in respect of any Incremental Term Facility.

“LCA Test Date” has the meaning set forth in Section 2.24(d).

“Lenders” has the meaning set forth in the preamble hereto.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“LLC” means any Person that is a limited liability company.

“Loan” means any loan made by any Lender pursuant to this Agreement.

“Loan Documents” means this Agreement, Amendment No. 1, Amendment No. 2, Amendment No. 3, [Amendment No. 4](#), the Guarantee Agreement, the Security Documents, the Intercreditor Agreement, the Notes and any amendment, waiver, supplement or other modification to any of the foregoing.

“Loan Modification Agreement” means a Loan Modification Agreement, in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, among the Borrower, the Administrative Agent and one or more Accepting Lenders, effecting one or more Permitted Amendments and such other amendments hereto and to the other Loan Documents as are contemplated by Section 2.26.

“Loan Modification Offer” has the meaning set forth in Section 2.26(a).

“Loan Parties” means the Borrower and the Subsidiary Guarantors.

“Majority Facility Lenders” means with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans outstanding under such Facility.

“Material Acquisition” means any acquisition of property or series of related acquisitions of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Group Members in excess of \$100,000,000.

“Material Adverse Effect” means a material adverse effect on (a) the business, property, operations or financial condition of the Borrower and its Restricted Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of the Administrative Agent or the Lenders hereunder or thereunder.

“Material Disposition” means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Group Members in excess of \$100,000,000.

“Material Indebtedness” means Indebtedness (other than the Loans) or Swap Obligations of any one or more of the Borrower and the Restricted Subsidiaries in an aggregate principal amount of \$100,000,000 or more; provided that any Indebtedness outstanding under the ABL Credit Agreement shall be deemed to be Material Indebtedness. For purposes of determining Material Indebtedness, the “principal amount” of any Swap Obligation at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower and/or any applicable Restricted Subsidiary would be required to pay if the applicable Swap Agreement were terminated at such time.

“Material Unsecured Indebtedness” means any Indebtedness in an aggregate principal amount of \$50,000,000 or more that is not secured by a Lien on any property of any Group Member.

“Materials of Environmental Concern” means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

“Maturity Date” means November 15, 2030.

“Maximum Incremental Amount” an amount represented by Incremental Term Loans to be established pursuant to Section 2.24 or Incremental Equivalent Debt secured on a *pari passu* basis to the Liens securing the Obligations, that would not, immediately after giving effect to the establishment thereof (excluding from Unrestricted Cash in making such pro forma calculation the Net Cash Proceeds of such Incremental Term Loans and Incremental Equivalent Debt), cause the Consolidated Secured Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis as of the date of incurrence of such Indebtedness, to exceed 2.25 to 1.00 (or in connection with a Permitted Acquisition or an Investment permitted pursuant to Section 7.7, the applicable incurrence ratio immediately prior to giving effect to such incurrence of such Indebtedness); provided that solely with respect to Incremental Equivalent Debt (and not Incremental Term Loans) secured on a junior lien basis to the Liens securing the Obligations or on an unsecured basis, such applicable incurrence ratio shall instead be a Consolidated Secured Leverage Ratio of 2.75 to 1.00 and a Consolidated Leverage Ratio of 3.25 to 1.00, respectively (or in connection with a Permitted Acquisition or an Investment permitted pursuant to Section 7.7, the applicable incurrence ratio immediately prior to giving effect to such incurrence of such Indebtedness).

“Minimum Extension Condition” has the meaning set forth in Section 2.26(a).

“Moody’s” has the meaning set forth in the definition of Cash Equivalents.

“Mortgaged Properties” means the real properties listed on Schedule 1.1B and any real property that becomes subject to a Mortgage pursuant to this Agreement, in each case as to which the Administrative Agent for the benefit of the Secured Parties shall be granted a Lien pursuant to the Mortgages.

“Mortgages” means each of the mortgages, deeds of trust and/or deeds to secure debt made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Secured Parties (with such changes thereto as shall be advisable under the law of the jurisdiction in which such mortgage, deed of trust or deed to secure debt is to be recorded), including any Mortgages executed and delivered pursuant to Sections 5.1(k) and 6.10(b).

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Group Member or any ERISA Affiliate (i) makes or is obligated to make contributions, (ii) during the preceding five plan years, has made or been obligated to make contributions or (iii) has any actual or contingent liability.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including any Group Member or any ERISA Affiliate) at least two of whom are not under common control, as such a Plan is described in Section 4064 of ERISA.

“Net Cash Proceeds” means (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), (i) net of attorneys’ fees, accountants’ fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (ii) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller’s indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by the Borrower or any of its Restricted Subsidiaries in connection with such Asset Sale or any other liabilities associated with the assets subject to such Asset Sale and retained by the Borrower or any of its Restricted Subsidiaries after such Asset Sale including without limitation pension and other post-employment benefit liabilities and environmental liabilities; *provided* that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds and (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

“New Lender” has the meaning set forth in Section 2.24(b).

“New Lender Supplement” has the meaning set forth in Section 2.24(b).

“No Undisclosed Information Representation” means with respect to any Person, a representation that such Person is not in possession of any material non-public information with respect to the Borrower or any of its Subsidiaries that has not been disclosed to the Lenders generally (other than those Lenders who have elected to not receive any non-public information with respect to the Borrower or any of its Subsidiaries) and if so disclosed could reasonably be expected to have a material effect upon, or otherwise be material to, the market price of the applicable Loan, or the decision of an assigning Lender to sell, or of an assignee to purchase, such Loan.

“Non-Exchanged Term B Loan” means each Initial Term Loan (or portion thereof) other than an Exchanged Initial Term Loan.

“Non-Exchanged Term B-1 Loan” means each Term B-1 Loan (or portion thereof) other than an Exchanged Term B-1 Loan.

“Non-Exchanged Term B-2 Loan” means each Term B-2 Loan (or portion thereof) other than an Exchanged Term B-2 Loan.

“Non-U.S. Lender” means (a) if the Borrower is a U.S. Person, a Lender, with respect to the Borrower, that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender, with respect to the Borrower, that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Not Otherwise Applied” means in respect of any amount, such amount has not previously been (and is not currently being) applied to any other use or transaction.

“Notes” means the collective reference to any promissory note evidencing Loans.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided, that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Obligations” means the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

“Original Indebtedness” has the meaning set forth in the definition of Permitted Refinancing Indebtedness.

“Other Connection Taxes” means with respect to any Credit Party, Taxes imposed as a result of a present or former connection between such Credit Party and the jurisdiction imposing such Tax (other than connections arising from such Credit Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court, or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.22).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Participant” has the meaning set forth in Section 10.6(c).

“Participating Member States” means, at any time, any member state of the European Union which has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Participant Register” has the meaning set forth in Section 10.6(c).

“Patriot Act” has the meaning set forth in Section 10.17.

“Payment” has the meaning set forth in Section 9.15(a).

“Payment Notice” has the meaning set forth in Section 9.15(b).

“PBGC” means the Pension Benefit Guaranty Corporation established under Section 4002 of ERISA and any successor entity performing similar functions.

“Pension Plan” means any employee benefit plan (including a Multiple Employer Plan, but not including a Multiemployer Plan) that is subject to Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA (a) which is or was sponsored, maintained or contributed to by, or required to be contributed to by, any Group Member or any ERISA Affiliate or (b) with respect to which any Group Member or any ERISA Affiliate has any actual or contingent liability.

“Permitted Acquisition” means the purchase or other acquisition by the Borrower or any Restricted Subsidiary (whether by merger, consolidation, amalgamation, Division or otherwise) of all or a majority of the Capital Stock of, or all or substantially all of the property of, any Person, or of any business, unit, division or product line, of any Person; provided that with respect to each purchase or other acquisition (a) after giving effect thereto, the Borrower and its Restricted Subsidiaries are in compliance with Section 7.15, (b) immediately before and after giving effect on a Pro Forma Basis to any such purchase or other acquisition, no Specified Event of Default shall have occurred and be continuing and (c) any such newly created or acquired Subsidiary shall, to the extent required by Section 6.9, comply with the requirements of Section 6.9.

“Permitted Additional Junior Lien Indebtedness” means Indebtedness of any Loan Party (other than ABL Loans and any Permitted Refinancing Indebtedness in respect thereof) (a) that is (and any Guarantees thereof by any Loan Party that are) secured by a Lien on the Collateral that is junior to the Lien on the Collateral securing the Obligations on terms reasonably satisfactory to the Administrative Agent and that is not secured by any other property or assets of the Borrower or any of its Restricted Subsidiaries, (b) that does not mature earlier than the date that is 91 days after the Latest Maturity Date then in effect at the time of incurrence thereof and has a weighted average life to maturity no shorter than the Facility of Term Loans with the Latest Maturity Date in effect at the time of incurrence of such Indebtedness (other than, for purposes of this clause (b), customary bridge financings, which, subject to

customary conditions, would either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of the preceding clause (b)), (c) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, customary asset sale or event of loss mandatory offers to purchase and customary acceleration rights after an event of default and, for the avoidance of doubt, rights to convert or exchange into Capital Stock of the Borrower in the case of convertible or exchangeable Indebtedness) prior to the date that is 91 days after the Latest Maturity Date then in effect at the time of incurrence thereof (other than with respect to customary bridge financings, which may have such an earlier maturity date and which, subject to customary conditions, would either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of the preceding clause (c)), (d) that contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions (it being understood and agreed that such Indebtedness shall include financial maintenance covenants only to the extent any such financial maintenance covenant is (i) applicable only to periods after the Latest Maturity Date then in effect at the time of incurrence thereof or (ii) included in or added to the Loan Documents for the benefit of the Lenders) and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are not more favorable to the lenders or investors providing such Permitted Additional Junior Lien Indebtedness, as the case may be, than those set forth in the Loan Documents are with respect to the Lenders (other than covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect at the time of incurrence thereof); provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements of this clause (d) shall be conclusive, and (e) that is not guaranteed by any Person other than by the Borrower and/or Restricted Subsidiaries that are Loan Parties.

“Permitted Amendment” means an amendment to this Agreement and/or the other Loan Documents, effected in connection with a Loan Modification Offer pursuant to Section 2.26, providing for an extension of the scheduled maturity date and/or amortization applicable to the Loans of the Accepting Lenders of a relevant Facility and, in connection therewith, which may also provide for (a)(i) a change in the Applicable Margin with respect to the Loans of the Accepting Lenders subject to such Permitted Amendment and/or (ii) a change in the fees payable to, or the inclusion of new fees to be payable to, the Accepting Lenders in respect of such Loans, (b) changes to any prepayment premiums with respect to the applicable Loans of a relevant Facility, (c) such amendments to this Agreement and the other Loan Documents as shall be appropriate, in the reasonable judgment of the Administrative Agent, to provide the rights and benefits of this Agreement and other Loan Documents to each new Facility of Loans and/or commitments resulting therefrom and (d) additional amendments to the terms of this Agreement and/or the other Loan Documents applicable to the applicable Loans of the Accepting Lenders that are less favorable to such Accepting Lenders than the terms of this Agreement and/or the other Loan Documents, as applicable, prior to giving effect to such Permitted Amendments and that are reasonably acceptable to the Administrative Agent.

“Permitted Liens” means Liens permitted pursuant to Section 7.3.

“Permitted Refinancing Indebtedness” means with respect to any Indebtedness of any Person (the “Original Indebtedness”), any modification, refinancing, refunding, replacement, renewal or extension of such Indebtedness, in whole or in part; provided, that (i) no Person that is not an obligor with respect to the Original Indebtedness shall be an obligor with respect to such Permitted Refinancing Indebtedness, (ii) the final maturity and weighted average life to maturity of such Indebtedness shall not be shortened as a result of such modification, refinancing, refunding, replacement, renewal or extension, (iii) in the case of any modification, refinancing, refunding, replacement, renewal or extension of Indebtedness incurred pursuant Section 7.2(b), the other material terms and conditions of such Indebtedness after giving effect to such modification, refinancing, refunding, replacement, renewal or extension, taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), shall not be materially more restrictive as determined by the Borrower in good faith, (iv) (x) in the case of any Original Indebtedness consisting of a revolving credit facility, the committed amount (in the case of a revolving credit facility) or principal of such Permitted Refinancing Indebtedness does not exceed the committed amount in respect of the Original Indebtedness and (y) otherwise, the principal amount (or accreted value or committed amount, if applicable) thereof does not exceed the principal amount (or accreted value or committed amount, if applicable) of the Original Indebtedness, except in each case by an amount (such amount, the “Additional Permitted Amount”) equal to unpaid accrued interest and premium thereon at such time plus reasonable fees and expenses incurred in connection with such modification, refinancing, refunding, replacement, renewal or extension, (v) for the avoidance of doubt, the Original Indebtedness is paid down (or commitments in respect thereof are reduced) on a dollar-for-dollar basis by such Permitted Refinancing Indebtedness (other than by the Additional Permitted Amount), (vi) if the Original Indebtedness shall have been subordinated to the Obligations, such Permitted Refinancing Indebtedness shall also be subordinated to the Obligations on terms not less favorable in any material respect to the Lenders and (vii) such Permitted Refinancing Indebtedness shall not be secured by any Lien on any asset other than the assets that secured such Original Indebtedness (or would have been required to secure such Original Indebtedness pursuant to the terms thereof) or, in the event Liens securing such Original Indebtedness shall have been contractually subordinated to any Lien securing the Obligations, by any Lien that shall not have been contractually subordinated to at least the same extent.

“Permitted Unsecured Indebtedness” means Indebtedness of the Borrower or a Restricted Subsidiary (a) that is not (and any Guarantees thereof are not) secured by any collateral (including the Collateral), (b) that does not mature earlier than the date that is 91 days after the Latest Maturity Date then in effect at the time of incurrence thereof and has a weighted average life to maturity no shorter than the Facility of Term Loans with the Latest Maturity Date in effect at the time of incurrence of such Indebtedness (other than, for purposes of this clause (b), customary bridge financings, which, subject to customary conditions, would either be automatically converted into or required to be exchanged for permanent financing so long as such permanent financing satisfies the requirements in this clause (b)), (c) that does not provide for any amortization, mandatory prepayment, redemption or repurchase (other than upon a change of control, fundamental change, customary asset sale or event of loss mandatory offers to purchase and customary acceleration rights after an event of default and, for the avoidance of doubt, rights to convert or exchange into Capital Stock of the Borrower in the case of convertible or exchangeable Indebtedness) prior to the date that is 91 days after the Latest Maturity Date then in effect at the time of incurrence thereof (other than with respect to customary bridge financings, which may have such an earlier maturity date and which, subject to customary conditions, would either be automatically converted into or required to be exchanged for permanent financing which satisfies the requirements of the preceding clause (c)), (d) that contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions (it being understood and agreed that such Indebtedness shall not include any financial maintenance covenants and that applicable negative covenants shall be incurrence-based to the extent customary for similar Indebtedness) and, when taken as a whole (other than interest rates, rate floors, fees and optional prepayment or redemption terms), are not more favorable to the lenders or investors providing such Permitted Unsecured Indebtedness, as the case may be, than those set forth in the Loan Documents are with respect to the Lenders (other than covenants or other provisions applicable only to periods after the Latest Maturity

Date then in effect at the time of incurrence thereof); provided that a certificate of a Responsible Officer delivered to the Administrative Agent at least five Business Days prior to the incurrence of such Indebtedness or the modification, refinancing, refunding, renewal or extension thereof (or such shorter period of time as may reasonably be agreed by the Administrative Agent), together with a reasonably detailed description of the material terms and conditions of such resulting Indebtedness or drafts of the material definitive documentation relating thereto, stating that the Borrower has determined in good faith that such terms and conditions satisfy the foregoing requirements in this clause (d) shall be conclusive, and (e) that is not guaranteed by any Person other than on an unsecured basis by the Borrower and/or Restricted Subsidiaries.

“Person” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan” means any employee benefit plan as defined in Section 3(3) of ERISA, including any employee welfare benefit plan (as defined in Section 3(1) of ERISA), any employee pension benefit plan (as defined in Section 3(2) of ERISA but excluding any Multiemployer Plan), and any plan which is both an employee welfare benefit plan and an employee pension benefit plan, and in respect of which any Group Member or any ERISA Affiliate is (or, if such Plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in section 3(5) of ERISA.

“Plan Asset Regulations” means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

“Planned Expenditures” has the meaning set forth in the definition of “Excess Cash Flow”.

“Platform” has the meaning set forth in Section 10.15.

“Pledged Collateral” has the meaning set forth in the Security Agreement.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Pro Forma Basis” means with respect to the calculation of any test or covenant hereunder, such test or covenant being calculated after giving effect to (a) any designation of a Restricted Subsidiary as an Unrestricted Subsidiary, (b) any designation of an Unrestricted Subsidiary as a Restricted Subsidiary, (c) any Material Acquisition, (d) any Material Disposition, and (e) any assumption, incurrence, repayment or other Disposition of Indebtedness or any Restricted Payment (all of the foregoing, “Applicable Transactions”) using, for purposes of determining such compliance, the historical financial statements of all entities or assets so designated, acquired or sold (to the extent available) and the consolidated financial statements of the Borrower and its Restricted Subsidiaries, which shall be reformulated as if all Applicable Transactions during the Applicable Reference Period, or subsequent to the Applicable Reference Period and on or prior to the date of such calculation, had been consummated at the beginning of such period (and shall include, with respect to any Material Acquisition or Material Disposition, any adjustments calculated in accordance with (and subject to the requirements and limitations of) clause (h) of the definition of “Consolidated EBITDA”); provided that with respect to any assumption, incurrence, repayment or other Disposition of Indebtedness (i) if such Indebtedness has a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect

on the date of calculation had been the applicable rate for the entire period (taking into account any Swap Obligations applicable to such Indebtedness if such Swap Obligation has a remaining term as at the date of calculation in excess of 12 months), (ii) interest on Capital Lease Obligations shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP, (iii) interest on any Indebtedness under a revolving credit facility shall be based upon the average daily balance of such Indebtedness during the applicable period and (iv) interest on Indebtedness that may be optionally determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate as the Borrower may designate.

“Pro Forma Financial Statements” has the meaning set forth in Section 4.1(a).

“Prohibited Transaction” has the meaning set forth in Section 406 of ERISA and Section 4975(c) of the Code.

“Projections” has the meaning set forth in Section 6.2(c).

“Properties” has the meaning set forth in Section 4.17(a).

“Public-Sider” means a Lender whose representatives may trade in securities of the Borrower or any of its Subsidiaries while in possession of the financial statements provided by the Borrower under the terms of this Agreement.

“Purchasing Borrower Party” means any of the Borrower or any Restricted Subsidiary.

“Qualified Capital Stock” means Capital Stock of the Borrower other than Disqualified Capital Stock.

“Recovery Event” means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member (other than assets that constitute ABL Priority Collateral) that yields gross cash proceeds to any Group Member in excess of \$35,000,000, individually, or \$50,000,000, in the aggregate for each fiscal year of the Borrower.

“Reference Period” means each period of four consecutive fiscal quarters of the Borrower.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two U.S. Government Securities Business Days preceding the date of such setting, and (2) if such Benchmark is not the Term SOFR Rate, the time determined by the Administrative Agent in its reasonable discretion.

“Refinancing Amendment” has the meaning set forth in Section 2.27.

“Register” has the meaning set forth in Section 10.6(b).

“Regulation D” means Regulation D of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Reinvestment Deferred Amount” means with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Group Member in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.11(b) as a result of the delivery of a Reinvestment Notice.

“Reinvestment Event” means any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

“Reinvestment Notice” means a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrower (directly or indirectly through a Restricted Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire or repair assets useful in its business.

“Reinvestment Prepayment Amount” means with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair assets useful in the Borrower’s business.

“Reinvestment Prepayment Date” means with respect to any Reinvestment Event, the earlier of (a) the date occurring 12 months after such Reinvestment Event (or if the Borrower or the relevant Restricted Subsidiary, as applicable, has contractually committed within 12 months after such Reinvestment Event to reinvest such Reinvestment Deferred Amount, the date occurring 18 months after such Reinvestment Event) and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire or repair assets useful in the Borrower’s business with all or any portion of the relevant Reinvestment Deferred Amount.

“Related Parties” means with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board or the NYFRB, or any successor thereto.

“Relevant Rate” means (i) with respect to any Term Benchmark Borrowing denominated in dollars, Adjusted Term SOFR or (ii) with respect to any Term Benchmark Borrowing denominated in euros, the EURIBOR Screen Rate.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Pension Plan, other than those events as to which notice is waived pursuant to DOL Reg. Section 4043 as in effect on the Closing Date (no matter how such notice requirement may be changed in the future).

“Replacement Financing” has the meaning set forth in Section 2.27.

“Repricing Transaction” means (a) any prepayment of any Term B-~~1~~3 Loans with the proceeds of a widely syndicated term loan B facility incurred by the Borrower or any of its Subsidiaries in respect of which the all-in yield is, on the date of such prepayment, lower than the all-in yield on the Term B-~~1~~3 Loans (with the all-in yield calculated by the Administrative Agent in accordance with standard market practice, taking into account, in each case, any interest rate floors, the Applicable Margin hereunder and the interest rate spreads under such Indebtedness, and any original issue discount and upfront fees applicable to or payable in respect of such Term Loans and such Indebtedness with the original issue discount and upfront fees being equated to interest rate assuming a four-year life to maturity of such Indebtedness (but excluding arrangement, structuring, underwriting, commitment, amendment or other fees regardless of whether paid in whole or in part to any or all lenders of such Indebtedness and any other fees that are not paid generally to all lenders of such Indebtedness)) and (b) any amendment, amendment and restatement or other modification to this Agreement where the primary purpose is to reduce the all-in yield (calculated as set forth in clause (a) above) of any Term B-~~1~~3 Loans. No “Repricing Transaction” shall be deemed to occur in connection with any Change of Control or Transformative Acquisition.

“Required Lenders” means at any time, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans then outstanding.

“Requirement of Law” means as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president, chief financial officer, director of financial reporting or treasurer of the Borrower, but in any event, with respect to financial matters, the chief financial officer of the Borrower.

“Restricted Debt Payment” has the meaning set forth in Section 7.8(a).

“Restricted Lender” has the meaning set forth in Section 1.5.

“Restricted Payments” has the meaning set forth in Section 7.6.

“Restricted Subsidiary” means any Subsidiary of the Borrower other than an Unrestricted Subsidiary.

“Rollover Term Lender” means (a) each Initial Term Lender with an Initial Term Loan that has consented to exchange such Initial Term Loan into a Term B-1 Loan, and that has been allocated such Term B-1 Loan by the Administrative Agent ~~and~~, (b) each Term B-1 Lender with an Term B-1 Loan that has consented to exchange such Term B-1 Loan into a Term B-2 Loan, and that has been allocated such Term B-2 Loan by the Administrative Agent and (c) each Term B-2 Lender with an Term B-2 Loan that has consented to exchange such Term B-2 Loan into a Term B-3 Loan, and that has been allocated such Term B-3 Loan by the Administrative Agent.

“S&P” has the meaning set forth in the definition of Cash Equivalents.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (as of the Amendment No. 3 Effective Date, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b), or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state or His Majesty’s Treasury of the United Kingdom or any other relevant sanctions authority.

“Sanctions Provision” has the meaning set forth in Section 1.5.

“SEC” means the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

“Secured Parties” means the collective reference to the Administrative Agent, the Lenders and any other Person to which Obligations are owed.

“Securities Account” has the meaning set forth in the Uniform Commercial Code of the State of New York.

“Security Agreement” means the Term Loan Collateral Agreement, dated as of the Closing Date, executed and delivered by the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit B.

“Security Documents” means the collective reference to the Security Agreement, the Mortgages and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

“Sellers” has the meaning set forth in the definition of Acquisition Agreement.

“SOFR” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Determination Date” has the meaning specified in the definition of “Daily Simple SOFR”.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“Solvent” means when used with respect to any Person, means that, as of any date of determination, (a) the fair value of the assets of such Person, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the assets of such Person will be greater than the amount that will be required to pay the probable liabilities on its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such Person will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) such Person will not have an unreasonably small capital with which to conduct the business in which it is engaged as such business is conducted as of such date of determination and proposed to be conducted following such date.

“Specified Event of Default” means any Event of Default under Section 8(a) or Section 8(f).

“Specified Acquisition Agreement Representations” means, with respect to any acquisition contemplated by the Borrower or any Restricted Subsidiary, the representations made by or on behalf of the proposed target of such acquisition in the documentation governing such acquisition (the “Subject Acquisition Agreement”) that are material to the interests of the Lenders, but only to the extent that accuracy of any such representation is a condition to the obligations of the Borrower (or any Affiliate thereof) to close under the Subject Acquisition Agreement or the Borrower (or an Affiliate thereof) has the right (without regard to any notice requirement but giving effect to any applicable cure provisions) to terminate its obligations under the Subject Acquisition Agreement as a result of a breach of such representations in the Subject Acquisition Agreement.

“Specified Representations” means the representations and warranties of the Borrower and the Subsidiary Guarantors set forth in Sections 4.3(a) and (c), 4.4(a), 4.5 (solely with respect to organizational or governing documents), 4.11, 4.14, 4.19, 4.20 and 4.24.

“Subordinated Indebtedness” means any Indebtedness of any Group Member that is expressly subordinated in right of payment to the Obligations; provided that, for the avoidance of doubt, Indebtedness under the ABL Credit Agreement shall not be considered Subordinated Indebtedness.

“Subsidiary” means as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Subsidiary Guarantor” means (a) each Restricted Subsidiary of the Borrower that is a Domestic Subsidiary (other than an Excluded Subsidiary) and (b) each other Domestic Subsidiary that is an obligor under or guarantor in respect of the US Obligations (as defined in the ABL Credit Agreement) or any Permitted Refinancing in respect thereof.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or any of its Subsidiaries shall be a “Swap Agreement”.

“Swap Obligation” means with respect to any Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction.

“Syndication Agent” means the Syndication Agent identified on the cover page of this Agreement.

“Target” means Erwin Hymer Group SE, a European stock corporation (Societas Europaea, SE) under the laws of the European Union.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term B-1 Facilities” means the credit facilities for the Term B-1 Loans described in Amendment No. 1.

“Term B-1 Lender” means a Lender with an outstanding Term B-1 Commitment or an outstanding Term B-1 Loan.

“Term B-1 Loan” means a Term B-1 USD Loan or a Term B-1 Euro Loan.

“Term B-1 Commitment” means, collectively, the Term B-1 USD Commitments and the Term B-1 Euro Commitments.

“Term B-1 USD Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-1 USD Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-1 USD Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 1 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-1 USD Commitments on the Amendment No. 1 Effective Date is \$123,123,179.43.

“Term B-1 USD Loans” means the Term B-1 Loans denominated in Dollars made or deemed made pursuant to Amendment No. 1. As of the Amendment No. 1 Effective Date, the total outstanding Term B-1 USD Loans are \$941,900,349.35.

“Term B-1 Euro Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-1 Euro Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-1 Euro Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 1 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-1 Euro Commitments on the Amendment No. 1 Effective Date is €45,717,955.82.

“Term B-1 Euro Loans” means the Term B-1 Loans denominated in Euros made or deemed made pursuant to Amendment No. 1. As of the Amendment No. 1 Effective Date, the total outstanding Term B-1 Euro Loans are €502,996,558.78.

“Term B-1 Loan Percentage” means, for any Term B-1 Lender, under any Facility at any time, the percentage which the aggregate principal amount of such Lender’s Term B-1 Loans under such Facility then outstanding constitutes of the aggregate principal amount of the Term B-1 Loans of such Facility then outstanding.

“Term B-2 Facilities” means the credit facilities for the Term B-2 Loans described in Amendment No. 3.

“Term B-2 Lender” means a Lender with an outstanding Term B-2 Commitment or an outstanding Term B-2 Loan.

“Term B-2 Loan” means a Term B-2 USD Loan or a Term B-2 Euro Loan.

“Term B-2 Commitment” means, collectively, the Term B-2 USD Commitments and the Term B-2 Euro Commitments.

“Term B-2 USD Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-2 USD Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-2 USD Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 3 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-2 USD Commitments on the Amendment No. 3 Effective Date is \$300,797,188.26.

“Term B-2 USD Loans” means the Term B-2 Loans denominated in Dollars made or deemed made pursuant to Amendment No. 3. As of the Amendment No. 3 Effective Date, the total outstanding Term B-2 USD Loans are \$450,000,000.

“Term B-2 Euro Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-2 Euro Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-2 Euro Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 3 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-2 Euro Commitments on the Amendment No. 1 Effective Date is €140,486,401.44.

“Term B-2 Euro Loans” means the Term B-2 Loans denominated in Euros made or deemed made pursuant to Amendment No. 3. As of the Amendment No. 3 Effective Date, the total outstanding Term B-2 Euro Loans are €330,000,000.

“Term B-2 Loan Percentage” means, for any Term B-2 Lender, under any Facility at any time, the percentage which the aggregate principal amount of such Lender’s Term B-2 Loans under such Facility then outstanding constitutes of the aggregate principal amount of the Term B-2 Loans of such Facility then outstanding.

“Term B-3 Facilities” means the credit facilities for the Term B-3 Loans described in Amendment No. 4.

“Term B-3 Lender” means a Lender with an outstanding Term B-3 Commitment or an outstanding Term B-3 Loan.

“Term B-3 Loan” means a Term B-3 USD Loan or a Term B-3 Euro Loan.

“Term B-3 Commitment” means, collectively, the Term B-3 USD Commitments and the Term B-3 Euro Commitments.

“Term B-3 USD Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-3 USD Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-3 USD Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 4 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-3 USD Commitments on the Amendment No. 4 Effective Date is \$18,572,491.96.

“Term B-3 USD Loans” means the Term B-3 Loans denominated in Dollars made or deemed made pursuant to Amendment No. 4. As of the Amendment No. 4 Effective Date, the total outstanding Term B-3 USD Loans are \$350,000,000.

“Term B-3 Euro Commitment” means as to any Lender, the obligation of such Lender, if any, to make Term B-3 Euro Loans in an aggregate principal not to exceed the amount set forth under the heading “Term B-3 Euro Commitment” opposite such Lender’s name on Schedule 1 to Amendment No. 4 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The aggregate Term B-3 Euro Commitments on the Amendment No. 4 Effective Date is €1,559,412.18.

“Term B-3 Euro Loans” means the Term B-3 Loans denominated in Euros made or deemed made pursuant to Amendment No. 4. As of the Amendment No. 4 Effective Date, the total outstanding Term B-3 Euro Loans are €304,175,000.

“Term B-3 Loan Percentage” means, for any Term B-3 Lender, under any Facility at any time, the percentage which the aggregate principal amount of such Lender’s Term B-3 Loans under such Facility then outstanding constitutes of the aggregate principal amount of the Term B-3 Loans of such Facility then outstanding.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Term SOFR Rate or the EURIBOR Screen Rate.

“Term Benchmark Tranche” means the collective reference to Term Benchmark Loans under a particular Facility relating to the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“Term Facilities” as defined in the definition of “Facility.”

“Term Lenders” means the collective reference to the Initial Term Lenders, the Term B-1 Lenders, the Term B-2 Lenders, the Term B-3 Lenders and the Incremental Term Lenders.

“Term Loans” means the collective reference to the Initial Term Loans, the Term B-1 Loans, the Term B-2 Loans, the Term B-3 Loans and the Incremental Term Loans.

“Term Refinancing Facility” has the meaning set forth in Section 2.27.

“Term Refinancing Notes” has the meaning set forth in Section 2.27.

“Term SOFR Determination Day” has the meaning assigned to it in the definition of “Term SOFR Reference Rate”.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator; provided that if the Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“Transaction Costs” means (a) the purchase price in connection with the Acquisition, (b) the fees, costs and expenses incurred in connection with the Transactions and (c) the consummation of the Existing Indebtedness Refinancing.

“Transactions” means, collectively, (a) the Acquisition, (b) the execution, delivery and performance by the Borrower and the other Loan Parties of this Agreement, the borrowing of Loans hereunder and the use of proceeds thereof, (c) the execution, delivery and performance by the Borrower and the other Loan Parties of the ABL Credit Agreement, the borrowing of ABL Loans thereunder and the use of proceeds thereof and (d) the Existing Indebtedness Refinancing.

“Transferee” means any Assignee or Participant.

“Transformative Acquisition” means any acquisition by the Borrower or any of its Restricted Subsidiaries of an unrelated third party that is either (a) not permitted by the terms of the Loan Documents immediately prior to the consummation of such acquisition or (b) if permitted by the terms of the Loan Documents immediately prior to the consummation of such acquisition, would not provide the Borrower and its Restricted Subsidiaries with adequate flexibility under the Loan Documents for the continuation and/or expansion of their combined operations following such consummation.

“Type” means as to any Loan, its nature as an ABR Loan or an Term SOFR Rate, the EURIBOR Screen Rate or the Daily Simple SOFR.

“UK Financial Institutions” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“United States” means the United States of America.

“Unrestricted Cash” means unrestricted cash and Cash Equivalents owned by any Group Member and not controlled by or subject to any Lien or other preferential arrangement in favor of any creditor (other than Liens created under the Security Documents or the ABL Security Documents and Liens of the type referred to in Section 7.3(u) or Section 7.3(x)).

“Unrestricted Subsidiary” means (a) any Subsidiary of the Borrower that is designated as an Unrestricted Subsidiary by the Borrower pursuant to Section 6.11 on or subsequent to the Closing Date and (b) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 2.19(f)(ii)(B).

“Voluntary Prepayment Amount” means as of any date, an amount equal to (a) the sum of (i) the aggregate principal amount of all optional prepayments of Term Loans made after the Closing Date and prior to such date (excluding prepayments made with the proceeds of long-term Indebtedness) less (b) the aggregate principal amount of Incremental Term Loans established prior to such date in reliance on the Voluntary Prepayment Amount less (c) the aggregate principal amount of Incremental Equivalent Debt established prior to such date in reliance on the Voluntary Prepayment Amount.

“Wholly Owned Subsidiary” means as to any Person, any other Person all of the Capital Stock of which (other than directors’ qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

“Withdrawal Liability” means any liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are used in sections 4203 and 4205, respectively, of ERISA.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (x) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein and (y) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof), (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Conversion of Foreign Currencies.

(a) Consolidated Total Debt. Consolidated Total Debt denominated in any currency other than Dollars shall be calculated using the Dollar Equivalent thereof as of the date of the financial statements on which such amounts are reflected.

(b) Dollar Equivalents. Without limiting the other terms of this Agreement, the calculations and determinations under this Agreement of any amount in any currency other than Dollars shall be deemed to refer to the Dollar Equivalent thereof, as the case may be. The Administrative Agent shall determine the Dollar Equivalent of any amount in accordance with the terms hereof, and a determination thereof by the Administrative Agent shall be presumptively correct absent manifest error. The Administrative Agent may, but shall not be obligated to, rely on any determination made by any Credit Party in any document delivered to the Administrative Agent. Notwithstanding the foregoing, for purposes of Section 7 and the calculation of compliance with any financial ratio or financial test for purposes of taking any action hereunder, on any relevant date of determination, amounts denominated in currencies other than Dollars shall be translated into Dollars at the applicable currency exchange rate used in preparing the financial statements delivered pursuant to Sections 6.1(a) or (b), as applicable, for the relevant fiscal period.

(c) Rounding Off. The Administrative Agent may set up appropriate rounding-off mechanisms or otherwise round off amounts hereunder to the nearest higher or lower amount in whole Dollars or cents to ensure amounts owing by any party hereunder or that otherwise need to be calculated or converted hereunder are expressed in whole Dollars or in whole cents, as may be necessary or appropriate.

(d) Indebtedness. For purposes of determining compliance with any Dollar-denominated restriction on the incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term debt, or first committed or first incurred (whichever yields the lower Dollar Equivalent), in the case of revolving credit debt; provided that if such Indebtedness is incurred to refinance, replace, renew or refund other Indebtedness denominated in a foreign currency, and such refinancing, replacement, renewal or refunding would cause the applicable Dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, replacement, renewal or refunding, such Dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such refinancing, replacement, renewal or refunding Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, replaced, renewed or refunded (plus unpaid accrued interest and premium (including tender premiums) thereon and underwriting discounts, original issue discount, defeasance costs, fees, commissions and expenses in connection therewith).

1.4 Interest Rates; The interest rate on a Loan denominated in Dollars or Euro may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.16(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The

Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

1.5 Compliance with Anti-Boycott Laws. Each Lender may choose that any provision in this Agreement relating to the terms Sanctioned Country, Sanctioned Person, or Sanctions including Sections 4.24, 6.4, 7.17 and 7.18 (each hereinafter “Sanctions Provision”) shall not be applicable to its benefit as far as the application of any Sanctions Provision would result in such Lender or any of its directors or employees being in violation of, conflict with, or having liability under Section 7 German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*), Council Regulation (EC) No. 2271/96 or any other similar applicable anti-boycott laws (hereinafter “Anti-Boycott Laws”). Each Lender which chooses such compliance with Anti-Boycott-Laws (each hereinafter “Restricted Lender”) has to notify the Administrative Agent to this effect (who in turn shall inform the Borrower).

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments.

(a) Subject to the terms and conditions hereof, each Term Lender severally agrees to make term loans denominated in Dollars (the “Initial USD Term Loans”) on the Closing Date to the Borrower in an amount equal to the amount of its Initial USD Term Commitment. The Initial USD Term Loans may from time to time be Term Benchmark Loans (or, only to the extent set forth in Section 2.16, Daily Simple SOFR Loans) or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Section 2.12.

(b) Subject to the terms and conditions hereof, each Term Lender severally agrees to make term loans denominated in Euros (the “Initial Euro Term Loans”) on the Closing Date to the Borrower in an amount equal to the amount of its Initial Euro Term Commitment. The Initial Euro Term Loans shall be Term Benchmark Loans.

2.2 Procedure for Term Loan Borrowing. To borrow Term B-2-3 Loans on the Amendment No. 34 Effective Date, the Borrower shall give the Administrative Agent irrevocable notice by submitting a Borrowing Request (which Borrowing Request must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Term Benchmark Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans), specifying (i) the amount, currency and Type of Term B-2-3 Loans to be borrowed, and (iii) in the case of Term Benchmark Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Each borrowing under the Commitments shall be in an amount equal to the Dollar Equivalent of (x) in the case of ABR Loans, \$1,000,000 or a whole multiple thereof and (y) in the case of Term Benchmark Loans, \$5,000,000 or €5,000,000, as applicable, or a whole multiple of \$1,000,000 or €1,000,000 in excess thereof. Upon receipt of any Borrowing Request from the Borrower, the Administrative Agent shall promptly notify each Term Lender thereof. Each Lender will make the amount of its Commitment available to the Administrative Agent for the account of the Borrower at the applicable Funding Office prior to 12:00 Noon, New York City time, on the Borrowing Date requested by such Borrower in funds immediately available to the Administrative Agent.

2.3 Repayment of Term Loans. (a) The Borrower shall repay (i) each Facility of Initial Term Loans on the first day of each August, November, February, May, beginning with May 1, 2019 and ending with the last such day to occur prior to the Maturity Date, in an aggregate principal amount for each such date (as such amount shall be adjusted pursuant to Section 2.17(b) hereof) equal to the aggregate principal amount of such Facility of Initial Term Loans outstanding on the Closing Date multiplied by 0.25%, (ii) each Facility of Term B-1 Loans on the first day of each August, November, February, May, beginning with May 1, 2021 and ending with the last such day to occur prior to the Maturity Date, in an aggregate principal amount equal to the amounts, if any, which would have been payable pursuant to Section 2.3(a) immediately prior to the Amendment No. 1 Effective Date (as such amount shall be adjusted pursuant to Section 2.17(b) hereof) ~~and~~, (iii) each Facility of Term B-2 Loans on the first day of each August, November, February, May, beginning with May 1, 2024 and ending with the last such day to occur prior to the Maturity Date, in an aggregate principal amount for each such date (as such amount shall be adjusted pursuant to Section 2.17(b) hereof) equal to the aggregate principal amount of such Facility of Term B-2 Loans outstanding on the Amendment No. 3 Effective Date multiplied by 0.25% ~~and~~ and (iv) each Facility of Term B-3 Loans on the first day of each August, November, February, May, beginning with August 1, 2024 and ending with the last such day to occur prior to the Maturity Date, in an aggregate principal amount equal to the amounts, if any, which would have been payable pursuant to Section 2.3(a)(iii) immediately prior to the Amendment No. 4 Effective Date (as such amount shall be adjusted pursuant to Section 2.17(b) hereof).

(b) The Incremental Term Loans of each Incremental Term Lender shall mature in consecutive installments (which shall be no more frequent than quarterly) as specified in the Incremental Term Loan Activation Notice pursuant to which such Incremental Term Loans were made (as such amount shall be adjusted pursuant to Section 2.17(b)).

(c) To the extent not previously paid (i) all Initial Term Loans shall be paid on the Maturity Date, (ii) all Term B-1 Loans shall be paid on the Maturity Date ~~and~~, (iii) all Term B-2 Loans shall be paid on the Maturity Date ~~and~~, (iv) all Term B-3 Loans shall be paid on the Maturity Date and (v) all Incremental Term Loans shall be paid on the Incremental Term Loan Maturity Date applicable thereto. On the Amendment No. 1 Effective Date all Initial Term Loans were repaid (including by cashless exchange) in full. On the Amendment No. 3 Effective Date all Term B-1 Loans were repaid (including by cashless exchange) in full. On the Amendment No. 4 Effective Date all Term B-2 Loans were repaid (including by cashless exchange) in full.

2.4 [Reserved].

2.5 [Reserved].

2.6 [Reserved].

2.7 [Reserved].

2.8 Fees, etc. The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.9 [Reserved].

2.10 Optional Prepayments. (a) The Borrower may at any time and from time to time prepay any Facility of the Loans, in whole or in part, without premium or penalty (subject to Section 2.10(b)), upon irrevocable notice delivered to the Administrative Agent no later than 12:00 Noon, New York City time, three Business Days prior thereto, in the case of Term Benchmark Loans, and no later than 12:00 Noon, New York City time, one Business Day prior thereto, only to the extent set forth in Section 2.16, in the case of a prepayment of a Daily Simple SOFR Borrowing, no later than 12:00 Noon, New York City time, five U.S. Government Securities Business Days before the date of prepayment or in the case of ABR Loans, which notice shall specify the Facility, date and amount of prepayment and whether the prepayment is of Term Benchmark Loans or ABR Loans; provided, that if a Term Benchmark Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.20. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans shall be in an aggregate principal amount of \$500,000 or €500,000, as applicable, and multiples of \$250,000 or €250,000, respectively, in excess thereof. All optional prepayments of Term Loans denominated in Dollars in accordance with this Section 2.10 shall be made to the Type as directed by the Borrower in its prepayment notice, or in the absence thereof, first, to ABR Loans and second, to Term Benchmark Loans.

(b) All (i) prepayments of Term B-2-3 Loans pursuant to Section 2.10(a) or Section 2.11(a) effected on or prior to the six-month anniversary of the Amendment No. 34 Effective Date with the proceeds of a Repricing Transaction and (ii) amendments, amendments and restatements or other modifications of this Agreement on or prior to the six-month anniversary of the Amendment No. 34 Effective Date constituting Repricing Transactions shall, in each case, be accompanied by a fee payable to the Term B-2-3 Lenders in an amount equal to 1.00% of the aggregate principal amount of the Term B-2-3 Loans so prepaid, in the case of a transaction described in clause (i) of this paragraph, or 1.00% of the aggregate principal amount of the Term B-2-3 Loans affected by such amendment, amendment and restatement or other modification (including any such Loans assigned in connection with the replacement of a Term B-2-3 Lender not consenting thereto), in the case of a transaction described in clause (ii) of this paragraph. Such fee shall be paid by the Borrower to the Administrative Agent, for the account of the applicable Term B-2-3 Lenders in respect of the applicable Term B-2-3 Loans, on the date of such event.

2.11 Mandatory Prepayments and Commitment Reductions. (a) If any Indebtedness shall be incurred by any Group Member (excluding any Indebtedness permitted in accordance with Section 7.2), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans as set forth in Section 2.11(d); provided that prepayments pursuant to this Section 2.11(a) shall be accompanied by any fees payable with respect thereto pursuant to Section 2.10(b).

(b) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied within five Business Days after such date toward the prepayment of the Term Loans as set forth in Section 2.11(d); provided, that, notwithstanding the foregoing, on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Term Loans as set forth in Section 2.11(d).

(c) If, for any fiscal year of the Borrower commencing with the first full fiscal year after the Amendment No. 3 Effective Date, there shall be Excess Cash Flow, the Borrower shall, on the relevant Excess Cash Flow Application Date, apply toward the prepayment of the Term Loans as set forth in Section 2.11(d) the excess of (x) the ECF Percentage of such Excess Cash Flow over (y) solely to the extent not funded with the proceeds of Indebtedness, the aggregate amount of all optional prepayments of Term Loans pursuant to Section 2.10, any Incremental Equivalent Debt (including any Permitted Refinancing Indebtedness thereof), any Replacement Financing of the Term Loans (in each

case to the extent such Indebtedness was secured on a pari passu basis with the Liens securing the Term Loans), any ABL Loans (including any Permitted Refinancing Indebtedness thereof, in each case to the extent accompanied by a corresponding reduction in commitments) plus the aggregate amount of all Loan purchases pursuant to Section 2.25 and Section 10.6(e) (provided that the aggregate amount of any such purchase shall be the amount of the Borrower's cash payment in respect of such purchase), in each case, made during such fiscal year or, at the Borrower's option, after fiscal year end and prior to the date such Excess Cash Flow payment is due (without counting such amounts against subsequent years' Excess Cash Flow). Each such prepayment shall be made on a date (an "Excess Cash Flow Application Date") no later than five Business Days after the earlier of (i) the date on which the financial statements of the Borrower referred to in Section 6.1(a), for the fiscal year with respect to which such prepayment is made, are required to be delivered to the Lenders and (ii) the date such financial statements are actually delivered.

(d) Amounts to be applied in connection with prepayments made pursuant to this Section 2.11 shall be applied to the prepayment of the Term Loans therein in accordance with Section 2.17(b). The application of any prepayment on Dollar Term Loans pursuant to this Section 2.11 shall be made first, to ABR Loans and, second, to Term Benchmark Loans. Each prepayment of the Loans under this Section 2.11 shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

(e) With respect to any prepayment pursuant to this Section 2.11 of Term B-~~2~~-3 Loans and, unless otherwise specified in the applicable Incremental Term Loan Activation Notice, other Term Loans, any Term Lender, at its option, may elect not to accept such prepayment. The Borrower shall notify the Administrative Agent of any event giving rise to a prepayment under this Section 2.11 at least three Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment that is required to be made under this Section 2.11. Any Lender may decline to accept all (but not less than all) of its share of any such prepayment (the "Declined Amount") by providing written notice to the Administrative Agent no later than two Business Days after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment. If the Lender does not give a notice to the Administrative Agent on or prior to such second Business Day informing the Administrative Agent that it declines to accept the applicable prepayment, then such Lender will be deemed to have accepted such prepayment. Such Lender's Declined Amount may be retained by the Borrower.

(f) Notwithstanding any other provisions of this Section 2.11, to the extent any or all of the Net Cash Proceeds of any Asset Sale by a Foreign Subsidiary, the Net Cash Proceeds of any Recovery Event received by a Foreign Subsidiary or Excess Cash Flow attributable to Foreign Subsidiaries, are prohibited or delayed by any applicable local law (including financial assistance, corporate benefit restrictions on upstreaming of cash intra group and the fiduciary and statutory duties of the directors of such Foreign Subsidiary) from being repatriated or passed on to or used for the benefit of the Borrower or any applicable Domestic Subsidiary or if the Borrower has determined in good faith that repatriation of any such amount to the Borrower or any applicable Domestic Subsidiary would have material adverse tax consequences (including a material acceleration of the point in time when such earnings would otherwise be taxed) with respect to such amount, the portion of such Net Cash Proceeds or Excess Cash Flow so affected will not be required to be applied to prepay the Term Loans at the times provided in this Section 2.11 but may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation or the passing on to or otherwise using for the benefit of the Borrower or the applicable Domestic Subsidiary, or the Borrower believes in good faith that such material adverse tax consequence would result, and once such repatriation of any of such affected Net Cash Proceeds or Excess Cash Flow is permitted under the applicable local law or the Borrower determines in good faith such repatriation would no longer have such material adverse tax consequences, such repatriation will be promptly effected and such repatriated Net Cash Proceeds or Excess Cash Flow will be promptly (and in any event not later than five Business Days after such repatriation) applied (net of additional taxes payable or reasonably estimated to be payable as a result thereof) to the prepayment of the Term Loans pursuant to this Section 2.11 provided that no such

prepayment of the Term Loans pursuant to this Section 2.11 shall be required in the case of any such Net Cash Proceeds or Excess Cash Flow the repatriation of which the Borrower believes in good faith would result in material adverse tax consequences, if on or before the date on which such Net Cash Proceeds so retained would otherwise have been required to be applied to reinvestments or prepayments pursuant to a Reinvestment Notice (or such Excess Cash Flow would have been so required if it were Net Cash Proceeds), the Borrower applies an amount equal to the amount of such Net Cash Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Cash Proceeds or Excess Cash Flow had been received by the Borrower rather than such Foreign Subsidiary, less the amount of additional taxes that would have been payable or reserved against if such Net Cash Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Cash Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary).

2.12 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Term Benchmark Loans denominated in Dollars to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election by submitting an Interest Election Request no later than 12:00 Noon, New York City time, on the Business Day preceding the proposed conversion date, provided that any such conversion of Term Benchmark Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Term Benchmark Loans by giving the Administrative Agent prior irrevocable notice of such election by submitting an Interest Election Request no later than 12:00 Noon, New York City time, on the third Business Day preceding the proposed conversion date (which Interest Election Request shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a Term Benchmark Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such Interest Election Request the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Term Benchmark Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice by submitting an Interest Election Request to the Administrative Agent, in accordance with the applicable provisions of the term “Interest Period” set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Term Benchmark Loan under a particular Facility may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations or (ii) if an Event of Default specified in clause (i) or (ii) of Section 8(f) with respect to the Borrower is in existence, and provided, further, that if the Borrower shall fail to give any required Interest Election Request as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall, in the case of Loans Denominated in Dollars, be automatically converted to ABR Loans on the last day of such then expiring Interest Period and in the case of Loan denominated in Euro, automatically continued as EURIBOR Rate Loans with a one month Interest Period. Upon receipt of any such Interest Election Request the Administrative Agent shall promptly notify each relevant Lender thereof.

2.13 Limitations on Term Benchmark Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Term Benchmark Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Term Benchmark Loans comprising each Term Benchmark Tranche shall be equal to \$5,000,000 or €5,000,000, as applicable or a whole multiple of \$1,000,000 or €1,000,000, as applicable, in excess thereof and (b) no more than 10 Term Benchmark Tranches shall be outstanding at any one time.

2.14 Interest Rates and Payment Dates. (a) Each Term Benchmark Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Term SOFR Rate or the EURIBOR Screen Rate, as applicable, determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2%, and (ii) if all or a portion of any interest payable on any Loan or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans under the relevant Facility (or if not denominated in Dollars, such rate as would be then applicable to Loans that are Term Benchmark Loans denominated in the applicable currency with a one month Interest Period) plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Term Facility plus 2%), in each case, with respect to clauses (i) and (ii) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.15 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed (including the first day, but excluding the last day; provided that if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on such Loan). The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Term SOFR Rate or an EURIBOR Screen Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the reserve requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.14(a).

2.16 Inability to Determine Interest Rate. (a) Subject to clauses (b), (c), (d), (e) and (f) of this Section 2.16, if:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) (A) that adequate and reasonable means do not exist for ascertaining the Term SOFR Rate for a Loan for such Interest Period or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Daily Simple SOFR; or

(ii) the Administrative Agent shall have received notice from the Majority Facility Lenders in respect of the relevant Facility that the (A) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, the Term SOFR Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period or (B) at any time, the applicable Daily Simple SOFR will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing,

then the Administrative Agent shall give notice thereof to the Borrower and the relevant Lenders by telephone, telecopy or electronic mail as soon as practicable thereafter. If such notice is given (x) (1) Loans denominated in Dollars, including any request for a conversion or continuation of a Term Benchmark Borrowing shall be made as (A) a Daily Simple SOFR Borrowing denominated in dollars so long as the Daily Simple SOFR for Borrowings denominated in dollars is not also the subject of Section 2.16(a)(i) or (ii) above or (B) an ABR Borrowing if the Daily Simple SOFR for Borrowings denominated in dollars also is the subject of Section 2.16(a)(i) or (ii) above and (2) any Borrowing Request that requests a SOFR Borrowing shall instead be deemed to be a Borrowing Request, as applicable, for an ABR Borrowing or (y) Loans denominated in Euro shall be a Borrowing at the ABR plus the Applicable Margin for ABR Borrowings. Furthermore, if any Term Benchmark Loan, Daily Simple SOFR Loan or EURIBOR Loan is outstanding on the date of the Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.16(a) with respect to a Relevant Rate applicable to such Loan, then until (x) the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist with respect to the relevant Benchmark and (y) the Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.12 or a new Borrowing Request in accordance with the terms of Section 2.02, (1) for Loans denominated in Dollars, (1) any Term Benchmark Loan shall on the last day of the Interest Period applicable to such Loan, be converted by the Administrative Agent to, and shall constitute, (x) a Daily Simple SOFR Borrowing denominated in Dollars so long as the Daily Simple SOFR for Borrowings denominated in dollars is not also the subject of Section 2.16(a)(i) or (ii) above or (y) an ABR Loan if the Daily Simple SOFR for Borrowings denominated in dollars also is the subject of Section 2.16(a)(i) or (ii) above, on such day, and (2) any Daily Simple SOFR Loan shall on and from such day be converted by the Administrative Agent to, and shall constitute an ABR Loan, and (2) for Loans denominated in Euro such Loans shall be at the ABR plus the Applicable Margin for ABR Borrowings.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark

setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders of each applicable Facility.

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

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.16, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.16.

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

(f) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

2.17 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from (i) the Initial Term Lenders under a Facility hereunder shall be made pro rata according to the Initial Term Percentage of the Initial Term Lenders under such Facility, (ii) the Term B-1 Lenders under a Facility hereunder shall be made pro rata according to the Term B-1 Loan Percentage of the Term B-1 Lenders under such Facility ~~and~~, (iii) the Term B-2 Lenders under a Facility hereunder shall be made pro rata according to the Term B-2 Loan Percentage of the Term B-2 Lenders under such Facility and (iv) the Term B-3 Lenders under a Facility hereunder shall be made pro rata according to the Term B-3 Loan Percentage of the Term B-3 Lenders under such Facility.

(b) With respect to any Facility, each payment (including each prepayment under this Agreement) by the Borrower on account of principal of and interest on the Term Loans of such Facility shall be made pro rata according to the respective outstanding principal amounts of the Term Loans of such Facility then held by the Term Lenders (except as otherwise provided in Section 2.11(e)). The amount of each principal prepayment of the Term Loans pursuant to Section 2.11 shall be applied to reduce the Term ~~B-2-3~~ Loans and Incremental Term Loans on a pro rata basis based upon the respective then remaining principal amounts thereof (unless any Incremental Term Lenders have agreed to less than pro rata prepayments) and shall be applied within each Facility to the then remaining installments thereof as directed by the Borrower (or if not so directed, to the then remaining installments thereof in direct order of maturity). Amounts repaid (including amounts pursuant to Section 2.11) and prepaid on account of the Term Loans may not be reborrowed.

(c) [Reserved].

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Funding Office, in Dollars (provided payments of principal and interest in respect of Loans denominated in Euro shall be in Euro) and in immediately available funds. The Administrative Agent shall distribute such payments to each relevant Lender promptly upon receipt in like funds as received, net of any amounts owing by such Lender pursuant to Section 9.7. If any payment hereunder (other than payments on the Term Benchmark Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Term Benchmark Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) in the case of Loans in Dollars, the NYFRB and in the case of Loans in Euro, a customary rate determined by the Administrative Agent and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with

interest thereon at the rate per annum applicable to, in the case of Dollar denominated Loans, ABR Loans and in the case of Euro denominated Loans, a customary rate determined by the Administrative Agent, under the relevant Facility, on demand, from the Borrower.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average NYFRB (or for Loans denominated in Euro, a customary rate determined by the Administrative Agent). Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(g) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.17(e), 2.17(f), 2.19(e) or 9.7, then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations to it under such Sections until all such unsatisfied obligations are fully paid, and/or (ii) hold any such amounts in a segregated account as cash collateral for, and application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

2.18 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation, administration, implementation or application thereof or compliance by any Lender or other Credit Party with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority, in each case made or occurring subsequent to the Closing Date:

(i) shall subject any Credit Party to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit (or participations therein) by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Term SOFR Rate or EURIBOR Screen Rate; or

(iii) shall impose on such Lender any other condition (other than Taxes);

and the result of any of the foregoing is to increase the cost to such Lender or such other Credit Party, by an amount that such Lender or other Credit Party deems to be material, of making, converting into, continuing or maintaining Loans, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender or such other Credit Party, upon its demand, any additional amounts necessary to compensate such Lender or such other Credit Party for such increased cost or reduced amount receivable. If any Lender or such other Credit Party becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled and provide reasonable supporting detail.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital or liquidity requirements or in the interpretation, administration, implementation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital or liquidity requirements (whether or not having the force of law) from any Governmental Authority made subsequent to the Closing Date shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor with reasonable supporting detail, the Borrower shall, subject to clauses (d) and (e) below, pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) Notwithstanding anything herein to the contrary, (i) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or by United States or foreign regulatory authorities, in each case pursuant to Basel III, and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder or issued in connection therewith or in implementation thereof, shall in each case be deemed to be a change in law, regardless of the date enacted, adopted, issued or implemented.

(d) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrower shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(e) Notwithstanding any other provision of this Section 2.18 to the contrary, no Lender shall be entitled to receive any compensation pursuant to this Section 2.18 unless it shall be the general policy or practice of such Lender to seek compensation from other similarly situated borrowers in the U.S. syndicated loan market with respect to its similarly affected loans under agreements with such borrowers having provisions similar to this Section 2.18.

2.19 Taxes.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.19), the amounts received with respect to this agreement equal the sum which would have been received had no such deduction or withholding been made.

(b) The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it (for its own account and on behalf of any other Credit Party, as applicable) for, Other Taxes.

(c) As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.19, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Without duplication of payments made pursuant to Section 2.19(a) above, the Loan Parties shall jointly and severally indemnify each Credit Party, within 10 days after demand therefor, for the full amount of any Indemnified Taxes payable or paid by such Credit Party or required to be withheld or deducted from a payment to such Credit Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.19(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Non-U.S. Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Non-U.S. Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) On the date of this Agreement, the Administrative Agent shall (and any successor or replacement Administrative Agent) shall on or before the date on which it becomes the Administrative Agent hereunder) deliver to the Borrower two duly executed originals of either (i) IRS Form W-9 or (ii) IRS Form W-8ECI (with respect to any payments to be received on its own behalf) and IRS Form W-8IMY (for all other payments), establishing that it is a U.S. branch that has agreed to be treated as a U.S. Person for United States federal withholding Tax purposes with respect to payments received by it from the Borrower for the account of others under the Loan Documents.

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.19 (including by the payment of additional amounts pursuant to this Section 2.19), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.19 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Each party's obligations under this Section 2.19 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under the Loan Documents.

2.20 Indemnity(a) . The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender sustains or incurs as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Term Benchmark Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Term Benchmark Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Term Benchmark Loans on a day that is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the applicable funding market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder for nine months.

(b) with respect to Daily Simple SOFR Loans (only to the extent set forth in Section 2.16), in the event of (i) the payment of any principal of such Daily Simple SOFR Loans other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or an optional mandatory prepayment of Loans), (ii) the failure to borrow or prepay such Daily Simple SOFR Loans on the date specified in any notice delivered pursuant hereto, (iii) the assignment of any Daily Simple SOFR Loans other than on the Interest Payment Date applicable thereto as a result of a request by the Borrower pursuant to Section 2.22, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.21 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.18 or 2.19(a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates with the object of avoiding the consequences of such event; provided, that such designation or assignment is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending offices to suffer no material economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.18 or 2.19(a).

2.22 Replacement of Lenders. The Borrower shall be permitted to replace any Lender that (a) requests reimbursement for amounts owing pursuant to Section 2.18 or 2.19(a) or (b) does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders has been obtained), with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.21 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.18 or 2.19(a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.20 if any Term Benchmark Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto or any Daily Simple SOFR Loan (only to the extent set forth in Section 2.16) owing to such replaced Lender shall be purchased other than on the latest day of the Interest Payment Date relating thereto, (vi) the replacement financial institution shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein), (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.18 or 2.19(a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee, and that the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective.

2.23 [Reserved].

2.24 Incremental Facilities. (a) The Borrower and any one or more Lenders (including New Lenders) may from time to time agree that such Lenders shall make, obtain or increase the amount of their Incremental Term Loans (which may be effected by increasing the amount of any then existing Facility) by executing and delivering to the Administrative Agent an Incremental Term Loan Activation Notice specifying (v) the amount of such Incremental Term Loans, (w) the applicable Incremental Term Loan Closing Date (which shall be a date not less than 10 Business Days after the date on which such notice is delivered to the Administrative Agent (or such earlier date as shall be agreed by the Administrative Agent)), (x) the applicable Incremental Term Loan Maturity Date, (y) the amortization schedule for such Incremental Term Loans and (z) the Applicable Margin for such Incremental Term Loans; provided, that (i) the aggregate amount of all Incremental Term Loans established on any date after the Amendment No. 3 Effective Date shall not exceed (x) an amount equal to the Base Incremental Amount on such date, (y) an additional amount equal to the Voluntary Prepayment Amount on such date and (z) an additional amount subject to the Maximum Incremental Amount as of such date (it being understood that (A) the Borrower shall be deemed to have utilized amounts under clause (z) above prior to utilization of amounts under clauses (x) or (y) above and (B) the proceeds from any incurrence under

such clauses may be utilized in a single transaction by first calculating the incurrence under clause (z) above and then calculating the incurrence under clauses (x) and/or (y) above), (ii) each Incremental Term Facility shall be in a minimum aggregate principal amount of \$25,000,000 (or €25,000,000), (iii) the Incremental Term Loans in respect of any Incremental Term Facility and all obligations in respect thereof shall be Obligations under this Agreement and the other Loan Documents that are (A) guaranteed on a pari passu basis with all of the other Obligations under this Agreement and the other Loan Documents and (B) secured by the Collateral (and no other property) and the Liens on the Collateral securing such Incremental Term Loans and all other obligations in respect thereof shall be pari passu with the Liens on the Collateral securing all of the other Obligations under this Agreement and the other Loan Documents, (iv) the Incremental Term Loans in respect of any Incremental Term Facility will be entitled to prepayments on the same basis as the Term B-~~2~~-3 Loans unless the applicable Incremental Term Loan Activation Notice specifies a lesser treatment, (v) such Incremental Term Loans shall have a final maturity no earlier than the Latest Maturity Date (determined immediately prior to incurrence of such Incremental Term Loans), (vi) the weighted average life to maturity of such Incremental Term Facility shall be no shorter than that of any existing Term Loans (except if required in order to make such Incremental Term Loans fungible with any outstanding Term Loans), (vii) the all-in-yield (whether in the form of interest rate margins, original issue discount, upfront fees or interest rate floors) and (subject to clauses (v) and (vi) above) amortization schedule applicable to such Incremental Term Facility shall be determined by the Borrower and the Lenders providing such Incremental Term Facility, provided that, prior to the date that is six months following the Amendment No. 3 Effective Date, in the event that the all-in-yield for any Incremental Term Facility (other than an Incremental Term Facility incurred to finance a Permitted Acquisition or similar Investment and an Incremental Term Facility that has a final stated maturity on or after the date that is 12 months following the Latest Maturity Date) shall be more than 50 basis points higher than the corresponding all-in-yield for (x) the then existing Term B-2 USD Loans, in the case of Incremental Term Loans denominated in Dollars and (y) the then existing Term B-2 Euro Loans, in the case of Incremental Term Loans denominated in Euros, in each case, as determined by the Administrative Agent in accordance with standard market practices (after giving effect to interest rate margins, original issue discount, upfront fees or interest rate floors), then the all-in-yield with respect to the applicable outstanding Term B-2 Loans shall be increased to the amount necessary so that the difference between the all-in-yield with respect to the Incremental Term Facility and the all-in-yield on such outstanding Term B-2 Loans is equal to 50 basis points and (viii) to the extent that (subject to clauses (iv) through (vii) above) the terms of any Incremental Term Facility are not consistent with the terms of the Term Facility, they shall be reasonably satisfactory to the Administrative Agent or, if such terms are more favorable to the holders of such Incremental Term Facility, an equivalent amendment shall be made to the Loan Documents for the benefit of the existing Facilities (provided that if such amendment is required, and it benefits such Facilities, it shall be reasonably satisfactory to the Administrative Agent), and such amendment may be implemented by the Borrower and the Administrative Agent, without the consent of any other parties hereto. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(b) Any additional bank, financial institution or other entity which, with the consent of the Borrower and the Administrative Agent (which consent shall not be unreasonably withheld), elects to become a “Lender” under this Agreement in connection with any transaction described in Section 2.24(a) shall execute a New Lender Supplement (each, a “New Lender Supplement”), substantially in the form of Exhibit I-2, whereupon such bank, financial institution or other entity (a “New Lender”) shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(c) Each Incremental Term Loan Activation Notice may, without the consent of any Lender (other than the applicable Incremental Term Lenders) effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to give effect to the provisions of this Section 2.24 (including any amendments that are beneficial to a particular Facility to ensure fungibility of that Facility with the applicable Incremental Term Facility). This Section shall supersede any provision of Section 10.1 to the contrary.

(d) The availability of the Incremental Commitments will be subject to the following conditions: (i) no Specified Event of Default shall have occurred and be continuing immediately prior to and immediately after giving effect to the making of such Incremental Term Loans, (ii) the representations and warranties set forth in each Loan Document (or, in the case of any Incremental Acquisition Term Facility, if agreed by the lenders thereof, the Specified Representations and the Specified Acquisition Agreement Representations) shall be true and correct in all material respects (or, if qualified by materiality, in all respects) on and as of the Incremental Term Loan Closing Date immediately prior to and immediately after giving effect to the making of such Incremental Term Loans, except to the extent expressly made as of an earlier date, in which case they shall be so true and correct as of such earlier date and (iii) the Borrower shall have delivered such legal opinions, board resolutions, secretary’s certificate, officer’s certificate and other documents as shall be reasonably requested by the Administrative Agent in connection with any Incremental Term Facility. Notwithstanding anything to the contrary herein, in the case of an Incremental Acquisition Term Facility to be incurred under the Maximum Incremental Amount (including in respect of Incremental Equivalent Debt), at the option of the Borrower, (i) the date of determination of whether an incurrence is permitted under the Maximum Incremental Amount shall be deemed to be the date the definitive agreements for the relevant Permitted Acquisition, acquisition or investment are entered into (the “LCA Test Date”), and if, after giving pro forma effect to such transaction and the other transactions to be entered into in connection therewith (including assuming the full incurrence of such Incremental Acquisition Term Facility), the Borrower would have been permitted to incur such Incremental Acquisition Term Facility under the Maximum Incremental Amount in compliance with the applicable ratio tests on such LCA Test Date, such ratio tests shall be deemed to have been complied with.

2.25 Loan Purchases. (a) Subject to the terms and conditions set forth or referred to below, a Purchasing Borrower Party may from time to time, in its discretion, conduct modified Dutch auctions to make Auction Purchase Offers, each such Auction Purchase Offer to be managed by an investment bank of recognized standing selected by the Borrower following consultation with the Administrative Agent (in such capacity, the “Auction Manager”) and to be conducted in accordance with the procedures, terms and conditions set forth in this Section 2.25 and the Auction Procedures, in each case, so long as the following conditions are satisfied:

(i) no Default or Event of Default shall have occurred and be continuing at the time of purchase of any Term Loans or on the date of the delivery of each Auction Notice;

(ii) the assigning Lender and the Purchasing Borrower Party shall execute and deliver to the Administrative Agent an Assignment and Assumption;

(iii) the maximum principal amount (calculated on the face amount thereof) of Term Loans that the Purchasing Borrower Party offers to purchase in any Auction Purchase

Offer shall be no less than \$10,000,000 or €10,000,000 (unless another amount is agreed to by the Administrative Agent in its reasonable discretion);

(iv) any Term Loans assigned to any Purchasing Borrower Party shall be automatically and permanently cancelled upon the effectiveness of such assignment and will thereafter no longer be outstanding for any purpose hereunder, and such Term Loans may not be resold (it being understood and agreed that any gains or losses by any Purchasing Borrower Party upon purchase or acquisition and cancellation of such Term Loans shall not be taken into account in the calculation of Excess Cash Flow, Consolidated Net Income or Consolidated EBITDA);

(v) no more than one Auction Purchase Offer with respect to any Facility may be ongoing at any one time and no more than four Auction Purchase Offers (regardless of Facility) may be made in any one year;

(vi) at the time of each purchase of Term Loans through an Auction Purchase Offer, the Borrower shall have delivered to the Auction Manager a certificate of a Responsible Officer certifying as to compliance with the preceding clause (i);

(vii) no Purchasing Borrower Party may use the proceeds, directly or indirectly, from ABL Loans to purchase any Term Loans; and

(viii) each Auction Purchase Offer shall be made to all Lenders of the applicable Facility subject to such Auction Purchase Offer.

(b) A Purchasing Borrower Party must terminate any Auction Purchase Offer if it fails to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of purchase of Term Loans pursuant to such Auction Purchase Offer. If a Purchasing Borrower Party commences any Auction Purchase Offer (and all relevant requirements set forth above which are required to be satisfied at the time of the commencement of such Auction Purchase Offer have in fact been satisfied), and if at such time of commencement the Purchasing Borrower Party reasonably believes that all required conditions set forth above which are required to be satisfied at the time of the consummation of such Auction Purchase Offer shall be satisfied, then the Purchasing Borrower Party shall have no liability to any Lender for any termination of such Auction Purchase Offer as a result of the failure to satisfy one or more of the conditions set forth above which are required to be met at the time which otherwise would have been the time of consummation of such Auction Purchase Offer, and any such failure shall not result in any Default or Event of Default hereunder. With respect to all purchases of Term Loans of any Facility made by a Purchasing Borrower Party pursuant to this Section 2.25, the Purchasing Borrower Party shall pay on the settlement date of each such purchase all accrued and unpaid interest (except to the extent otherwise set forth in the relevant offering documents), if any, on the purchased Term Loans of the applicable Facility up to the settlement date of such purchase.

The Administrative Agent and the Lenders hereby consent to the Auction Purchase Offers and the other transactions effected pursuant to and in accordance with the terms of this Section 2.25 (provided that no Lender shall have an obligation to participate in any such Auction Purchase Offer). For the avoidance of doubt, it is understood and agreed that the provisions of Section 2.17 will not apply to the purchases of Term Loans pursuant to and in accordance with the provisions of this Section 2.25. The Auction Manager acting in its capacity as such hereunder shall be entitled to the benefits of the provisions of Article VIII and Article IX to the same extent as if each reference therein to the “Administrative Agent” were a reference to the Auction Manager, and the Administrative Agent shall cooperate with the Auction Manager as reasonably requested by the Auction Manager in order to enable it to perform its responsibilities and duties in connection with each Auction Purchase Offer.

2.26 Loan Modification Offers. (a) The Borrower may on one or more occasions after the Closing Date, by written notice to the Administrative Agent, make one or more offers (each, a “Loan Modification Offer”) to all (and not fewer than all) the Lenders of one or more Facilities (each Facility subject to such a Loan Modification Offer, an “Affected Facility”) to make one or more Permitted Amendments pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (i) the terms and conditions of the requested Loan Modification Offer and (ii) the date on which such Loan Modification Offer is requested to become effective. Permitted Amendments shall become effective only with respect to the Loans of the Lenders of the Affected Facility that accept the applicable Loan Modification Offer (such Lenders, the “Accepting Lenders”) and, in the case of any Accepting Lender, only with respect to such Lender’s Loans and Commitments of such Affected Facility as to which such Lender’s acceptance has been made. With respect to all Permitted Amendments consummated by the Borrower pursuant to this Section 2.26, (i) such Permitted Amendments shall not constitute voluntary or mandatory payments or prepayments for purposes of Section 2.11 and (ii) any Loan Modification Offer, unless contemplating a scheduled maturity date already in effect with respect to any Loans hereunder pursuant to a previously consummated Permitted Amendment, must be in a minimum amount of \$25,000,000 or €25,000,000 (or such lesser amount as may be approved by the Administrative Agent in its reasonable discretion); provided that the Borrower may at its election specify as a condition (a “Minimum Extension Condition”) to consummating any such Permitted Amendment that a minimum amount (to be determined and specified in the relevant Loan Modification Offer in the Borrower’s sole discretion and which may be waived by the Borrower) of Loans of any or all Affected Facilities be extended. If the aggregate principal amount of Loans of any Affected Facility in respect of which Lenders shall have accepted the relevant Loan Modification Offer shall exceed the maximum aggregate principal amount of Loans of such Affected Facility offered to be extended by the Borrower pursuant to such Loan Modification Offer, then the Loans of such Lenders shall be extended ratably up to such maximum amount based on the relative principal amounts (but not to exceed actual holdings of record) with respect to which such Lenders have accepted such Loan Modification Offer.

(b) A Permitted Amendment shall be effected pursuant to a Loan Modification Agreement executed and delivered by the Borrower, each Accepting Lender and the Administrative Agent; provided that no Permitted Amendment shall become effective unless (i) no Event of Default shall have occurred and be continuing on the date of effectiveness thereof, (ii) on the date of effectiveness thereof, the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (or if qualified by materiality, in all respects), in each case on and as of such date, except in the case of any such representation and warranty expressly made as of an earlier date, in which case such representation and warranty shall be so true and correct on and as of such earlier date, (iii) the Borrower shall have delivered, or agreed to deliver by a date following the effectiveness of such Permitted Amendment reasonably acceptable to the Administrative Agent, to the Administrative Agent such legal opinions, board resolutions, secretary’s certificates, officer’s certificates and other documents (including reaffirmation agreements, supplements and/or amendments to Mortgages or other Security Documents, in each case to the extent applicable) as shall reasonably be requested by the Administrative Agent in connection therewith and (iv) any applicable Minimum Extension Condition shall be satisfied (unless waived by the Borrower). The Administrative Agent shall promptly notify each

Lender as to the effectiveness of each Loan Modification Agreement. Each Loan Modification Agreement may, without the consent of any Lender other than the applicable Accepting Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to give effect to the provisions of this Section 2.26, including any amendments necessary to treat the applicable Loans of the Accepting Lenders as a new Facility of loans hereunder (and the Lenders hereby irrevocably authorize the Administrative Agent to enter into any such amendments); provided that (i) all prepayments of Loans (i.e., both extended and non-extended) shall continue to be made on a ratable basis among all Lenders, based on the relative amounts of their Loans unless a Permitted Amendment provides for lesser treatment of the Loans of the Accepting Lenders, until the repayment of the non-extended Loans on the relevant scheduled maturity date in respect thereof. The Administrative Agent and the Lenders hereby acknowledge that in respect of payments on non-extended Loans on the scheduled maturity date in respect thereof the pro rata payment requirements contained elsewhere in this Agreement are not intended to apply to the transactions effected pursuant to this Section 2.26. This Section 2.26 shall supersede any provisions in Section 2.17 or Section 10.1 to the contrary.

2.27 Refinancing Facilities.

(a) The Borrower may, subject to the terms hereof, at any time or from time to time after the Closing Date, enter into an amendment (a “Refinancing Amendment”) to effect a refinancing or replacement of all or any portion of the Term Loans. Each such refinancing or replacement may, at the Borrower’s option, be in the form of one or more series of senior secured loans or notes (each of which may be secured by the Collateral on a pari passu or junior basis to the Obligations), or with one or more series of unsecured loans or notes (collectively, the “Replacement Financing”, and if in the form of loans a “Term Refinancing Facility” and if in the form of notes “Term Refinancing Notes”); provided that (i) no such Term Refinancing Facility or Term Refinancing Notes may mature prior to the maturity date of, or have a shorter weighted average life to maturity than, the Term Loans being refinanced; (ii) no Term Refinancing Facility or Term Refinancing Notes may have an obligor that is not an obligor in respect of the Term Loans; (iii) to the extent secured, (A) no Term Refinancing Facility or Term Refinancing Notes may be secured by any assets that do not constitute Collateral and (B) such Term Refinancing Facility or Term Refinancing Notes shall be subject to the Intercreditor Agreement (and, as applicable) such additional intercreditor agreements as reasonably requested by the Administrative Agent in form and substance reasonably acceptable to the Administrative Agent; (iv) as reasonably determined by the Borrower, the other terms and conditions of such Term Refinancing Facility or Term Refinancing Notes (excluding pricing and optional prepayment or redemption terms) must be substantially identical to, or not materially more favorable (taken as a whole) to the lenders or holders providing such Term Refinancing Facility or Term Refinancing Notes, as applicable, than those applicable to the Term Loans being refinanced are to the Term Lenders (except for covenants and other provisions applicable only to periods after the latest final maturity date of the Term Loans existing at the time of such refinancing) or must otherwise be reasonably satisfactory to the Administrative Agent or, if such terms are more favorable to the holders of such Term Refinancing Facility, an equivalent amendment shall be made to the Loan Documents for the benefit of the existing Term Loans (provided that if such amendment is required and benefits the Term Loans, then it shall be reasonably satisfactory to the Administrative Agent); (v) the amount of such Term Refinancing Facility or Term Refinancing Notes will be in an amount not in excess of the amount of loans and commitments refinanced plus fees, expenses and premiums payable in connection therewith; and (vi) the proceeds of such Term Refinancing Facility or Term Refinancing Notes shall be applied, substantially concurrently with the incurrence thereof, to the pro rata prepayment of outstanding Loans in respect of the applicable Term Loans being so refinanced; and provided further that in no event shall Term Refinancing Facility or Term Refinancing Notes be permitted to be voluntarily or mandatorily prepaid prior to the repayment in full of all then existing Term Loans, unless accompanied by a ratable prepayment of the Term Loans.

(b) For the avoidance of doubt, no Lender is obligated to participate in such Replacement Financing and a Replacement Financing in the form of notes or of junior lien or unsecured loans shall be documented separately from the Loan Documentation as agreed between the Borrower and the Administrative Agent. The effectiveness of any Refinancing Amendment shall be subject to (a) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents being true and correct in all material respects (or in all respects if qualified by materiality) on and as of the date of the Refinancing Amendment as if made on and as of such date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall have been so true and correct as of such earlier date, (b) there being no Event of default in existence at the time of, or after giving effect to the making of, such Refinancing Facilities and (c) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 5.01 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent). Notwithstanding anything to the contrary in this Agreement (including Section 9.02), the Borrower and the Administrative Agent may enter into amendments to the Loan Documentation without the consent of any other parties hereto to effect the provisions of this Section 2.20, including without limitation, amendments to this Agreement to permit any Replacement Financing under the terms of the Loans Documents. Each Refinancing Agreement may, without the consent of any Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to give effect to the provisions of this Section 2.27, including any amendments necessary to treat applicable Loans under a Refinancing Facility as a new Facility of loans hereunder (and the Lenders hereby irrevocably authorize the Administrative Agent to enter into any such amendments). This Section 2.27 shall supersede any provisions in Section 2.17 or Section 10.1 to the contrary.

SECTION 3. [RESERVED]

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, the Borrower hereby represents and warrants to the Administrative Agent and each Lender that:

4.1 Financial Condition. (a) The unaudited pro forma combined balance sheet and related pro forma combined statement of income (including the notes thereto) combining (i) the consolidated balance sheet and related statement of income of the Borrower and its consolidated Subsidiaries (other than the Target and its consolidated Subsidiaries) as of and for the 12 months ended July 31, 2018 and (ii) the consolidated balance sheet and related statement of income of Target and its consolidated Subsidiaries as of and for the 12 months ended August 31, 2018, and which is subject to certain adjustments (the "Pro Forma Financial Statements"), copies of which have heretofore been furnished to each Lender, have been prepared giving effect (as if such events had occurred on such date (in the case of the balance sheet) or at the beginning of such period (in the case of the statement of income)) to the consummation of the Transactions and the payment of fees and expenses in connection therewith. The Pro Forma Financial Statements have been prepared based on the best information available to the Borrower as of the date of delivery thereof, and present fairly in all material respects and on a Pro Forma Basis the estimated financial condition and results of operations of Borrower and its consolidated Restricted Subsidiaries as of and for the 12 months ended at July 31, 2018, assuming that the events specified in the preceding sentence had actually occurred at such date or at the beginning of such period, as applicable.

(b) The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries (other than the Target and its Subsidiaries) as at July 31, 2016, July 31, 2017 and July 31, 2018, and the related consolidated statements of income, stockholders' equity and cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries (other than the Target and its Subsidiaries) as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at October 31, 2018, and the related unaudited consolidated statement of income, stockholders' equity and cash flow for the three-month period ended on each such date, present fairly, in all material respects, the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such dates, and the consolidated results of its operations and its consolidated cash flow for the three-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein).

(c) To the knowledge of the Borrower, the audited consolidated financial statements of each of Erwin Hymer Group AG & Co. KG and Erwin Hymer Vermögensverwaltungs AG, for each of the fiscal years ending on August 31, 2017 and August 31, 2016 (each including a statement of financial position (*Bilanz*), a statement of profit or loss (*Gewinn- und Verlustrechnung*), a statement of comprehensive income (*Gesamtergebnisrechnung*), a statement of cash flows (*Kapitalflussrechnung*), a statement of changes in owner's equity (*Entwicklung des Eigenkapitals*), notes (*Anhang*), based on the circumstances actually known (*positive bekannt*) by the management of Erwin Hymer Group AG & Co. KG or Erwin Hymer Vermögensverwaltungs AG, respectively, at the time of the preparation (*Aufstellung*) of the relevant consolidated financial statements, have been prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a German Commercial Code (*HGB*) as consistently applied (except as disclosed therein) and have been audited and have received an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. To the knowledge of the Borrower, the unaudited consolidated financial statements of each of Erwin Hymer Group AG & Co. KG and Erwin Hymer Vermögensverwaltungs AG, for the nine months ending May 31, 2018 (each including a statement of financial position (*Bilanz*), a statement of profit or loss (*Gewinn- und Verlustrechnung*), a statement of comprehensive income (*Gesamtergebnisrechnung*), a statement of cash flows (*Kapitalflussrechnung*), a statement of changes in owner's equity (*Entwicklung des Eigenkapitals*), based on the circumstances actually known (*positive bekannt*) by the management of Erwin Hymer Group AG & Co. KG or Erwin Hymer Vermögensverwaltungs AG, respectively, at the time of the preparation (*Aufstellung*) of the relevant consolidated financial statements have been prepared in accordance with IFRS as consistently applied (except as disclosed therein), except that the interim financial statements are subject to year-end adjustments and are lacking footnote disclosures.

(d) Except as disclosed on Schedule 4.1(d), as of the Closing Date, no Group Member (other than the Target and its Restricted Subsidiaries), and, to the knowledge of the Borrower, neither Target nor its Restricted Subsidiaries, has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are required by GAAP or IFRS, as applicable, to be reflected on a balance sheet or in the notes thereto and that are not reflected in the most recent financial statements referred to in clauses (b) and (c) above.

4.2 No Change. Since July 31, 2023, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Group Member (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or similar organizational power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate or similar organizational power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary corporate or similar organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(b) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the Acquisition and the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except (i) consents, authorizations, filings and notices that have been obtained or made and are in full force and effect, (ii) the filings referred to in Section 4.19 and (iii) the consents, authorizations, filings and notices set forth in Schedule 4.4(b).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member, except for violations that could not reasonably be expected to have a Material Adverse Effect, and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents).

4.6 Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by Section 7.3.

4.9 Intellectual Property. Except as could not reasonably be expected to have a Material Adverse Effect, each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted, free and clear of all Liens, except as permitted by Section 7.3. Except as could not reasonably be expected to have a Material Adverse Effect, no claim has been asserted or is pending by any Person challenging or questioning the use of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor does the Borrower know of any valid basis for any such claim. To the knowledge of each Loan Party, the use of any material Intellectual Property necessary for the conduct of its business does not infringe upon the rights of any Person unless such infringement could not reasonably be expected to be material to the Borrower and its Restricted Subsidiaries.

4.10 Taxes. Each Group Member has filed or caused to be filed all Federal, state and other material Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other Taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than (a) any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member, or (b) to the extent that the failure to file or pay, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect); no material Lien in respect of Taxes has been filed, and, to the knowledge of the Borrower, no material claim is being asserted, with respect to any such Tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used, directly or indirectly, (a) for “buying” or “carrying” any “margin stock” within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of the regulations of the Board or (b) for any purpose that violates the provisions of the regulations of the Board. No more than 25% of the value of the assets of the Group Members consist of “margin stock” as so defined. If requested by the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA. Except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (a) each Group Member and each of their respective ERISA Affiliates (and in the case of a Pension Plan or a Multiemployer Plan, each of their respective ERISA Affiliates) are in compliance with all applicable provisions and requirements of ERISA and the Code and other federal and state laws and the regulations and published interpretations thereunder with respect to each Plan and Pension Plan and have performed all their obligations under each Plan and Pension Plan; (b) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur, and no ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event; (c) each Plan or Pension Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS covering such plan's most recently completed five-year remedial amendment cycle in accordance with Revenue Procedure 2007-44, I.R.B. 2007-28, indicating that such Plan or Pension Plan is so qualified and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code or an application for such a determination is currently pending before the IRS and, to the knowledge of the Borrower, nothing has occurred subsequent to the issuance of the most recent determination letter which would cause such Plan or Pension Plan to lose its qualified status; (d) no liability to the PBGC (other than required premium payments), the IRS, any Plan or Pension Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by any Group Member or any of their ERISA Affiliates; (e) each of the Group Members' ERISA Affiliates has complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and is not in "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan; (f) all amounts required by applicable law with respect to, or by the terms of, any retiree welfare benefit arrangement maintained by any Group Member or any ERISA Affiliate or to which any Group Member or any ERISA Affiliate has an obligation to contribute have been accrued in accordance with ASC Topic 715-60; (g) as of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, no Group Member nor any of their respective ERISA Affiliates has any potential liability for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA; (h) there has been no Prohibited Transaction or violation of the fiduciary responsibility rules with respect to any Plan or Pension Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect; and (i) neither any Group Member nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (i) on the Closing Date, those listed on Schedule 4.13 hereto and (ii) thereafter, Pension Plans not otherwise prohibited by this Agreement. The present value of all accumulated benefit obligations under each Pension Plan, did not, as of the close of its most recent plan year, exceed by more than \$10,000,000 the fair market value of the assets of such Pension Plan allocable to such accrued benefits (determined in both cases using the applicable assumptions under Section 430 of the Code and the Treasury Regulations promulgated thereunder), and the present value of all accumulated benefit obligations of all underfunded Pension Plans did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Pension Plans (determined in both cases using the applicable assumptions under Section 430 of the Code and the Treasury Regulations promulgated thereunder).

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X) that limits its ability to incur Indebtedness.

4.15 Subsidiaries; Capital Stock. As of the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of organization of each Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options and restricted stock units granted to employees or directors and directors' qualifying shares) of

any nature relating to any Capital Stock of the Borrower or any Restricted Subsidiary, except (i) with respect to Capital Stock of Loan Parties, as created by the Loan Documents or the ABL Loan Documents and (ii) otherwise, as permitted by this Agreement.

4.16 Use of Proceeds. The proceeds of the Term B-2-3 Loans shall be used ~~(a) to refinance the Term B-1-2 Loans outstanding under this Agreement on the Amendment No. 34 Effective Date, and to pay any fees and expenses in connection therewith and (b) for general corporate purposes.~~ The proceeds of any Incremental Term Loans shall be used for general corporate purposes of the Borrower and its Restricted Subsidiaries (including Permitted Acquisitions and other Investments permitted by this Agreement).

4.17 Environmental Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) the facilities and properties owned, leased or operated by any Group Member (the “Properties”) do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the “Business”), nor does the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Borrower, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Group Member in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.18 Accuracy of Information, etc. The statements and information contained in this Agreement, the other Loan Documents, the Confidential Information Memorandum and the other documents, certificates and statements furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, did not contain as of the date such statements, information, documents or certificates were so furnished (or, in the case of the Confidential Information Memorandum, as of the Closing Date), any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading in any material respect. The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents, in the Confidential Information Memorandum or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents. As of the Closing Date, to the knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects. Notwithstanding anything herein to the contrary, all representations and warranties made in this Section 4.18 with respect to any information relating to the Target and its Subsidiaries prior to the Closing Date are made solely to the knowledge of the Borrower.

4.19 Security Documents. (a) Each Security Document is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Collateral consisting of the certificated Capital Stock described in the Security Documents, when such Pledged Collateral is delivered to the Administrative Agent (in accordance with the Intercreditor Agreement) or the ABL Administrative Agent (together with a properly completed and signed undated endorsement), in the case of Collateral consisting of Deposit Accounts or Securities Accounts, when such Deposit Accounts or Securities Accounts, as applicable, are subject to a Deposit Account Control Agreement (as defined in the Security Agreement) and in the case of the other Collateral described in the Security Documents that can be perfected by the filing of such financing statement or other filing, when financing statements and other filings specified on Schedule 4.19(a) in appropriate form are filed in the offices specified on Schedule 4.19(a), the Security Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to the Lien of any other Person (except (other than with respect to Collateral consisting of Capital Stock) Liens permitted by Section 7.3).

(b) Each of the Mortgages, upon execution and delivery by the parties thereto, is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices specified in the local counsel legal opinions delivered in connection with such Mortgages, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to the Lien of any other Person (except Liens permitted by Section 7.3). Schedule 1.1B lists, as of the Closing Date, each parcel of owned real property located in the United States and held

by the Borrower or any Subsidiary Guarantor upon which a Mortgage will be granted to the Administrative Agent.

4.20 Solvency. As of the Closing Date and after giving effect to the Transactions, the Borrower and its Subsidiaries, on a consolidated basis, are Solvent.

4.21 Senior Indebtedness. The Obligations, and the obligations of each Subsidiary Guarantor under the Guarantee Agreement, constitute “senior debt” or “senior indebtedness” (or any comparable term) under all Indebtedness that is subordinated or required to be subordinated in right of payment to the Obligations (if applicable).

4.22 Flood Laws. Other than as set forth in any life of loan flood hazard determination obtained by, or delivered to, the Administrative Agent, no Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the Flood Laws.

4.23 Certain Documents. The Borrower has delivered to the Administrative Agent a complete and correct copy of the Acquisition Documentation, including, to the extent material to, or otherwise affecting, the interests of the Lenders, any amendments, supplements or modifications with respect thereto.

4.24 Anti-Corruption Laws, Anti-Money Laundering and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to require material compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and employees, and to the knowledge of the Borrower its directors and agents, are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, any Subsidiary or any of their respective directors or officers, or (b) to the knowledge of the Borrower, any employee or agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law, Anti-Money Laundering Laws or applicable Sanctions. No Loan or use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions

4.25 Affected Financial Institutions. No Loan Party is an Affected Financial Institution.

4.26 Plan Assets; Prohibited Transactions. None of the Borrower or any of its Subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction or waiver, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Borrower and each Person listed on Schedule 1.1A, (ii) the Guarantee Agreement, executed and delivered by the Borrower and each Subsidiary Guarantor, (iii) subject to Section 6.13, each Security Document, executed and delivered by the Administrative Agent and the applicable Loan Parties and (iv) the Intercreditor Agreement, executed and delivered by the Administrative Agent, the Borrower and each Person party thereto.

(b) Acquisition. Substantially concurrently with the occurrence of the Closing Date and promptly following the making by each Lender of its initial extension of credit hereunder, the Equity Contribution shall have been made and the Acquisition shall have been consummated pursuant to the Acquisition Documentation, and no provision thereof shall have been amended or waived, and no consent or direction shall have been given thereunder, in any manner materially adverse to the interests of the Arrangers or the Lenders without the prior written consent of JPMorgan Chase Bank, N.A. and Barclays Bank PLC (such consent not to be unreasonably withheld or delayed) (it being understood and agreed that any amendment, waiver, consent or direction that results in (i) an increase to the purchase price shall be deemed to not be materially adverse to the Lenders so long as such increase is funded solely with an issuance of common stock of the Borrower or other equity reasonably acceptable to the Arrangers, and (ii) a decrease to the purchase price shall be deemed to not be materially adverse to the Lenders so long as (A) such reduction is allocated to reduce the commitments under the Term Loans and (B) such reduction (other than pursuant to any purchase price or similar adjustment provision set forth in the Acquisition Agreement) does not decrease the purchase price by more than 10% (cumulative for all such reductions)).

(c) Other Indebtedness.

(i) The Administrative Agent shall have received evidence reasonably satisfactory to it that on or prior to the Closing Date (x) the ABL Credit Agreement is in full force and effect, (y) the Borrower received at least \$750,000,000 in commitments from the lenders under the ABL Credit Agreement and (z) the commitments referred to in clause (y) of this paragraph are effective.

(ii) Prior to or substantially concurrently with the initial extensions of credit under this Agreement on the Closing Date, (A) the Credit Agreement, dated as of June 30, 2016, among the Borrower, the Subsidiaries of the Borrower, each lender party thereto and BMO Harris Bank N.A., as administrative agent, (B) the syndicated loan agreement dated December 18, 2017 entered into between, among others, Erwin Hymer Group AG & Co. KG ("EHG") and Rental Alliance GmbH ("REN") as borrowers, EHG, REN and other Companies as guarantors, Deutsche Bank Luxembourg S.A. as facility agent and several financial institutions as lenders providing for a revolving credit facility in the amount of €300,000,000 and (C) all other existing material Indebtedness for borrowed money (other than the Continuing External Debt) of the Borrower, the Target and their respective Subsidiaries, in each case shall have been paid in full (such repayment, the "Existing Indebtedness Refinancing") and all Liens granted in connection with each of the foregoing shall have been terminated such that on the Closing Date, after giving effect to Transactions, none of the Borrower or any of its Restricted Subsidiaries shall have any material Indebtedness for borrowed money other than (i) any Indebtedness outstanding under the ABL Credit Agreement, (ii) Indebtedness outstanding under this Agreement, (iii) the Continuing External Debt and (iv) other Indebtedness listed on Schedule 7.2(e).

(d) Pro Forma Financial Statements; Financial Statements. The Administrative Agent shall have received (i) the Pro Forma Financial Statements, and (ii) the financial statements set forth in Sections 4.1(b) and (c).

(e) [Reserved].

(f) Fees. All costs, fees and expenses required to be paid by the Borrower to the Administrative Agent, the Arrangers, the Documentation Agent and the Lenders in connection with this Agreement (including the reasonable and documented out-of-pocket fees and expenses of legal counsel to the Administrative Agent) and all costs, fees and expenses required to be paid by the Borrower pursuant to the fee letter, dated as of September 18, 2018 (as amended, modified and supplemented through the Closing Date), among the Borrower, JPMorgan Chase Bank, N.A. and Barclays Bank PLC (including the reasonable and documented out-of-pocket fees and expenses of legal counsel to the JPMorgan Chase Bank, N.A. and Barclays Bank PLC) shall have been paid or shall have been authorized to be deducted from the proceeds of the initial extensions of credit under this Agreement to the extent due and invoiced to the Borrower not less than two Business Days prior to the Closing Date.

(g) Closing Certificate; Certified Certificate of Incorporation; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit F, with appropriate insertions and attachments, including the certificate of incorporation of each Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization.

(h) Legal Opinions. The Administrative Agent shall have received the executed legal opinions of Baker & McKenzie, LLP, as New York counsel to the Borrower and its Restricted Subsidiaries and certain other local counsel to the Borrower and its Restricted Subsidiaries, each in form and substance reasonably acceptable to the Administrative Agent.

(i) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (i) the certificates representing the shares of Capital Stock pledged pursuant to the Security Agreement, together with an undated endorsement for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof; provided that if, notwithstanding the use by the Loan Parties of commercially reasonable efforts (without undue burden or expense) to deliver to the Administrative Agent the certificates and undated stock powers required by clause (i) above and the promissory notes and related transfer forms required by clause (ii) above, such certificates, stock powers, promissory notes and/or transfer forms are not delivered as of the Closing Date, delivery of such items (other than any certificates representing the shares of Capital Stock of Domestic Subsidiaries) shall not be a condition to the agreement of each Lender to make the initial extension of credit requested to be made by it (but shall be required to be satisfied within 90 days of the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion)).

(j) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall be in proper form for filing, registration or recordation; provided that if, notwithstanding the use by the Loan Parties of commercially reasonable efforts (without undue burden and expense) to satisfy the requirement set forth in this Section 5.1(j), such requirement is not satisfied as of the Closing Date, the satisfaction of such requirement (other than with respect to the filing of any Uniform Commercial Code financing statement) shall not be a condition to the agreement of

each Lender to make the initial extension of credit requested to be made by it (but shall be required to be satisfied within 90 days of the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion)).

(k) Mortgages, etc. (i) The Borrower or the applicable Subsidiary Guarantor shall, with respect to each Mortgaged Property, deliver to the Administrative Agent, as mortgagee or beneficiary, as applicable, for the ratable benefit of itself and the Secured Parties, fully executed counterparts of Mortgages, duly executed and acknowledged by the Borrower or such Subsidiary Guarantor, and otherwise in form for recording in the recording office of each applicable political subdivision where each such Mortgaged Property is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording of filing thereof and evidence of the completion (or satisfactory arrangements for the completion) of all recordings and filings of such Mortgage (and payment of any taxes or fees in connection therewith), together with any necessary fixture filings, as may be necessary to create a valid, perfected Lien, with the priority required by the Intercreditor Agreement, subject to Permitted Liens, against the Mortgaged Properties purported to be covered thereby

(ii) If requested by the Administrative Agent, the Administrative Agent shall have received, and the title insurance company issuing the policy referred to in clause (iii) below (the "Title Insurance Company") shall have received, maps or plats of an as-built survey of the sites of the Mortgaged Properties certified to the Administrative Agent and the Title Insurance Company in a manner reasonably satisfactory to them, dated a date reasonably satisfactory to the Administrative Agent and the Title Insurance Company by an independent professional licensed land surveyor satisfactory to the Administrative Agent and the Title Insurance Company, or in lieu thereof, or existing surveys, together with any affidavits required by the Title Insurance Company as shall be sufficient to enable the Title Insurance Company to remove any standard survey exceptions from the Mortgaged Policies and issue customary survey-dependent endorsements to the applicable Mortgage Policy.

(iii) The Administrative Agent shall have received mortgagee's title insurance policies in favor of the Administrative Agent, and its successors and/or assigns, in the form necessary, with respect to the property purported to be covered by the applicable Mortgages, to insure that the interests created by the Mortgages constitute valid Liens thereon, with the priority required by the Intercreditor Agreement, free and clear of all Liens, defects and encumbrances, other than Permitted Liens, and such policies shall also include, to the extent reasonably available in the jurisdiction where the applicable Mortgaged Property is located, all such endorsements as shall be reasonably required in transactions of similar size and purpose and shall be accompanied by evidence of the payment in full by the Borrower or the applicable Subsidiary Guarantor of all premiums thereon (or that satisfactory arrangements for such payment have been made). The Administrative Agent shall also have received evidence satisfactory to it that all charges for mortgage recording taxes and all related expenses, if any, have been paid.

(iv) The Administrative Agent shall have received with respect to any portion of the Mortgaged Property that has improvements (A) a “Life-of-Loan” Federal Emergency Management Agency Standard Flood Hazard Determination (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrower or the applicable Loan Party in the event any such property is located in a special flood hazard area) and (B) evidence of flood insurance as required by Section 6.5(b).

(v) The Administrative Agent shall have received a copy of all recorded documents referred to, or listed as exceptions to title in, the title policy or policies referred to in clause (iii) above.

(vi) The Administrative Agent shall have received, with respect to each of the Mortgaged Properties owned on the Closing Date, such local counsel opinions and opinions of counsel in the jurisdiction of organization of the owner of the applicable Mortgaged Properties.

Notwithstanding anything to the contrary contained in this Section 5.1(k), if the Loan Parties have used commercially reasonable efforts (without undue burden and expense) to satisfy the requirements set forth in this Section 5.1(k) and such requirements are not satisfied as of the Closing Date, the satisfaction of such requirements shall not be a condition to the agreement of each Lender to make the initial extension of credit requested to be made by it (but shall be required to be satisfied within 150 days of the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion)).

(l) Solvency Certificate. The Administrative Agent shall have received a solvency certificate from a Responsible Officer of the Borrower in the form of Exhibit L.

(m) Deposit Account Control Agreements. The Administrative Agent shall have received any Deposit Account Control Agreement required to be delivered pursuant to the Security Agreement, in each case, in form and substance reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary contained in this Section 5.1(m), if the Loan Parties have used commercially reasonable efforts (without undue burden and expense) to satisfy the requirements set forth in this Section 5.1(m) and such requirements are not satisfied by the Closing Date, the satisfaction of such requirements shall not be a condition to the agreement of each Lender to make the initial extension of credit requested to be made by it (but shall be required to be satisfied within 90 days of the Closing Date (or such later date as the Administrative Agent (or, so long as the ABL Obligations Payment Date has not occurred, the ABL Representative) may agree in its reasonable discretion)).

(n) Specified Representations. Each of the Specified Representations shall be true and correct in all material respects (or in all respects if qualified by materiality) on and as of the Closing Date, except to the extent expressly made as of an earlier date, in which case such Specified Representations shall have been so true and correct in all material respects (or in all respects if qualified by materiality) on and as of such earlier date.

(o) Local Law Pledge Documents. The Administrative Agent shall have received, solely with respect to the Capital Stock of any material Foreign Subsidiary that is a Wholly Owned Subsidiary of any Loan Party that constitutes Collateral, (i) all local law pledge, charge or similar agreements in respect of such Capital Stock in favor of the Administrative Agent for the benefit of the Secured Parties as the Administrative Agent shall reasonably request, in each case duly executed and delivered by the relevant Loan Party and the Administrative Agent, (ii) all other documentation and instruments the Administrative Agent deems necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Capital Stock under the relevant local law and (iii) local law opinions relating to such local law pledge, charge or similar agreement, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. Notwithstanding anything to the contrary contained

in this Section 5.1(o), and to the extent the Loan Parties have rights under the Acquisition Agreement, if the Loan Parties have used commercially reasonable efforts (without undue burden and expense) to satisfy the requirements set forth in this Section 5.1(o) and such requirements are not satisfied by the Closing Date, the satisfaction of such requirements shall not be a condition to the agreement of each Lender to make the initial extension of credit requested to be made by it (but shall be required to be satisfied within 90 days of the Closing Date (or such later date as the Administrative Agent may agree in its reasonable discretion)).

(p) Patriot Act. (i) The Administrative Agent shall have received, at least three Business Days prior to the Closing Date, all documentation and other information about any Loan Party reasonably requested by the Administrative Agent in writing at least 10 Business Days prior to the Closing Date and that the Administrative Agent reasonably determines is required by United States bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and (ii) to the extent the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification (provided that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied).

For the purpose of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have accepted, and to be satisfied with, each document or other matter required under this Section 5.1.

5.2 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (other than its initial extension of credit on the Closing Date, a conversion of the Loans to the other Type and a continuation of Term Benchmark Loans) is subject to the satisfaction of the following conditions precedent (provided the conditions to any Incremental Term Loans shall instead be those set forth in Section 2.24):

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or in all respects if qualified by materiality) on and as of such date as if made on and as of such date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall have been so true and correct as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by the Borrower hereunder (other than the initial extensions of credit on the Closing Date) shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall and, in the case of Sections 6.3 through 6.8, 6.9, 6.10, 6.13 and 6.14, shall cause each of its Restricted Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent, on behalf of each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower (or such later date as otherwise permitted by the SEC), a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income, stockholders' equity and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing (provided that such report may contain a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, if such qualification or exception is related solely to an upcoming maturity date of any Indebtedness incurred under this Agreement or the ABL Credit Agreement);

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower (or such later date as otherwise permitted by the SEC), the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income, stockholders' equity and cash flows for such quarter and/or the portion of the fiscal year through the end of such quarter, as required by applicable SEC rules, setting forth in each case in comparative form the figures for the corresponding period or periods of the previous fiscal year (or, in the case of the balance sheet, as of the end of the previous fiscal year), certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes); and

(c) if any Unrestricted Subsidiary exists, concurrently with each delivery of financial statements under clause (a) or (b) above, financial statements (of the same type as the financial statements delivered pursuant to clauses (a) or (b) above, as applicable, except that no such financial statements delivered pursuant to this clause (c) shall be required to be audited) prepared on the basis of consolidating the accounts of the Borrower and its Restricted Subsidiaries and treating any Unrestricted Subsidiaries as if they were not consolidated with the Borrower, together with an explanation of reconciliation adjustments in reasonable detail.

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

As to any information contained in materials furnished pursuant to Section 6.2(d), the Borrower shall not be separately required to furnish such information under Section 6.1(a), (b) or (c) or Section 6.2(c), but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in Section 6.1(a), (b) and (c) or Section 6.2(c) at the times specified therein. Documents required to be delivered pursuant to Section 6.1(a), (b) or (c) or Section 6.2(c) or (d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which (i) such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant Internet or intranet website, if any, to which each Lender and the Administrative Agent have access

(whether a commercial, third-party website or whether sponsored by the Administrative Agent) or (ii) such documents are filed of record with the SEC; provided that, upon written request by the Administrative Agent, the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent. The Administrative Agent shall have no obligation to request the delivery of or to maintain or deliver to Lenders paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

6.2 Certificates; Other Information. Furnish to the Administrative Agent, on behalf of each Lender:

(a) concurrently with the delivery of any financial statements pursuant to Sections 6.1(a) and 6.1(b), (i) a Compliance Certificate executed by a Responsible Officer, which Compliance Certificate shall include a statement that, to each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) in the case of annual financial statements, a calculation of Excess Cash Flow and (iii) in the case of quarterly or annual financial statements, to the extent not previously disclosed to the Administrative Agent, (x) a description of any change in the jurisdiction of organization of any Loan Party, (y) a list of any material registered Intellectual Property acquired or created by any Loan Party and (z) a description of any Person that has become a Group Member, an Immaterial Subsidiary, a Restricted Subsidiary or an Unrestricted Subsidiary, in each case since the date of the most recent report delivered pursuant to this clause (iii) (or, in the case of the first such report so delivered, since the Closing Date);

(b) as soon as available, and in any event no later than 90 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Restricted Subsidiaries as of the end of the following fiscal year, the related consolidated statements of projected cash flow and projected income) (collectively, the "Projections"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(c) within 45 days after the end of each fiscal quarter of the Borrower (or 90 days, in the case of the fourth fiscal quarter of each fiscal year) (or, in case, such later date as otherwise permitted by the SEC for the filing of materials by the Borrower that will include the information required by this Section 6.2(c)), a narrative management discussion and analysis of the financial condition and results of operations of the Borrower and its Restricted Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the comparable periods of the previous year;

(d) promptly after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its public debt securities or public equity securities and, promptly after the same are filed, copies of all financial statements and reports that the Borrower may make to, or file with, the SEC;

(e) promptly following receipt thereof, copies of (i) any documents described in Section 101(k) or 101(l) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Multiemployer Plan or any documents described in Section 101(f) of ERISA that any Group Member or any ERISA Affiliate may request with respect to any Pension Plan; provided, that if the relevant Group Members or ERISA Affiliates have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plans, then, upon reasonable request of the Administrative Agent, such Group Member or the ERISA Affiliate shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; and

(f) promptly, such additional financial and other information as the Administrative Agent may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature (including Taxes), except where (a) the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves to the extent required by GAAP with respect thereto have been provided on the books of the relevant Group Member or (b) the failure to make such payments, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.4 Maintenance of Existence; Compliance. (a) (i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) maintain in effect and enforce policies and procedures designed to require material compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.5 Maintenance of Property; Insurance. (a) Keep all property necessary in its business in good working order and condition, ordinary wear and tear excepted, except where the failure to so maintain such property could not reasonably be expected to result in a Material Adverse Effect and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business.

(b) If the Borrower learns that any portion of any property subject to a Mortgage is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Laws, then the Borrower shall maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Laws. If any portion of any property subject to a Mortgage is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the Flood Laws, then the Borrower shall (i) cooperate with the Administrative Agent and provide information reasonably required by the Administrative Agent to comply with the Flood Laws and (ii) deliver to the Administrative Agent evidence of such compliance in

form and substance reasonably acceptable to the Administrative Agent, including, without limitation, evidence of annual renewals of such insurance.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct (in all material respects) entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) upon reasonable prior notice, permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and, accompanied by one or more officers or designees of the Borrower if requested by the Borrower, with their independent certified public accountants; provided that excluding any such visits and inspections during the continuation of an Event of Default (i) only the Administrative Agent, acting individually or on behalf of the Lenders may exercise rights under this Section 6.6(b) and (ii) the Administrative Agent shall not exercise rights under this Section 6.6(b) more often than one time during any calendar year.

6.7 Notices. Promptly give notice to the Administrative Agent, on behalf of each Lender, of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) in which the amount involved is \$100,000,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought or (iii) which relates to any Loan Document;

(d) (i) as soon as reasonably possible upon becoming aware of the occurrence of or forthcoming occurrence of any material ERISA Event, a written notice specifying the nature thereof, what action the Borrower, any of the other Group Members or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the IRS, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, upon the Administrative Agent's reasonable request, copies of (1) each Schedule SB (Actuarial Information) to the annual report (Form 5500 Series) filed by the Borrower, any of the other Group Members or any of their respective ERISA Affiliates with the IRS with respect to each Pension Plan; (2) all notices received by the Borrower, any of the other Group Members or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning a material ERISA Event; and (3) copies of such other documents or governmental reports or filings relating to any Plan or Pension Plan as the Administrative Agent shall reasonably request;

(e) [reserved]; and

- (f) any other development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws. (a) Comply with, and ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, in each case, except for events or matters that could not reasonably be expected to have a Material Adverse Effect.

(b) Promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been timely and properly taken in good faith, and provided that the pendency of any and all such appeals could not reasonably be expected to give rise to a Material Adverse Effect.

6.9 Additional Loan Parties. (a) Promptly upon any Domestic Subsidiary no longer being an Excluded Subsidiary after the Closing Date or promptly after the formation or acquisition of a Domestic Subsidiary that is not an Excluded Subsidiary (and in any event within 60 days thereof (or such longer period of time as the Administrative Agent shall reasonably agree)), the Borrower will (i) cause such Domestic Subsidiary to guarantee the Obligations, pursuant to a Guarantee substantially in the form of the Guarantee Agreement or otherwise reasonably satisfactory to the Administrative Agent and (ii) (x) cause the Obligations to be secured by a perfected first-priority lien on all of the personal property (other than, for the avoidance of doubt, real property which is covered by Section 6.10(b) and Excluded Assets) of such Domestic Subsidiary, pursuant to the Security Agreement and other such documents and instruments including Uniform Commercial Code financing statements required by law or reasonably requested by the Administrative Agent to be filed, registered or recorded so that the Administrative Agent, for its benefit and the ratable benefit of the Lenders, shall have a legal, valid and enforceable perfected first-priority Lien on the Collateral (and subject to any limitations and exceptions consistent with those contained in any such documents or instruments) and (y) cause all outstanding Capital Stock of such Domestic Subsidiary (other than to the extent constituting Excluded Assets) owned directly or indirectly by any Loan Party to be subject to a perfected first-priority Lien pursuant to the Security Agreement and (iii) deliver such proof of corporate, partnership or limited liability company action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered pursuant to Section 5.1 or as the Administrative Agent shall have reasonably requested.

(b) The Borrower may from time to time add any Wholly Owned Subsidiary that is a Domestic Subsidiary as a Subsidiary Guarantor by (i) causing such Domestic Subsidiary to enter into the Guarantee Agreement and applicable Security Documents and taking such other actions and delivering such other documentation and instruments as is reasonably satisfactory to the Administrative Agent and (ii) delivering such proof of corporate, partnership or limited liability company action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered pursuant to Section 5.1 or as the Administrative Agent shall have reasonably requested; provided however, any such Wholly Owned Restricted Subsidiary shall not guarantee the Obligations if it is a CFC Subsidiary whose provision of such guaranty would be an investment in "United States property" by a CFC within the meaning of Sections 956 and 957 of the Code and the Treasury regulations thereunder that is taken into account in the income of a direct or indirect owner of such CFC Subsidiary pursuant to Section 951(a)(1)(B) of the Code.

6.10 Additional Collateral, etc. (a) Subject to any applicable limitations set forth in the Security Documents, with respect to any property acquired from time to time by any Loan Party (other than (w) any property described in paragraph (b) below or Excluded Assets, (x) any property subject to a Lien expressly permitted by Section 7.3(g), (y) so long as the ABL Obligations Payment Date has not occurred, any ABL Priority Collateral as to which the ABL Representative and the Borrower reasonably agree in writing, that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby and (z) any property (or, so long as the ABL Obligations Payment Date has not occurred, any property other than ABL Priority Collateral) as to which the Administrative Agent and the Borrower reasonably agree in writing that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Security Documents or such other documents as the Administrative Agent deems necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or reasonably advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected security interest in any such property (with the priority required by the Intercreditor Agreement), including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Security Documents or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property at any location having a value (together with improvements thereof) of at least (x) \$10,000,000 acquired after the Closing Date and prior to the Amendment No. 3 Effective Date and (y) \$20,000,000 acquired after the Amendment No. 3 Effective Date, in each case, by any Loan Party (including a Person that owns such real property and becomes a Loan Party pursuant to Section 6.9) (other than (i) any such real property subject to a Lien expressly permitted by Section 7.3(g) or any Excluded Asset and (ii) any real property as to which the Administrative Agent and the Borrower reasonably agree in writing that the cost of obtaining a security interest therein is excessive in relation to the value of the security to be afforded thereby), within sixty (60) days after the acquisition thereof (or 120 days in the case of the establishment or amendment of any Mortgage) (or such later date as the Administrative Agent shall agree to in its sole discretion) execute and deliver to the Administrative Agent the documents and instruments required under Section 5.1(k) (including any legal opinions as the Administrative Agent may reasonably request).

(c) Subject to the terms of the Security Documents, the Borrower will, and will cause each Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements), which may be required under any applicable law, or which the Administrative Agent may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties.

6.11 Designation of Subsidiaries. The Borrower may at any time after the Closing Date designate any Restricted Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary by delivering to the Administrative Agent a certificate of a Responsible Officer specifying such designation and certifying that the conditions to such designation set forth in this Section 6.11 are satisfied; provided that:

(a) both immediately before and immediately after any such designation, no Event of Default shall have occurred and be continuing;

(b) in the case of a designation of a Restricted Subsidiary as an Unrestricted Subsidiary, each Subsidiary of such Subsidiary has been, or concurrently therewith will be, designated as an Unrestricted Subsidiary in accordance with this Section 6.11;

(c) in the case of a designation of a Restricted Subsidiary as an Unrestricted Subsidiary, such Subsidiary shall substantially simultaneously be designated as an “Unrestricted Subsidiary” under the ABL Credit Agreement (and, to the extent applicable, any other agreement governing Permitted Refinancing Indebtedness in respect of the ABL Loans) and in the case of a designation of an Unrestricted Subsidiary as a Restricted Subsidiary, such Subsidiary shall substantially simultaneously be designated as a “Restricted Subsidiary” under the ABL Credit Agreement (and, to the extent applicable, any other agreement governing Permitted Refinancing Indebtedness in respect of the ABL Loans).

The designation of any Restricted Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Borrower in such Unrestricted Subsidiary on the date of designation in an amount equal to the fair market value of the Borrower’s Investment therein (as determined reasonably and in good faith by a Responsible Officer). The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence at the time of designation of any Investment, Indebtedness or Liens, as the case may be, of such Subsidiary existing at such time. In no event shall any Intellectual Property be transferred directly or indirectly by the Borrower or its Restricted Subsidiaries to an Unrestricted Subsidiary.

6.12 Maintenance of Ratings. Use commercially reasonable efforts to obtain and maintain (a) a public corporate family rating of the Borrower and a rating of the Facilities, in each case from Moody’s, and (b) a public corporate credit rating of the Borrower and a rating of the Facilities, in each case from S&P (it being understood and agreed that “commercially reasonable efforts” shall in any event include the payment by the Borrower of customary rating agency fees and cooperation with information and data requests by Moody’s and S&P in connection with their ratings process), it being agreed that there is no obligation to maintain any particular ratings at any time.

6.13 [Reserved].

6.14 Control Agreements. With respect to any new deposit account or securities account opened by a Loan Party after the Closing Date, to the extent required by the Security Agreement, deliver to the Administrative Agent any Deposit Account Control Agreement required to be delivered pursuant to the Security Agreement within 60 days thereof (or such longer period as the Administrative Agent may agree in its reasonable discretion (or, so long as the ABL Obligations Payment Date has not occurred, the ABL Representative)), in each case, in form and substance reasonably satisfactory to the Administrative Agent.

SECTION 7. NEGATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, the Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

7.1 [Reserved].

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party under the Loan Documents (including Indebtedness in respect of any Incremental Term Facility) and any Replacement Financing in respect thereof (and any Permitted Refinancing Indebtedness in respect of any Replacement Financing);

(b) Indebtedness of the Borrower and its Restricted Subsidiaries under the ABL Credit Agreement in an aggregate outstanding amount not to exceed the greater of (i) \$1,200,000,000 and (ii) the sum of (x) 85% of “eligible accounts” of the Loan Parties (which shall be determined in accordance with the then-existing market eligibility criteria applicable to secured asset-based loans in the United States) and (y) 85% of the net orderly liquidation value of “eligible inventory” of the Loan Parties (which shall be determined in accordance with the then-existing market eligibility criteria and advance rates applicable to secured asset-based loans in the United States), and any Permitted Refinancing Indebtedness in respect thereof;

(c) Indebtedness of (i) the Borrower to any Restricted Subsidiary, (ii) any Subsidiary Guarantor to the Borrower or any Restricted Subsidiary and (iii) any Restricted Subsidiary that is not a Subsidiary Guarantor to any other Restricted Subsidiary that is not a Subsidiary Guarantor; provided that (x) any Indebtedness of any Loan Party shall be unsecured and shall be subordinated in right of payment to the Obligations on terms customary for intercompany subordinated Indebtedness, as reasonably determined by the Administrative Agent, and (y) any such Indebtedness owing to any Loan Party shall be evidenced by a promissory note which shall have been pledged pursuant to the Security Agreement;

(d) Guarantee Obligations incurred by any Group Member of obligations of any Group Member to the extent such obligations are not prohibited hereunder; provided that (i) to the extent any such obligations are subordinated to the Obligations, any such related Guarantee Obligations incurred by a Loan Party shall be subordinated to the guarantee of such Loan Party of the Obligations on terms no less favorable to the Lenders than the subordination provisions of the obligations to which such Guarantee Obligation relates and (ii) any Guarantee Obligations incurred by any Loan Party of obligations of a Restricted Subsidiary that is not a Loan Party shall be permitted to the extent permitted pursuant to Section 7.7(g)(iii), Section 7.7(h) or Section 7.7(u);

(e) Indebtedness outstanding on the Amendment No. 3 Effective Date and listed on Schedule 7.2(e) and any Permitted Refinancing Indebtedness in respect thereof;

(f) Indebtedness (including Capital Lease Obligations) secured by Liens permitted by Section 7.3(g); provided that such amounts incurred after the Amendment No. 3 Effective Date shall not exceed in an aggregate principal amount at any one time outstanding the greater of (i) \$85,000,000 and (ii) 8.5% of Four Quarter EBITDA (as of the date incurred);

(g) Indebtedness representing deferred compensation to employees or directors of the Borrower and its Restricted Subsidiaries incurred in the ordinary course of business;

(h) Indebtedness incurred in the ordinary course of business and owed in respect of any overdrafts and related liabilities arising from treasury, depository and cash management services or in connection with any automated clearing-house transfers of funds;

- (i) Indebtedness arising under any Swap Agreement permitted by Section 7.11;
- (j) Indebtedness (other than for borrowed money) that may be deemed to exist pursuant to any guarantees, warranty or contractual service obligations, performance, surety, statutory, appeal, bid, prepayment guarantee, payment (other than payment of Indebtedness) or completion of performance guarantees or similar obligations incurred in the ordinary course of business;
- (k) Indebtedness in respect of any bankers' acceptance, bank guarantees, letters of credit, warehouse receipt or similar facilities entered into in the ordinary course of business in respect of workers' compensation and other casualty claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance, social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations or other Indebtedness with respect to reimbursement-type obligations regarding workers' compensation and other casualty claims, in each case in the ordinary course of business;
- (l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds, so long as such Indebtedness is covered or extinguished within five Business Days;
- (m) Indebtedness consisting of (i) the financing of insurance premiums or self-insurance obligations and (ii) take-or-pay obligations contained in supply or similar agreements in each case in the ordinary course of business; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms, in each case in the ordinary course of business;
- (n) Indebtedness in the form of purchase price adjustments (including in respect of working capital), earnouts, deferred compensation, indemnification or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with any Permitted Acquisitions or other Investments permitted under Section 7.7 (other than Investments permitted under clause 7.7(q)) or Dispositions permitted under Section 7.5 (other than Dispositions permitted under Section 7.5(m));
- (o) (i) Indebtedness of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged, consolidated or amalgamated with or into a Borrower or a Restricted Subsidiary in a transaction permitted hereunder) after the Closing Date, or Indebtedness of any Person that is assumed by or allocated to the Borrower or any Restricted Subsidiary in connection with an acquisition of assets by the Borrower or such Restricted Subsidiary or by a Division in a Permitted Acquisition; provided that (x) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary (or is so merged, consolidated, amalgamated or Divided) or such assets are acquired and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary (or such merger, consolidation or amalgamation) or such assets being acquired and (y) with respect to any Indebtedness of any Person that becomes a Restricted Subsidiary or that is merged, consolidated, amalgamated or Divided with or into the Borrower or a Restricted Subsidiary, such Indebtedness is not guaranteed in any respect by the Borrower or any Restricted Subsidiary (other than by any such Person that so becomes a Restricted Subsidiary or is the survivor of a merger, consolidation, amalgamation or Division with or into such Person and any of its Subsidiaries), and (ii) Permitted Refinancing Indebtedness in respect of such Indebtedness; provided that after giving effect to the applicable acquisition (or merger, consolidation or amalgamation) or such assumption of Indebtedness, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis as of the date of such acquisition (or merger, consolidation or amalgamation) or assumption, is either (i) not in excess of 2.75 to 1.00 or (ii) less than or equal to the Consolidated Leverage Ratio immediately prior to giving pro forma effect thereto; provided further that the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties outstanding under this Section 7.2(o) and incurred after the

Amendment No. 3 Effective Date, together with the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties outstanding under Section 7.2(u) and incurred after the Amendment No. 3 Effective Date, shall not exceed the greater of (x) \$150,000,000 and (y) 15.0% of Four Quarter EBITDA at any time;

(p) Indebtedness of the Loan Parties in lieu of amounts available for Incremental Term Facilities pursuant to Section 2.24 (“Incremental Equivalent Debt”); provided that (i) the aggregate principal amount of such Incremental Equivalent Debt does not exceed the amount of Incremental Term Facilities permitted to be incurred pursuant to Section 2.24(a)(i) (for the avoidance of doubt, with any such amount of Incremental Equivalent Debt incurred in reliance on a basket set forth therein reducing capacity of Incremental Term Facilities on a dollar-for-dollar basis), (ii) such Incremental Equivalent Debt contains covenants, events of default, guarantees and other terms that are customary for similar Indebtedness in light of then-prevailing market conditions, are not more favorable to the lenders or investors providing such Incremental Equivalent Debt, as the case may be, than those set forth in the Loan Documents are with respect to the Lenders (other than (x) covenants or other provisions applicable only to periods after the Latest Maturity Date then in effect at the time of incurrence thereof and terms with respect to margins, pricing or fees, (y) included in or added to the Loan Documents for the benefit of the Lenders (and the Administrative Agent and the Borrower are hereby authorized to make such amendments without the consent of any other parties hereto) or (z) as otherwise reasonably acceptable to the Administrative Agent); (iii) such Incremental Equivalent Debt shall have a final maturity no earlier than the Latest Maturity Date, (iv) the weighted average life to maturity of such Incremental Equivalent Debt shall be no shorter than that of any existing Term Loans, (v) in the event such Incremental Equivalent Debt is in the form of loans secured on a pari passu basis with the Liens securing the Obligations the “MFN” provisions of Section 2.24(a)(vii) shall apply to such Incremental Equivalent Debt as if it was an Incremental Term Facility and (vi) such Incremental Equivalent Debt shall only be (A) incurred by Loan Parties and guaranteed on a pari passu or subordinated basis with all of the Obligations under this Agreement and the other Loan Documents and (B) unsecured or secured by the Collateral (and no other property) and the Liens on the Collateral securing obligations in respect of Incremental Equivalent Debt shall be pari passu or junior with the Liens on the Collateral securing all of the other Obligations, and if secured shall be subject to intercreditor agreement arrangements reasonably satisfactory to the Administrative Agent.

(q) Indebtedness of any Restricted Subsidiary to the Borrower or any other Loan Party, in each case, to the extent such Indebtedness is permitted by Section 7.7 (g)(iii), Section 7.7(h) or Section 7.7(u); provided that any such Indebtedness owed to a Loan Party shall be evidenced by a promissory note which shall have been pledged pursuant to the Security Documents;

(r) Indebtedness of the Target and its Restricted Subsidiaries incurred in connection with receivables and factoring agreements and wholesale financing consistent with the Target and its Restricted Subsidiaries’ past practices prior to the Closing Date;

(s) Indebtedness of any Restricted Subsidiaries that are not Loan Parties; provided that the aggregate principal amount of such Indebtedness incurred after the Amendment No. 3 Effective Date shall not to exceed the greater of (x) \$150,000,000 and (y) 15.0% of Four Quarter EBITDA at any time;

(t) (i) Permitted Additional Junior Lien Indebtedness of any Loan Party so long as, at the time of incurrence of such Permitted Additional Junior Lien Indebtedness, the Consolidated Secured Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis as of the date of incurrence thereof (but excluding from Unrestricted Cash in making such pro forma calculation the Net Cash Proceeds of such Indebtedness), is not in excess of 2.75 to 1.00 (or in the case of Permitted Additional Junior Lien Indebtedness incurred in connection with a Permitted Acquisition or an Investment permitted pursuant to Section 7.7, is less than or equal to the Consolidated Secured Leverage Ratio immediately prior to giving pro forma effect thereto); provided that (x) immediately prior to and

immediately after giving effect to the incurrence of any Permitted Additional Junior Lien Indebtedness under this Section 7.2(t), no Event of Default shall have occurred and be continuing and (y) to the extent applicable, such Permitted Additional Junior Indebtedness shall be subject to the terms of the Intercreditor Agreement and (ii) any Permitted Refinancing Indebtedness in respect thereof;

(u) (i) Permitted Unsecured Indebtedness so long as, at the time of incurrence of such Permitted Unsecured Indebtedness, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis as of the date of incurrence thereof (but excluding from Unrestricted Cash in making such pro forma calculation the Net Cash Proceeds of such Indebtedness), (x) is not in excess of 3.25 to 1.00 or (y) in the case of Permitted Unsecured Indebtedness incurred in connection with a Permitted Acquisition or an Investment permitted pursuant to Section 7.7, is less than or equal to the Consolidated Leverage Ratio immediately prior to giving pro forma effect thereto and (ii) any Permitted Refinancing Indebtedness in respect thereof; provided that immediately prior to and immediately after giving effect to the incurrence of any Permitted Unsecured Indebtedness under this Section 7.2(u), no Event of Default shall have occurred and be continuing; provided that the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties outstanding under this Section 7.2(u) and incurred after the Amendment No. 3 Effective Date, together with the aggregate principal amount of Indebtedness of Subsidiaries that are not Loan Parties outstanding under Section 7.2(o) and incurred after the Amendment No. 3 Effective Date, shall not exceed, from and after the Amendment No. 3 Effective Date, the greater of (x) \$150,000,000 and (y) 15.0% of Four Quarter EBITDA at any time;

(v) Guarantee Obligations incurred by any Group Member of obligations of any Joint Venture or Unrestricted Subsidiary to the extent permitted under Section 7.7(v);

(w) additional Indebtedness of the Borrower or any of its Restricted Subsidiaries in an aggregate principal amount not to exceed at any time outstanding, from and after the Amendment No. 3 Effective Date, the greater of (i) \$250,000,000 and (ii) 25.0% of Four Quarter EBITDA at any one time outstanding;

(x) Attributable Indebtedness; provided that the aggregate principal amount of such Indebtedness incurred after the Amendment No. 3 Effective Date shall not exceed \$75,000,000 at any time outstanding, which Attributable Indebtedness arises out of a sale and leaseback transaction permitted under Section 7.10;

(y) Indebtedness of any Loan Party in an aggregate principal amount not to exceed the Net Cash Proceeds (Not Otherwise Applied) received after the Closing Date and on or prior to such date from any issuance of Qualified Capital Stock by the Borrower (other than any such issuance to a Group Member);

(z) Indebtedness of the Target and its Subsidiaries constituting Continuing External Debt;

(aa) Indebtedness in the form of standby repurchase obligations on dealer inventory financing in the ordinary course of business; and

(bb) Indebtedness incurred pursuant to Section 8a of the German Old Age Employees Retirement Act (*Altersteilzeitgesetz*) or Section 7e of the Fourth Book of the German Social Code.

For purposes of determining compliance with this Section 7.2, (A) Indebtedness need not be permitted solely by reference to one category of permitted Indebtedness described in Sections 7.2(a) through (bb) but may be permitted in part under any combination thereof and (B) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (a) through (bb) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such item of Indebtedness in a manner that complies with this Section 7.2 and will only be required to include the amount and type of such Indebtedness (or any portion thereof) in one or more of the above clauses and such item of Indebtedness shall be treated as having been incurred or existing pursuant to only one of such clauses; provided that all Indebtedness outstanding under the Loan Documents and the ABL Credit Agreement and, in each case, any Replacement Financing or Permitted Refinancing thereof, will at all times be deemed to be outstanding in reliance only on the exception in Section 7.2(a) and Section 7.2(b), respectively.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for Taxes not yet due or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Restricted Subsidiaries, as the case may be, to the extent required by GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 60 days or that are being contested in good faith by appropriate proceedings;

(c) Liens, pledges or deposits in connection with workers' compensation, insurance, unemployment insurance, other social security legislation and other similar obligations, including pursuant to Section 8a of the German Old Age Employees Retirement Act (*Altersteilzeitgesetz*) or Section 7e of the Fourth Book of the German Social Code;

(d) Liens, pledges or deposits in connection with or to secure the performance of bids, supplier and other trade contracts (other than for borrowed money), leases, statutory obligations (other than for borrowed money), leases, statutory obligations (other than any such obligation imposed pursuant to Section 430(k) of the Code or Sections 303(k) or 4068 of ERISA), surety, customs, return-of-money and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Restricted Subsidiaries; together with such other title and survey exceptions as shown on the title policies issued pursuant to Section 5.1(k)(iii) as may be approved by Administrative Agent hereunder;

(f) Liens in existence on the Amendment No. 3 Effective Date listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(e); provided that no such Lien is spread to cover any additional property after the Amendment No. 3 Effective Date and that the amount of Indebtedness secured thereby is not increased (other than, in the case of Permitted Refinancing Indebtedness, by any Additional Permitted Amount);

(g) Liens securing Indebtedness of any Group Member incurred pursuant to Section 7.2(f) to finance the acquisition of fixed or capital assets (and any Permitted Refinancing Indebtedness in respect thereof); provided that (i) such Liens shall be created within 180 days of the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and the proceeds and products thereof and (iii) the amount of Indebtedness secured thereby is not increased; provided further that in the event that purchase money obligations are owed to any Person with respect to financing of more than one purchase of any fixed or capital assets, such Liens may secure all such purchase money obligations and may apply to all such fixed or capital assets financed by such Person;

(h) (i) Liens on the Collateral created pursuant to the Security Documents (or any Term Loan Security Documents (as defined in the Intercreditor Agreement)), (ii) Liens on cash granted in favor of any lender under the ABL Credit Agreement or the Issuing Lender (as defined in the ABL Credit Agreement) created as a result of any requirement to provide cash collateral pursuant to the ABL Credit Agreement, (iii) subject to the Intercreditor Agreement, Liens on the Collateral created pursuant to the ABL Security Documents (or any ABL Security Documents (as defined in the Intercreditor Agreement)) and (iv) Liens on the Collateral securing obligations in respect of any Replacement Financing and any corresponding security documents in respect of any Permitted Refinancing thereof;

(i) any interest or title of a lessor under any lease entered into by any Group Member in the ordinary course of its business and covering only the assets so leased;

(j) Liens solely on any cash earnest money deposits made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement relating to a Permitted Acquisition;

(k) Liens in favor of any Loan Party so long as (in the case of any Lien granted by a Loan Party) such Liens are junior to the Liens created pursuant to the Security Documents;

(l) Liens arising from filing Uniform Commercial Code or personal property security financing statements (or substantially equivalent filings outside of the United States) regarding leases;

(m) any option or other agreement to purchase any asset of any Group Member, the purchase, sale or other disposition of which is not prohibited by Section 7.5;

(n) Liens arising from the rendering of an interim or final judgment or order against any Group Member that does not give rise to an Event of Default;

(o) Liens on property (including Capital Stock) existing at the time of the permitted acquisition of such property by any Group Member to the extent the Liens on such assets secure Indebtedness permitted by Section 7.2(o) or other obligations permitted by this Agreement; provided that such Liens attach at all times only to the same assets or category of assets that such Liens (other than after acquired property that is affixed or incorporated into the property covered by such Lien) attached to, and secure only the same Indebtedness or obligations (or any Permitted Refinancing Indebtedness in respect thereof permitted by Section 7.2(o)) that such Liens secured, immediately prior to such permitted acquisition;

- (p) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any other Restricted Subsidiary in the ordinary course of business and permitted by this Agreement;
- (q) non-exclusive licenses, sublicenses, leases and subleases of Intellectual Property of any Group Member in the ordinary course of business;
- (r) Liens encumbering reasonable and customary initial deposits and margin deposits and similar Liens attaching to brokerage accounts incurred in the ordinary course of business and not for speculative purposes;
- (s) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;
- (t) Liens on premium refunds granted in favor of insurance companies (or their financing affiliates) in connection with the financing of insurance premiums;
- (u) banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with depository institutions and securities accounts and other financial assets maintained with a securities intermediary; provided that such deposit accounts or funds and securities accounts or other financial assets are not established or deposited for the purpose of providing collateral for any Indebtedness and are not subject to restrictions on access by the Borrower or any Restricted Subsidiary in excess of those required by applicable banking regulations;
- (v) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.7 to be applied against the purchase price for such Investment, (ii) on or with respect to equity interests in joint ventures that secure the obligations of such joint venture and (iii) consisting of an agreement to dispose of any property in a Disposition permitted by Section 7.5, in each case, solely to the extent such Investment (including such joint venture) or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;
- (w) Liens of any Restricted Subsidiary that is not a Loan Party securing Indebtedness incurred pursuant to Section 7.2(o), (s), (u) or (w); provided that such Liens are solely on the assets of such Restricted Subsidiary;
- (x) Liens on the Collateral securing the Permitted Additional Junior Lien Indebtedness or any Permitted Refinancing Indebtedness in respect thereof permitted pursuant to Section 7.2(t); provided that such Liens shall be (i) junior to the Liens on the Collateral securing the Obligations and (ii) subject to the Intercreditor Agreement or such other intercreditor agreement in form and substance reasonably satisfactory to the Administrative Agent
- (y) Liens not otherwise permitted by this Section so long as the aggregate outstanding principal amount of the obligations secured thereby (as to all Group Members) under this clause (y) incurred after the Amendment No. 3 Effective Date does not exceed the greater of (i) \$150,000,000 and (ii) 15.0% of Four Quarter EBITDA at any one time;
- (z) Liens arising in the ordinary course of business in connection with the procurement of chassis to the extent such Liens apply to such chassis and the proceeds thereof;

(aa) Liens securing receivables and factoring agreements and wholesale financing permitted under Section 7.2(r); provided that such Liens are solely on the property the subject thereof and proceeds (including insurance proceeds) thereof;

(bb) Liens on the Collateral in respect of Incremental Equivalent Debt to the extent permitted pursuant to Section 7.2(p); and

(cc) Liens on property purportedly rented to, or leased by, the Borrower or any of its Restricted Subsidiaries pursuant to a sale and leaseback transaction permitted under Section 7.10; provided that (i) such Liens do not encumber any other property of the Borrower or its Restricted Subsidiaries and (ii) such Liens secure only Indebtedness permitted under Section 7.2(x).

For purposes of determining compliance with this Section 7.3, in the event that a Lien securing an item of Indebtedness (or any portion thereof) meets the criteria for more than one of the categories of Liens described in clauses (a) through (cc) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such Lien in a manner that complies with this Section 7.3 and will only be required to include the amount and type of such Lien in one or more of the above clauses; provided that all Liens securing Indebtedness outstanding under the Loan Documents, any Replacement Financing and the ABL Credit Agreement, and, in each case, any Permitted Refinancing thereof, will at all times be deemed to be outstanding in reliance only on the exception in Section 7.3(h).

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, Division, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

(a) any Restricted Subsidiary of the Borrower may be merged, consolidated or amalgamated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any other Restricted Subsidiary (provided, that when any Subsidiary Guarantor is merging with or into another Restricted Subsidiary, such Subsidiary Guarantor shall be the continuing or surviving corporation or the continuing or surviving corporation shall, substantially simultaneously with such merger, amalgamation or consolidation, become a Subsidiary Guarantor);

(b) any Restricted Subsidiary may merge, consolidate or amalgamate with any other Person (other than the Borrower) in order to effect an Investment permitted pursuant to Section 7.7; provided that if such Restricted Subsidiary is a Subsidiary Guarantor the continuing or surviving Person shall be a Subsidiary Guarantor;

(c) any Restricted Subsidiary of the Borrower may Dispose of any or all of its assets (i) to the Borrower or any Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.5;

(d) any Restricted Subsidiary of the Borrower that is not a Subsidiary Guarantor may (i) dispose of any or all or substantially all of its assets to any Group Member (upon voluntary liquidation or otherwise) or (ii) liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Administrative Agent or the Lenders; and

(e) any Restricted Subsidiary that is an LLC may consummate a Division of its assets and liabilities if, immediately upon the consummation of the Division, the assets and liabilities of the applicable Dividing LLC are held by one of more Restricted Subsidiaries; provided that, notwithstanding anything to the contrary in this Agreement, any Restricted Subsidiary which is a Division Successor resulting from a Division of assets of a Subsidiary that is not an Immaterial Subsidiary may not be deemed to be an Immaterial Subsidiary.

7.5 Disposition of Property. Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary, issue or sell any shares of such Restricted Subsidiary's Capital Stock to any Person, except:

(a) the Disposition of surplus, outdated, obsolete or worn out property (other than accounts receivable or inventory) in the ordinary course of business;

(b) Dispositions of inventory, cash and Cash Equivalents in the ordinary course of business;

(c) Dispositions permitted by Section 7.4(c)(i) or Section 7.4(d)(i);

(d) the sale or issuance of any Restricted Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor;

(e) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business consistent with past practice and not as part of any accounts receivables financing transaction;

(f) Dispositions of assets (including as a result of like-kind exchanges) to the extent that (i) such assets are exchanged for credit (on a fair market value basis) against the purchase price of similar or replacement assets or (ii) such asset is Disposed of for fair market value and the proceeds of such Disposition are promptly applied to the purchase price of similar or replacement assets;

(g) Dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any asset of any Group Member;

(h) non-exclusive licenses or sublicenses of intellectual property in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(i) the abandonment, cancellation, non-renewal or discontinuance of use or maintenance of non-material intellectual property or rights relating thereto that the Borrower determines in its reasonable judgment to be desirable to the conduct of its business and not materially disadvantageous to the interests of the Lenders;

(j) licenses, leases or subleases entered into in the ordinary course of business, to the extent that they do not materially interfere with the business of the Borrower or any Restricted Subsidiary;

(k) Dispositions to any Group Member; provided that any such Disposition involving a Restricted Subsidiary that is not a Subsidiary Guarantor shall be made in compliance with Sections 7.7 and 7.9;

(l) (i) Dispositions of assets to the extent that such Disposition constitutes an Investment referred to in and permitted by Section 7.7 (other than Investments referred to in and permitted by Section 7.7(q)), (ii) Dispositions of assets to the extent that such Disposition constitute a Restricted Payment referred to in and permitted by Section 7.6, (iii) Dispositions set forth on Schedule 7.5(l) and (iv) sale and leaseback transactions permitted under Section 7.10;

(m) Dispositions by the Target or any of its Restricted Subsidiaries in connection with receivables and factoring agreements and wholesale financing incurred pursuant to Section 7.2(r); and

(n) other Dispositions of assets (including Capital Stock); provided that (i) it shall be for fair market value (reasonably determined by the Borrower, on the date the legally binding commitment for sale or disposition was entered into, in good faith), provided further that, if the fair market value exceeds \$60,000,000, at least 75% of the total consideration (determined on the date the legally binding commitment for sale or disposition was entered into) received by the Borrower and its Restricted Subsidiaries shall be in the form of cash or Cash Equivalents, (ii) no Event of Default then exists or would result from such Disposition (except if such Disposition is made pursuant to an agreement entered into at a time when no Event of Default exists) and (iii) the requirements of Section 2.11(b), to the extent applicable, are complied with in connection therewith; provided, however, that for purposes of clause (i) above, the following shall be deemed to be cash: (A) any liabilities (as shown on the Borrower's or such Restricted Subsidiary's most recent balance sheet provided hereunder or in the footnotes thereto) of the Borrower or such Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Obligations) that are assumed by the transferee with respect to the applicable Disposition and for which the Borrower and its Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, (B) any securities received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in the conversion) within 180 days following the closing of the applicable Disposition and (C) any Designated Non-Cash Consideration received by the Borrower or any of its Restricted Subsidiaries in such Disposition after the Amendment No. 3 Effective Date having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received after the Amendment No. 3 Effective Date pursuant to this Section 7.5(n) that is at that time outstanding, not to exceed, from and after the Amendment No. 3 Effective Date, the greater of (x) \$100,000,000 and (y) 10.0% of Four Quarter EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(o) Dispositions of assets; provided that such Dispositions on or after the Amendment No. 3 Effective Date shall not have a fair market value exceeding the greater of \$100,000,000 and 10.0% of Four Quarter EBITDA in any fiscal year of the Borrower; and

(p) Excluded Dispositions.

7.6 Restricted Payments. Declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "Restricted Payments"), except that:

(a) any Restricted Subsidiary may make Restricted Payments ratably to its equity holders (or if not ratably, on a basis more favorable to the Borrower and the other Loan Parties);

(b) so long as no Event of Default shall have occurred and be continuing, the Borrower and its Restricted Subsidiaries may purchase their common stock or common stock options from present or former officers or employees of any Group Member upon the death, disability or termination of employment of such officer or employee, provided, that the aggregate amount of payments under this Section 7.6(b) after the Amendment No. 3 Effective Date (net of any proceeds received by the Borrower or any such Restricted Subsidiary after the Amendment No. 3 Effective Date in connection with resales of any common stock or common stock options so purchased) shall not exceed \$20,000,000 per year (with unused amounts in any calendar year being carried over for one fiscal year (on a non-cumulative basis));

(c) the Borrower may declare and pay dividends with respect to its Capital Stock payable solely in shares of Qualified Capital Stock;

(d) the Borrower and its Restricted Subsidiaries may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in the Borrower or any such Restricted Subsidiary in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock in the Borrower or such Restricted Subsidiary;

(e) the Borrower may acquire its Capital Stock upon the exercise or settlement of stock options, restricted stock units or other similar awards and agreements for such Capital Stock of the Borrower if such Capital Stock represents a portion of the exercise price of such stock options or in connection with tax withholding obligations arising in connection with the exercise or settlement of such options, restricted stock units or other similar awards and agreements by, or the vesting of restricted Capital Stock or similar awards held by, any current or former director, officer, employee or consultant of any Group Member, in each case consistent with past practice of the Borrower prior to the Closing Date;

(f) the Borrower may convert or exchange any of its Capital Stock for or into Qualified Capital Stock;

(g) so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may on any date make Restricted Payments in an amount equal to the Available Amount on such date; provided that at the time of the making of any such Restricted Payments and immediately after giving effect to such Restricted Payments, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis, is not in excess of 2.50 to 1.00;

(h) so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may on any date make additional Restricted Payments; provided that the aggregate thereof made after the Amendment No. 3 Effective Date shall not exceed the greater of (i) \$100,000,000 and (ii) 10.0% of Four Quarter EBITDA (as of the date of the making of such Restricted Payment);

(i) so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may on any date make Restricted Payments; provided that at the time of the making of any such Restricted Payments and immediately after giving effect to such Restricted Payments, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis, is not in excess of 1.75 to 1.00;

(j) so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may make regularly scheduled dividends and regularly scheduled stock repurchases with respect to its Capital Stock not to exceed \$150,000,000 in the aggregate per fiscal year of the Borrower (with 25% of any unused amounts in any fiscal year being carried over for one fiscal year (on a non-cumulative basis)); and

(k) the payment of any dividend or other distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or other distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or other distribution or redemption payment would have complied with the provisions of this Agreement.

For purposes of determining compliance with this Section 7.6, in the event that a Restricted Payment meets the criteria of more than one of the categories of Restricted Payments described in clauses (a) through (j) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such Restricted Payment in a manner that complies with this Section 7.6 and will only be required to include the amount and type of such Restricted Payment in one or more of the above clauses.

7.7 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any other Person (including pursuant to the Division of any Person that was not a wholly owned Subsidiary prior to such Division) (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in cash and Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2 (other than (i) any Guarantee Obligations incurred by any Loan Party of obligations of a Restricted Subsidiary that is not a Subsidiary Guarantor pursuant to Section 7.2(d), which Guarantee Obligations shall solely be permitted to the extent permitted pursuant to Section 7.7(g)(iii), (h) or (u) and (ii) any Guarantee Obligations incurred under Section 7.2(v), which Guarantee Obligations shall solely be permitted to the extent permitted pursuant to Section 7.7(v));

(d) loans and advances to directors, officers and employees of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for the Borrower and its Restricted Subsidiaries not to exceed \$5,000,000 at any one time outstanding;

(e) the Acquisition;

(f) Investments in assets useful in the business of the Borrower and its Restricted Subsidiaries, other than current assets, made by any Group Member with the proceeds of any Reinvestment Deferred Amount;

(g) intercompany Investments (i) by any Group Member in any Loan Party, (ii) by any Restricted Subsidiary that is not a Subsidiary Guarantor in any other Restricted Subsidiary that is not a Subsidiary Guarantor and (iii) by any Group Member in any Restricted Subsidiary; provided that (x) the aggregate amount of Investments made after the Amendment No. 3 Effective Date by Loan Parties to Restricted Subsidiaries that are not Loan Parties pursuant to clause (ii), shall not exceed the greater of (x) \$112,500,000 and (y) 11.25% of Four Quarter EBITDA at any one time outstanding and (y) any such Investments in the form of intercompany loans by any Loan Party to any Restricted Subsidiary that is not a Subsidiary Guarantor shall be evidenced by notes that have been pledged to the Administrative Agent for the benefit of the Secured Parties;

(h) any Permitted Acquisition; provided that the aggregate amount of Investments made after the Amendment No. 3 Effective Date pursuant to this Section 7.7(h) in respect of acquisitions of Persons that do not, upon acquisition thereof, become Subsidiary Guarantors, or property that is not, upon acquisition thereof, owned by Loan Parties (whether such Investment is consummated with cash or equity (including Disqualified Capital Stock of any Subsidiaries not organized under the laws of any jurisdiction within the United States, but excluding any other equity of such Subsidiaries), as with such Investment as valued in good faith by the board of directors of the Borrower) shall not exceed at any time outstanding the greater of (x) \$112,500,000 and (y) 11.25% of Four Quarter EBITDA (as of the date of consummation of such purchase or other acquisition (or at the Borrower's option, as of the date of entry into the binding documentation in respect of such purchase or other acquisition));

(i) promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 7.5;

(j) Investments acquired as a result of the purchase or other acquisition by any Group Member in connection with a Permitted Acquisition; provided, that such Investments were not made in contemplation of such Permitted Acquisition and were in existence at the time of such Permitted Acquisition;

(k) Investments existing on the Amendment No. 3 Effective Date and set forth on Schedule 7.7(k) and any modification, refinancing, renewal, refunding, replacement or extension thereof; provided that the amount of any Investment permitted pursuant to this Section 7.7(k) is not increased from the amount of such Investment on the Amendment No. 3 Effective Date;

(l) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(m) Investments of a Restricted Subsidiary acquired after the Closing Date or of an entity merged, consolidated, amalgamated or Divided with or into the Borrower or any Restricted Subsidiary, in each case in accordance with Section 7.4 after the Closing Date, to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, consolidation, amalgamation or Division and were in existence on the date of such acquisition, merger, consolidation, amalgamation or Division;

(n) Guarantees by the Borrower or any Restricted Subsidiary of leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business;

- (o) Investments made to effect the pledges and deposits described in, and permitted under, Section 7.3(c) and (d);
- (p) Investments by the Borrower or any Restricted Subsidiary that result solely from the receipt by the Borrower or such Restricted Subsidiary from any of its Subsidiaries of a dividend or other Restricted Payment in the form of Capital Stock, evidences of Indebtedness or other securities (but not any additions thereto made after the date of the receipt thereto);
- (q) mergers, consolidations, amalgamations or Divisions permitted under Section 7.4 that do not involve any Person other than the Borrower and Restricted Subsidiaries that are Wholly Owned Subsidiaries;
- (r) so long as no Event of Default has occurred and is continuing or would result therefrom, Investments in an aggregate amount not to exceed the Available Amount at such time; provided that at the time of the making of any such Investments and immediately after giving effect to such Investments, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis, is not in excess of 3.25 to 1.00;
- (s) Investments in the Target and its Restricted Subsidiaries to effect payments permitted under Section 7.8(a)(vii); provided that, unless the Indebtedness to which such payment is applied is subject to an event of default (or equivalent event) as a result the Transactions, such Investments are made on or prior to the date that is 9 months from the Closing Date;
- (t) so long as no Event of Default has occurred and is continuing or would result therefrom, other Investments, if, at the time of such Investment, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis as of the date of such Investment, is not in excess of 2.25 to 1.00;
- (u) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Restricted Subsidiaries in an aggregate amount (valued at cost), taken together with all other outstanding Investments made pursuant to this Section 7.7(u), not to exceed, from and after the Amendment No. 3 Effective Date the greater of (i) \$187,500,000 and (ii) 18.75% of Four Quarter EBITDA (as of the date of the making of such Investment);
- (v) (i) any Investment in any Joint Venture or Unrestricted Subsidiary and (ii) any Permitted Acquisition of Persons that do not, upon acquisition thereof, become Subsidiary Guarantors, and property that is not, upon acquisition thereof, owned by Loan Parties; provided that the aggregate outstanding amount of the Investments and Permitted Acquisitions consummated pursuant to this Section 7.7(v) after the Amendment No. 3 Effective Date (with respect to Investments pursuant to clause (i), valued at cost, and with respect to Permitted Acquisitions pursuant to clause (ii), the Investment amount thereof shall be as valued in good faith by the board of directors of the Borrower and shall include cash and equity (including Disqualified Capital Stock of any Subsidiaries not organized under the laws of any jurisdiction within the United States, but excluding any other equity of such Subsidiaries), as valued in good faith by the board of directors of the Borrower) shall not exceed at any time outstanding the greater of (i) \$75,000,000 and (ii) 7.5% of Four Quarter EBITDA (as of the date of the making of such Investment (or, with respect to a Permitted Acquisition, at the Borrower's option, as of the date of entry into the binding documentation in respect of such purchase or other acquisition));
- (w) Investments, taken together with all other outstanding Investments made pursuant to this Section 7.7(w), in an aggregate amount (valued at cost) not to exceed the Net Cash Proceeds (Not Otherwise Applied) received after the Closing Date and on or prior to such date from any issuance of Qualified Capital Stock by the Borrower (other than any such issuance to a Group Member);

(x) Investments by the Target and its Restricted Subsidiaries in connection with receivables and factoring agreements and wholesale financing outstanding pursuant to Section 7.2(r); and

(y) Investments by the Target or any of its Subsidiaries to fund the purchase of its rental vehicle inventory in the ordinary course of business; provided that the aggregate amount thereof made after the Amendment No. 3 Effective Date shall not to exceed \$40,000,000 at any one time outstanding.

For purposes of determining compliance with this Section 7.7, in the event that an Investment meets the criteria of more than one of the categories of Investments described in clauses (a) through (y) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such Investment in a manner that complies with this Section 7.7 and will only be required to include the amount and type of such Investment in one or more of the above clauses.

7.8 Optional Payments and Modifications of Certain Debt Instruments. (a) Make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to any Junior Indebtedness (any of the foregoing, a “Restricted Debt Payment”) other than:

(i) refinancings of Junior Indebtedness with the proceeds of Permitted Refinancing Indebtedness permitted in respect thereof under Section 7.2;

(ii) payments of or in respect of Junior Indebtedness made solely with the proceeds from the issuance of Qualified Capital Stock or the conversion of any Junior Indebtedness into Qualified Capital Stock;

(iii) prepayments of intercompany Junior Indebtedness permitted hereunder owed by the Borrower or any Restricted Subsidiary to the Borrower or any Restricted Subsidiary; provided that no prepayment of any Junior Indebtedness owed by any Loan Party to any Restricted Subsidiary that is not a Loan Party shall be permitted so long as an Event of Default shall have occurred and be continuing or would result therefrom;

(iv) so long as no Event of Default has occurred and is continuing or would result therefrom, Restricted Debt Payments in an aggregate amount not to exceed from and after the Amendment No. 3 Effective Date the greater of (i) \$100,000,000 and (ii) 10.0% of Four Quarter EBITDA (as of the date of the making of such Restricted Debt Payment);

(v) so long as no Event of Default has occurred and is continuing or would result therefrom, Restricted Debt Payments in an amount equal to the Available Amount on such date; provided that at the time of the making of such Restricted Debt Payment using amounts included in the Available Amount through clause (a)(i) of the definition thereof and immediately after giving effect to such Restricted Debt Payment, the Consolidated Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis, is not in excess of 2.50 to 1.00;

(vi) in addition to the other Restricted Debt Payments permitted by this Section 7.8, and so long as no Event of Default has occurred and is continuing or would result therefrom, Restricted Debt Payments if, at the time of making such Restricted Debt Payment and immediately after giving effect thereto, the Consolidated Secured Leverage Ratio for the Applicable Reference Period, calculated on a Pro Forma Basis, is not in excess of 2.25 to 1.00;

- (vii) Restricted Debt Payments in respect of the Continuing External Debt; and
- (viii) Restricted Debt Payments consisting of regularly scheduled principal and interest.

Notwithstanding anything to the contrary contained in this Section 7.8(a), in no event shall any payment in respect of Subordinated Indebtedness be permitted if such payment is in violation of the subordination provisions of such Subordinated Indebtedness.

For purposes of determining compliance with this Section 7.8(a), in the event that a Restricted Debt Payment meets the criteria of more than one of the categories of Restricted Debt Payments described in clauses (i) through (viii) above, the Borrower may, in its sole discretion, divide or classify or later divide, classify or reclassify all or a portion of such Restricted Debt Payment in a manner that complies with this Section 7.8(a) and will only be required to include the amount and type of such Restricted Debt Payment in one or more of the above clauses.

(b) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Junior Indebtedness (other than any such amendment, modification, waiver or other change that would not materially and adversely affect the interests of the Lenders so long as no Event of Default has occurred and is continuing or would result therefrom).

7.9 Transactions with Affiliates. Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than (x) transactions between or among the Loan Parties and (y) transactions between or among the Borrower and its Restricted Subsidiaries consistent with past practices and made in the ordinary course of business) unless such transaction is (a) otherwise permitted under this Agreement and (b) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate; provided that the foregoing restriction in clause (b) shall not apply to (i) transactions permitted under Section 7.6; (ii) the payment of customary directors' fees and indemnification and reimbursement of expenses to directors, officers or employees; (iii) any issuance of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans approved by the Borrower's board of directors; (iv) employment and severance arrangements entered into in the ordinary course of business between the Borrower or any Restricted Subsidiary and any employee thereof, approved by the Borrower's board of directors; (v) intercompany transactions undertaken in good faith (as certified by a Responsible Officer) for the purpose of improving the consolidated tax efficiency of the Group Members, (vi) Investments permitted by Section 7.7(d), (vi) Indebtedness permitted pursuant to Section 7.2(c), (d) and (q), (vii) the Restricted Debt Payments permitted pursuant to Section 7.8 and (vii) transactions disclosed in the Borrower's most recent definitive proxy statement, Form 10-K, Form 10-Q or subsequent 8-K SEC filings made prior to the Closing Date.

7.10 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member, unless (a) the Disposition of the property subject to such transaction is permitted by Section 7.5 and the Borrower or the applicable Restricted Subsidiary would be entitled to incur Liens with respect to such transaction pursuant to Section 7.3 and Indebtedness in an amount equal to the Attributable Indebtedness with respect to such transaction pursuant to Section 7.2, (b) the Net Cash Proceeds received by the applicable Group Member in connection with such transaction are at least equal to the fair market value (as determined by the board of directors of the Borrower or a member of the senior management of the

Borrower) of such property and (c) the Borrower or the applicable Subsidiary applies the Net Cash Proceeds of such transaction in accordance with Section 2.11; provided that the aggregate amount of consideration paid to the Group Members (and the aggregate principal amount of any Attributable Indebtedness) after the Amendment No. 3 Effective Date in respect of transactions permitted under this Section 7.10 shall not exceed \$75,000,000.

7.11 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Group Member has actual exposure (other than those in respect of Capital Stock) and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of any Group Member.

7.12 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than July 31 or change the Borrower's method of determining fiscal quarters, in each case without the consent of the Administrative Agent.

7.13 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Group Member to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired to secure its obligations under the Loan Documents to which it is a party other than (a) (i) this Agreement, the other Loan Documents and the ABL Loan Documents, (ii) any agreement governing any Indebtedness incurred pursuant to Section 7.2 to the extent such prohibition or limitation is customary in agreements governing Indebtedness of such type and in any event so long as such agreement is not more restrictive than the Loan Documents and (iii) any agreement governing any Permitted Refinancing Indebtedness in respect of the Loans, the ABL Loans or Indebtedness incurred pursuant to Section 7.2, in each case, with respect to this clause (iii), so long as any such agreement is not more restrictive than the Loan Documents, the ABL Loan Documents or the documents governing the Indebtedness being refinanced, as applicable, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) any agreement in effect at the time any Subsidiary becomes a Restricted Subsidiary of the Borrower, so long as such prohibition or limitation applies only to such Restricted Subsidiary (and, if applicable, its Subsidiaries) and such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary of the Borrower, as such agreement may be amended, restated, supplemented, modified extended renewed or replaced, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction contemplated by this Section 7.13 contained therein, (d) customary provisions restricting assignments, subletting, sublicensing, pledging or other transfers contained in leases, subleases, licenses or sublicenses, so long as such restrictions are limited to the property or assets subject to such leases, subleases, licenses or sublicenses, as the case may be, (e) customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary or any assets pending such sale, provided that such restrictions or conditions apply only to the Restricted Subsidiary or assets that is to be sold and such sale is permitted hereunder and (f) customary restrictions in the definitive documentation governing any of the Target or its Restricted Subsidiaries' receivables or factoring facilities or wholesale financing consistent with the Target's past practice prior to the Closing Date, so long as such restrictions relate only to the accounts receivable subject to such arrangement and/or to distributions from any special purpose vehicle conducting such arrangement.

7.14 Clauses Restricting Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary of the Borrower to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay any Indebtedness owed to, any Group Member, (b) make loans or advances to, or other Investments in, any Group Member or (c) transfer any of its assets to any Group Member, except for (i) any encumbrances or restrictions existing under (A) this Agreement, the other Loan Documents, the ABL Loan Documents, (B) any agreement governing Indebtedness incurred pursuant to Section 7.2 so long as such encumbrance or restriction is customary in agreements governing Indebtedness of such type and is no more restrictive than the Loan Documents or (C) any agreement governing Permitted Refinancing Indebtedness in respect of the Loans, any ABL Loans or any other Indebtedness incurred pursuant to Section 7.2, in each case so long as any such agreement is not more restrictive than the Loan Documents, the ABL Loan Documents or the documents governing the Indebtedness being refinanced, as applicable, (ii) any encumbrances or restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary, (iii) any encumbrance or restriction applicable to a Restricted Subsidiary (and, if applicable, its Subsidiaries) under any agreement of such Restricted Subsidiary in effect at the time such Person becomes a Restricted Subsidiary of the Borrower, so long as such agreement was not entered into in contemplation of such Person becoming a Restricted Subsidiary of the Borrower, as such agreement may be amended, restated, supplemented, modified extended renewed or replaced, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction contemplated by this Section 7.14 contained therein, (iv) customary provisions restricting assignments, subletting, sublicensing, pledging or other transfers contained in leases, subleases, licenses or sublicenses, so long as such restrictions are limited to the property or assets subject to such leases, subleases, licenses or sublicenses, as the case may be and (v) customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary or any assets pending such sale, provided that such restrictions or conditions apply only to the Restricted Subsidiary or assets that is to be sold and such sale is permitted hereunder.

7.15 Lines of Business. Enter into any business, either directly or through any Restricted Subsidiary, except for those businesses in which the Group Members were engaged on the Closing Date (after giving effect to the Acquisition) or that are reasonably related, ancillary or complementary thereto.

7.16 Amendments to Acquisition Documents. Following the Closing Date, amend, supplement or otherwise modify the terms and conditions of the Acquisition Documentation except for any such amendment, supplement or modification that could not reasonably be expected to have a Material Adverse Effect.

7.17 Use of Proceeds. Request any Loan, and the Borrower shall not use, and shall procure that its Restricted Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Loan (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or Anti-Money Laundering Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, to the extent that such activities, business or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or a European Union member state or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

7.18 Repayment. The Borrower shall not, and shall procure that its Restricted Subsidiaries and its or their respective directors, officers, employees and agents shall not, fund any repayment of any Loan or Letter of Credit with proceeds derived from a transaction prohibited by Anti-Corruption Law, Anti-Money Laundering Law or Sanctions or in any manner that would cause a Party to be in breach of any Anti-Corruption Law, Anti-Money Laundering Law or Sanctions.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or the Borrower or any other Loan Party shall fail to pay any interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within five days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in clause (i) or (ii) of Section 6.4(a) (with respect to the Borrower only), Section 6.7(a) or Section 7 of this Agreement or Section 5.13 of the Security Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days after notice to the Borrower from the Administrative Agent or the Required Lenders; or

(e) any Group Member shall (i) default in making any payment of any principal of any Material Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Material Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created; or (iii) except in the case of the Continuing External Debt, default in the observance or performance of any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Material Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; or

(f) (i) any Group Member shall commence any case, proceeding or other action (A) under any existing or future Debtor Relief Laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, interim receiver, trustee, monitor, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that

results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) or any Group Member shall make a general assignment for the benefit of its creditors; or

(g) (i) an ERISA Event and/or a Foreign Plan Event shall have occurred; (ii) a trustee shall be appointed by a United States district court to administer any Pension Plan; (iii) the PBGC shall institute proceedings to terminate any Pension Plan; (iv) any Group Member or any of their respective ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such entity does not have reasonable grounds for contesting such Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner; or (v) any other event or condition shall occur or exist with respect to a Plan, a Foreign Benefit Arrangement, or a Foreign Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Group Member involving in the aggregate a liability (not paid or covered by insurance to the extent as to which the insurer has not disputed coverage) of \$100,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) any of the Security Documents or the Intercreditor Agreement shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby (and, for the avoidance of doubt, as required by the Intercreditor Agreement), except (i) the release thereof as provided in Section 10.14 or (ii) as a result of the failure of the Administrative Agent (or its agent or bailee in accordance with the Intercreditor Agreement) to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Security Agreement; or

(j) the guarantee contained in Article II of the Guarantee Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or any Subsidiary of any Loan Party shall so assert, except the release thereof as provided in Section 10.14; or

(k) the subordination provisions contained in any Subordinated Indebtedness with an aggregate principal amount in excess of \$100,000,000 shall cease, for any reason, to be in full force and effect, or any Loan Party or any Subsidiary of any Loan Party shall so assert; or

(l) a Change of Control shall occur;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to the Borrower, automatically the Commitments shall immediately terminate and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

In addition to any other rights and remedies granted to the Administrative Agent and the Lenders in the Loan Documents, the Administrative Agent on behalf of the Lenders may exercise all rights and remedies of a secured party under the New York Uniform Commercial Code or any other applicable law. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, or consent to the use by the Loan Parties of any cash collateral arising in respect of the Collateral on such terms as the Administrative Agent deems reasonable, and/or may forthwith sell, lease, assign give an option or options to purchase or otherwise dispose of and deliver, or acquire by credit bid on behalf of the Lenders, the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any Lender or elsewhere, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery, all without assumption of any credit risk. The Administrative Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Loan Party, which right or equity is hereby waived and released. The Borrower further agrees, at the Administrative Agent's request, to assemble, or cause the applicable Loan Party to assemble, the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at the Borrower's or such Loan Party's premises or elsewhere. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section 8, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any other way relating to the Collateral or the rights of the Administrative Agent and the Lenders hereunder, including reasonable attorneys' fees and disbursements, to the payment in whole or in part of the obligations of the Loan Parties under the Loan Documents, in such order as the Administrative Agent may elect, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including Section 9-615(a) (3) of the New York UCC, need the Administrative Agent account for the surplus, if any, to any Loan Party. To the extent permitted by applicable law, the Borrower on behalf of itself and the other Loan Parties, waives all claims, damages and demands it or any other Loan Party may acquire against the Administrative Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

SECTION 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. No Agent nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's (respectively) own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agents under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile or e-mail message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that none of the Agents nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by any Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by any Agent to any Lender. Each Lender represents to the Agents that it has, independently and without reliance upon any Agent, any arranger of the Term Facility or any amendment thereto or any other Lender or any of their respective Related Parties, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon any Agent, any arranger of the Term Facility or any amendment thereto or any other Lender or any of their respective Related Parties, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to severally indemnify each Agent and its officers, directors, employees, affiliates, agents, advisors and controlling persons (each, an “Agent Indemnitee”) (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from such Agent Indemnitee’s gross negligence or willful misconduct. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. Each Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Agent, and the terms “Lender” and “Lenders” shall include each Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 30 days’ notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless a Specified Event of Default with respect to the Borrower shall have occurred and be continuing) be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term “Administrative Agent” shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent’s rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 30 days following a retiring Administrative Agent’s notice of resignation, the retiring Administrative Agent’s resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent’s resignation as Administrative Agent, the provisions of this Section 9 and of Section 10.5 shall continue to inure to its benefit.

9.10 Arranger, Syndication Agent and Documentation Agents. None of the Arrangers, the Syndication Agent or the Documentation Agents shall have any duties or responsibilities hereunder in their respective capacities as such.

9.11 Credit Bidding. The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions, or (b) at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Required Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles (ii) each of the Secured Parties’ ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii) the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide

for, control by the vote of the Required Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in Section 10.1), (iv) the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties pro rata and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii) above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

9.12 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, , the Commitments and this Agreement, and the conditions for exemptive relief thereunder are and will continue to be satisfied in connection therewith,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent or the Joint Lead Arrangers or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto),

(c) The Administrative Agent and the Joint Lead Arrangers hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker’s acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

9.13 Flood Laws. JPMCB has adopted internal policies and procedures that address requirements placed on federally regulated lenders under the Flood Laws. JPMCB, as administrative agent or collateral agent on a syndicated facility, will post on the applicable electronic platform (or otherwise distribute to each Lender in the syndicate) documents that it receives in connection with the Flood Laws. However, JPMCB reminds each Lender and Participant in the facility that, pursuant to the Flood Laws, each federally regulated Lender (whether acting as a Lender or Participant in the facility) is responsible for assuring its own compliance with the flood insurance requirements.

9.14 Release from any Restrictions on Representing Several Persons and Self-Dealing. For the purpose of performing its rights and obligations as Administrative Agent, each Secured Party hereby authorizes, and each future Secured Party by becoming a party to this Agreement in accordance with its terms authorizes, the Administrative Agent to act as its agent (*Stellvertreter*), and, to the extent possible, releases the Administrative Agent from any restrictions on representing several persons and self-dealing under any applicable law, and in particular from the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*). The Administrative Agent has the power to grant sub-power of attorney, including the release from the restrictions of section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*). A Secured Party which is barred from its constitutional documents or by-laws from granting such exemption shall inform the Administrative Agent thereof within reasonable time after becoming a Secured Party and, upon request of the Administrative Agent thereof within reasonable time after becoming a Secured Party and, upon request of the Administrative Agent, promptly enter such documents and make such declarations as may be required to effect any amendment or waiver permitted by this Section 9.14 or any other provision of this Agreement or any other Loan Document.

9.15 Acknowledgements of Lenders.

(a) Each Lender hereby agrees that (x) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a “Payment”) were erroneously transmitted to such Lender (whether or not known to such Lender), and demands the return of such Payment (or a portion thereof), such Lender shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (y) to the extent permitted by applicable law, such Lender shall not assert, and hereby waives, as to the Administrative Agent, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Payments received, including without limitation any defense based on “discharge for value” or any similar doctrine. A notice of the Administrative Agent to any Lender under this Section 9.15 shall be conclusive, absent manifest error.

(b) Each Lender hereby further agrees that if it receives a Payment from the Administrative Agent or any of its Affiliates (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Payment (a “Payment Notice”) or (y) that was not preceded or accompanied by a Payment Notice, it shall be on notice, in each such case, that an error has been made with respect to such Payment. Each Lender agrees that, in each such case, or if it otherwise becomes aware a Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one Business Day thereafter, return to the Administrative Agent the amount of any such Payment (or portion thereof) as to which such a demand was made in same day funds, together with interest thereon in respect of each day from and including the date such Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

(c) The Borrower and each other Loan Party hereby agrees that (x) in the event an erroneous Payment (or portion thereof) are not recovered from any Lender that has received such Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such erroneous Payment is, and solely with respect to the amount of such erroneous Payment that is, comprised of funds of the Borrower or any other Loan Party.

(d) Each party's obligations under this Section 9.15 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations under any Loan Document.

SECTION 10. MISCELLANEOUS

10.1 Amendments and Waivers. Subject to Section 2.16(b), (c) and (d), neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except (x) in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Majority Facility Lenders of each adversely affected Facility) and (y) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or fees for purposes of this clause (i)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (iii) reduce any percentage specified in the definition of "Required Lenders" without the written consent of each Lender, reduce any percentage specified in the definition of "Majority Facility Lenders" without the written consent of each Lender of the applicable Facility or change any other provision of this Agreement or any other Loan Document specifying the number or percentage of Lenders (or Lenders of any Facility) required to waive, amend or otherwise modify any rights thereunder or make any determination or grant any consent thereunder without the written consent of each Lender (or each Lender of the applicable Facility, as applicable), (iv) consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Subsidiary Guarantors from their guarantee of the Obligations, in each case without the written consent of all Lenders; (v) amend, modify or waive any provision of Section 2.17(a) or (b) without the written consent of each Lender in respect of each Facility adversely affected thereby; (vi) reduce the amount of Net Cash Proceeds or Excess Cash Flow required to be applied to prepay Loans under this Agreement without the written consent of the Majority Facility Lenders with respect to each Facility adversely affected thereby; (vii) amend, modify or waive any provision of Section 9 or any other provision of any Loan Document that affects the Administrative Agent without the written consent of the Administrative Agent; or (viii) subordinate (or have the effect of subordinating) the Obligations under the Loan Documents in lien priority or with respect to contractual right of payment without the written

consent of each Lender directly adversely affected thereby, in each case, unless each directly adversely affected Lender has been offered a bona fide opportunity to fund or otherwise provide its pro rata share (based on the amount of Obligations that are directly adversely affected thereby held by each Lender) of such Indebtedness on the same terms as offered to all other providers (or their Affiliates) of such Indebtedness. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding the foregoing, (i) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share in the benefits of this Agreement and the other Loan Documents with the Term Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Majority Facility Lenders, (ii) no Lender consent is required to effect any amendment or supplement to any intercreditor agreement or arrangement permitted under this Agreement that is for the purpose of adding the holders of any Indebtedness as expressly contemplated by the terms of such intercreditor agreement or arrangement permitted under this Agreement, as applicable (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing and provided that such other changes are not adverse, in any material respect, to the interests of the Lenders); provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent and (iii) guarantees, collateral documents and related documents executed by Loan Parties in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with any other Loan Document, entered into, amended, supplemented or waived, without the consent of any other person, by the applicable Loan Party or Loan Parties and the Administrative Agent in its sole discretion, to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, (B) as required by local law to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable Requirements of Law, or (C) to cure ambiguities, omissions, mistakes or defects or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

Furthermore, notwithstanding the foregoing, (i) the Administrative Agent, with the consent of the Borrower, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document and (ii) the Loan Documents may be amended in accordance with Sections 2.24, 2.25, 2.26 and 2.27.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile or e-mail), and, unless otherwise

expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or one Business Day after being deposited, prepaid, with an overnight courier, or, in the case of facsimile or e-mail notice, when received, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower:

Thor Industries, Inc.
601 East Beardsley Ave.
Elkhart, IN 46514-3305
Attention: Colleen Zuhl, Senior Vice President and
Chief Financial Officer
Facsimile: +1 855-692-6498
E-mail: czuhl@thorindustries.com

with a copy to:

Thor Industries, Inc.
601 East Beardsley Ave.
Elkhart, IN 46514-3305
Attn: Trevor Gasper, Senior Vice President,
General Counsel and Secretary
Facsimile: 866-549-4259
E-mail: tgasper@thorindustries.com

Administrative Agent:

JPMorgan Chase Bank, N.A.
10 South Dearborn Street
Chicago, IL 60603
Attention: Briahna Amos
Telephone: 312-954-1388
Facsimile: 844-490-5663
Email: jpm.agency.cri@jpmchase.com

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, each in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Arrangers for all of their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the syndication of the Commitments and the preparation, execution and delivery of this Agreement and the other Loan Documents, and any amendment, supplement, modification or waiver with respect thereto, and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable and documented fees, disbursements and other charges of one primary counsel to the Administrative Agent and the Arrangers and, if necessary, one local counsel in each applicable jurisdiction and filing and recording fees and expenses, with statements with respect to the foregoing to be submitted to the Borrower at least two Business Days prior to the Closing Date (in the case of amounts to be paid on the Closing Date) and from time to time thereafter on a quarterly basis or such other periodic basis as the Administrative Agent shall deem appropriate, (b) to pay or reimburse each Lender and the Administrative Agent for all of their reasonable and documented costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including the fees, disbursements and other charges of counsel to the Administrative Agent and the Lenders and including all costs and expenses incurred during any workout, restructuring or negotiations; provided that fees, disbursements and other charges of counsel set forth in this clause (b) shall be limited to fees, disbursements and other charges of (i) one counsel to the Administrative Agent and for the Lenders (taken together as a single group or client), (ii) if necessary, one local counsel required in any relevant local jurisdiction (which may include a single counsel acting in multiple jurisdictions) and applicable special regulatory counsel and (iii) if representation of the Administrative Agent and/or all Lenders in such matter by a single counsel would be inappropriate based on the advice of legal counsel due to the existence of an actual or potential conflict of interest or the availability of different claims or defenses (as reasonably determined by the affected party), of another firm of counsel for similarly affected parties and, if necessary, one firm of local counsel in any relevant local jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for such affected parties and one firm of special regulatory counsel for such affected Lender, (c) to pay, indemnify, and hold each Lender and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other Taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (d) to pay, indemnify, and hold each Lender, the Arrangers and each Agent, their respective affiliates, and their respective officers, directors, employees, agents, advisors and controlling persons (each, an “Indemnitee”) harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including any claim, litigation, investigation or proceeding regardless of whether any Indemnitee is a party thereto and whether or not the same are brought by the Borrower, its equity holders, affiliates or creditors or any other Person, including any of the foregoing relating to any action taken in connection with this Agreement, including, but not limited to, the payment of principal, interest and fees, the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of any Group Member or any of the Properties and the reasonable fees, disbursements and other charges of legal counsel (limited to reasonable fees, disbursements and other charges of one primary counsel for all Indemnities, taken as a whole, and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all Indemnities, taken as a whole, and one firm of special regulatory counsel for all Indemnities, taken as a whole (and, in the case

of an actual or potential conflict of interest, where an Indemnatee affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnatee and, if necessary, one firm of local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for such affected Indemnatee and one firm of special regulatory counsel for such affected Indemnatee)) in connection with claims, actions or proceedings by any Indemnatee against any Loan Party under any Loan Document (all the foregoing in this clause (d), collectively, the “Indemnified Liabilities”), provided, that the Borrower shall have no obligation hereunder to any Indemnatee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnatee (or any of its Affiliates, officers, directors, employees, agents, advisors or controlling persons); provided, further, that this Section 10.5(d) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim. Without limiting the foregoing, and to the extent permitted by applicable law, the Borrower agrees not to assert and to cause its Subsidiaries not to assert, and hereby waives and agrees to cause its Subsidiaries to waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any Indemnatee. No Indemnatee shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent any such damages are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnatee (or any of its Affiliates, officers, directors, employees, agents, advisors or controlling persons). No Indemnatee shall be liable for any indirect, special, exemplary, punitive or consequential damages in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby. All amounts due under this Section 10.5 shall be payable not later than 10 days after written demand therefor. The agreements in this Section 10.5 shall survive the termination of this Agreement and the repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Eligible Assignees (each, an “Assignee”), all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld), provided that no consent of the Borrower shall be required for an assignment to a Lender, an affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person; and provided, further, that the Borrower shall be deemed to have consented to any such assignment unless the Borrower shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof; and

(B) the Administrative Agent (such consent not to be unreasonably withheld), provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000) unless each of the Borrower and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) (1) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 and (2) the assigning Lender shall have paid in full any amounts owing by it to the Administrative Agent; and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an affiliate of a Lender or (c) an entity or an affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders and the principal amount (and stated interest) of the Loans owing to each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee’s completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) Each assignee, by its execution and delivery of an Assignment and Assumption, shall be deemed to have represented to the assigning Lender and the Administrative Agent that such assignee is an Eligible Assignee. In no event shall the Administrative Agent be obligated to ascertain, monitor or inquire as to whether any prospective assignee is an Eligible Assignee or have any liability with respect to any assignment made to a Disqualified Lender or any other Person that is not an Eligible Assignee.

(vii) Any assignment to a Disqualified Lender in violation of this Section 10.6 shall not be void, but the provisions of Section 10.6(g) shall apply.

(c) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more Eligible Assignees (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (i) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (ii) directly affects such Participant. Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.22 with respect to any Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19 and 2.20 (subject to the requirements and limitations therein, including the requirements under Section 2.19(f) (it being understood that the documentation required under Section 2.19(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (i) agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under paragraph (b) of this Section and (ii) shall not be entitled to receive any greater payment under Sections 2.18 or 2.19, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from an adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental

Authority made subsequent to the Closing Date that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any other central banking authority, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto. The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in this paragraph (d).

(e) Any Lender may, so long as no Default or Event of Default has occurred and is continuing and no proceeds of ABL Loans are used, directly or indirectly, to fund the consideration for any such assignment, at any time assign all or a portion of its rights and obligations with respect to Term Loans under a Facility under this Agreement to the Borrower through (x) Dutch auctions open to all Lenders under such Facility on a pro rata basis in accordance with Section 2.25 or (y) notwithstanding any other provision in this Agreement, open market purchases on a non pro rata basis; provided that, in connection with assignments pursuant to clause (y) above, (A) at the time of any such assignment, the Borrower shall make a No Undisclosed Information Representation, (B) any Term Loans assigned to the Borrower shall be automatically and permanently cancelled upon the effectiveness of such assignment and will thereafter no longer be outstanding for any purpose hereunder, and such Term Loans may not be resold (it being understood and agreed that any gains or losses by the Borrower upon purchase or acquisition and cancellation of such Term Loans shall not be taken into account in the calculation of Excess Cash Flow, Consolidated Net Income or Consolidated EBITDA) and (C) the Borrower shall promptly provide notice to the Administrative Agent of such assignment of such Term Loans and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Term Loans in the Register.

(f) The Disqualified Lenders List (i) shall be made available to the Lenders by posting on IntraLinks/IntraAgency or another relevant Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent) and (ii) shall be provided to any Lender upon request by such Lender to the Administrative Agent. A Lender may provide the Disqualified Lenders List to any potential assignee or participant on a confidential basis in accordance with Section 10.15 hereof for the purpose of verifying whether such Person is a Disqualified Lender.

(g) (i) If any assignment or participation is made to any Disqualified Lender in violation of this Section 10.6, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Lender and the Administrative Agent, (A) purchase or prepay such Term Loan by paying the lowest of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and/or (B) require such Disqualified Lender to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 10.6), all of its interest, rights and obligations under this Agreement to one or more Eligible Assignees at the lowest of (x) the principal amount thereof and (y) the amount that such Disqualified Lender paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Lenders (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Lender will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Lender consented to such matter, and (y) for purposes of voting on any Bankruptcy Plan, each Disqualified Lender party hereto hereby agrees (1) not to vote on such Bankruptcy Plan, (2) if such Disqualified Lender does vote on such Bankruptcy Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Bankruptcy Plan in accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement or a court order expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a “Benefitted Lender”) shall receive any payment of all or part of the Obligations owing to it (other than in connection with an assignment made pursuant to Section 10.6), or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered

from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any Obligations becoming due and payable by the Borrower (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final, other than Excluded Accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any affiliate thereof or any of their respective branches or agencies to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

10.8 Counterparts.

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by e-mail or facsimile transmission shall be effective as delivery of a manually executed counterpart hereof.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 9.01), certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an “Ancillary Document”) that is an Electronic Signature transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by a manually executed counterpart. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent and each of the Lenders may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be

deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender-Related Person for any losses, claims (including intraparty claims), demands, damages or liabilities of any kind arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any losses, claims (including intraparty claims), demands, damages or liabilities of any kind arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Borrower, the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents or any fee letters related thereto.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction; Waivers. The Borrower and each Credit Party hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the United States for the Southern District of New York located in the Borough of Manhattan (or in the event such courts lack subject matter jurisdiction, to the courts of the State of New York located in the Borough of Manhattan), and appellate courts from any thereof; provided, that nothing contained herein or in any other Loan Document will prevent any Lender or the Administrative Agent from bringing any action to enforce any award or judgment or exercise any right under the Security Documents or against any Collateral or any other property of any Loan Party in any other forum in which jurisdiction can be established;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower or, as applicable, the Administrative Agent or any applicable Credit Party, at its address set forth in Section 10.2 or at such other address of which the Administrative Agent or other applicable party shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any indirect, special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. The Borrower hereby acknowledges and agrees that (a) no fiduciary, advisory or agency relationship between the Loan Parties and the Credit Parties is intended to be or has been created in respect of any of the transactions contemplated by this Agreement or the other Loan Documents, irrespective of whether the Credit Parties have advised or are advising the Loan Parties on other matters, and the relationship between the Credit Parties, on the one hand, and the Loan Parties, on the other hand, in connection herewith and therewith is solely that of creditor and debtor, (b) the Credit Parties, on the one hand, and the Loan Parties, on the other hand, have an arm's length business relationship that does not directly or indirectly give rise to, nor do the Loan Parties rely on, any fiduciary duty to the Loan Parties or their affiliates on the part of the Credit Parties, (c) the Loan Parties are capable of evaluating and understanding, and the Loan Parties understand and accept, the terms, risks and conditions of the transactions contemplated by this Agreement and the other Loan Documents, (d) the Loan Parties have been advised that the Credit Parties are engaged in a broad range of transactions that may involve interests that differ from the Loan Parties' interests and that the Credit Parties have no obligation to disclose such interests and transactions to the Loan Parties, (e) the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent the Loan Parties have deemed appropriate in the negotiation, execution and delivery of this Agreement and the other Loan Documents, (f) each Credit Party has been, is, and will be acting solely as a principal and, except as otherwise expressly agreed in writing by it and the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Loan Parties, any of their affiliates or any other Person, (g) none of the Credit Parties has any obligation to the Loan Parties or their affiliates with respect to the transactions contemplated by this Agreement or the other Loan Documents except those obligations expressly set forth herein or therein or in any other express writing executed and delivered by such Credit Party and the Loan Parties or any such affiliate and (h) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Credit Parties or among the Loan Parties and the Credit Parties.

10.14 Releases of Guarantees and Liens. (a) Upon any sale, transfer or other Disposition by any Loan Party (other than any such sale, transfer or other Disposition to another Loan Party) of any Collateral in a transaction permitted by this Agreement, upon the pledge by any Loan Party (other than any such pledge in favor of another Loan Party), or upon the effectiveness of any written consent to the release of the security interest in any Collateral created under any Security Document pursuant to Section 10.1, the security interests in such Collateral created by the Security Documents shall be automatically released. In connection with any termination or release pursuant to this clause (a), the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense and, if requested by the Administrative Agent, upon delivery of a certificate from such Loan Party confirming

such termination or release is permitted under the Loan Documents, all documents that such Loan Party shall reasonably request to evidence such release.

(b) At such time as the Loans and the other obligations (other than indemnification or reimbursement obligations under Section 2.18, 2.19(a), 2.19(d) or 2.20 for which the Borrower has not been notified and contingent indemnification obligations) under the Loan Documents shall have been paid in full and the Commitments have been terminated, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person. In connection with any termination or release pursuant to this clause (b), the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral, Guarantee Obligations or the release of any Subsidiary Guarantor from its obligations under any Loan Documents if such Person becomes an Excluded Subsidiary as a result of a transaction permitted under the Loan Documents (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (ii) under the circumstances described in paragraphs (a) or (b) above; provided that that if any Subsidiary Guarantor that is a Subsidiary ceases to be a Wholly Owned Subsidiary of the Borrower, such Subsidiary shall not be released from its guarantee of its Guarantee Obligations under the Loan Documents unless (x) it is no longer a direct or indirect Subsidiary of the Borrower or (y) such disposition is a good faith disposition to a bona fide unaffiliated third party for fair market value and for a bona fide business purpose.

10.15 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party, the Administrative Agent or any Lender pursuant to or in connection with this Agreement that is designated by the provider thereof as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed (other than as a result of a breach of this Section 10.15), (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document to the extent relevant to the proceedings, (j) to data service providers (including league table providers) that serve the lending industry to the extent such information is of the type customarily provided to such providers or (k) if agreed by the Borrower in its sole discretion, to any other Person.

Each Lender acknowledges that information furnished to it pursuant to this Agreement or the other Loan Documents may include material non-public information concerning the Borrower and its Affiliates and their related parties or their respective securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including Federal and state securities laws.

All information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to, or in the course of administering, this Agreement or the other Loan Documents will be syndicate-level information, which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

The Borrower represents and warrants that it and its Subsidiaries either (i) have no registered or publicly traded securities outstanding, or (ii) files its financial statements with the SEC and/or makes its financial statements available to potential holders of its 144A securities, and, accordingly, the Borrower hereby (A) authorizes the Administrative Agent to make the financial statements to be provided under Section 6.1(a) and (b), along with the Loan Documents, available to Public-Siders and (B) agrees that at the time such financial statements are provided hereunder, they shall already have been made available to holders of its securities. The Borrower will not request that any other material be posted to Public-Siders without expressly representing and warranting to the Administrative Agent in writing that such materials do not constitute material non-public information within the meaning of the federal securities laws or that the Borrower and its Subsidiaries have no outstanding publicly traded securities, including 144A securities. For the avoidance of doubt, the Projections shall not be posted to Public-Siders.

The Borrower hereby acknowledges that (a) the Administrative Agent will make available to the Lenders materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, the “Borrower Materials”) by posting the Borrower Materials on IntraLinks/IntraAgency or another similar electronic system (the “Platform”) and (b) certain of the Lenders may be Public-Siders. If any Borrower Materials are designated by the Loan Parties as “PRIVATE”, such Borrower Materials will not be made available to that portion of the Platform designated “Public Investor,” which is intended to contain only information that is either publicly available or not material information (though it may be sensitive and proprietary) with respect to Borrower, its Subsidiaries or their securities for purposes of federal and state securities laws. The Administrative Agent shall be entitled to treat any Borrower Materials that are not marked “PRIVATE” or “CONFIDENTIAL” as not containing any material non-public information with respect to the Borrower, its Subsidiaries or their securities for purposes of federal and state securities laws.

10.16 WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

10.17 USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

10.18 Intercreditor Agreement. Each Lender hereby authorizes and directs the Administrative Agent (a) to enter into the Intercreditor Agreement on its behalf, perform the Intercreditor Agreement on its behalf and take any actions thereunder as determined by the Administrative Agent to be necessary or advisable to protect the interest of the Lenders, and each Lender agrees to be bound by the terms of the Intercreditor Agreement and (b) to enter into any other intercreditor agreement reasonably satisfactory to the Administrative Agent on its behalf, perform such intercreditor agreement on its behalf and take any actions thereunder as determined by the Administrative Agent to be necessary or advisable to protect the interests of the Lenders, and each Lender agrees to be bound by the terms of such intercreditor agreement. Each Lender acknowledges that the Intercreditor Agreement governs, among other things, Lien priorities and rights of the Lenders and the ABL Secured Parties (as defined in the Intercreditor Agreement) with respect to the Collateral, including the ABL Priority Collateral.

10.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

[Signature Pages to Follow]

EXHIBIT B

TERM B-2 USD LOANS CONSENT

CONSENT (this “Consent”) to Amendment No. 4 (the “Amendment”) to that certain Term Loan Credit Agreement, dated as of February 1, 2019 (as amended by Amendment No. 1 to Term Loan Credit Agreement, dated as of March 25, 2021, Amendment No. 2 to Term Loan Credit Agreement, dated as of May 9, 2023 and Amendment No. 3 to Term Loan Credit Agreement, dated as of November 15, 2023, and as further amended, supplemented, amended and restated or otherwise modified from time to time prior to the Amendment, the “Credit Agreement”; the Credit Agreement as amended by the Amendment, the “Amended Credit Agreement”) among THOR INDUSTRIES, INC., a corporation organized under the laws of Delaware (the “Borrower”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the “Administrative Agent”) and the other parties thereto. Unless otherwise defined herein, terms used herein shall have the meanings given to them in the Amendment or the Amended Credit Agreement.

The undersigned Term B-2 Lender in respect of the Term B-2 Loans hereby irrevocably and unconditionally:

Term B-2 USD Loans

Cashless Exchange Option

The undersigned Term B-2 Lender hereby irrevocably and unconditionally consents to the Amendment and agrees to convert 100% of the outstanding principal amount of the Term B-2 USD Loans held by such Term B-2 Lender (or such lesser amount allocated to such Lender by the Administrative Agent) into a Term B-3 USD Loan in a like principal amount via a cashless roll on the Amendment No. 4 Effective Date.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Consent to be executed and delivered by a duly authorized officer.

as a Lender (type name of the legal entity)

By: _____
Name:
Title:

If a second signature is necessary:

By: _____
Name:
Title:

TERM B-2 EURO LOANS CONSENT

CONSENT (this “Consent”) to Amendment No. 4 (the “Amendment”) to that certain Term Loan Credit Agreement, dated as of February 1, 2019 (as amended by Amendment No. 1 to Term Loan Credit Agreement, dated as of March 25, 2021, Amendment No. 2 to Term Loan Credit Agreement, dated as of May 9, 2023 and Amendment No. 3 to Term Loan Credit Agreement, dated as of November 15, 2023, and as further amended, supplemented, amended and restated or otherwise modified from time to time prior to the Amendment, the “Credit Agreement”; the Credit Agreement as amended by the Amendment, the “Amended Credit Agreement”) among THOR INDUSTRIES, INC., a corporation organized under the laws of Delaware (the “Borrower”), each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”), JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, the “Administrative Agent”) and the other parties thereto. Unless otherwise defined herein, terms used herein shall have the meanings given to them in the Amendment or the Amended Credit Agreement.

The undersigned Term B-2 Lender in respect of the Term B-2 Loans hereby irrevocably and unconditionally (check ONE per applicable tranche):

Term B-2 Euro Loans

Cashless Exchange Option

☐ The undersigned Term B-2 Lender hereby irrevocably and unconditionally consents to the Amendment and agrees to convert 100% of the outstanding principal amount of the Term B-2 Euro Loans held by such Term B-2 Lender (or such lesser amount allocated to such Lender by the Administrative Agent) into a Term B-3 Euro Loan in a like principal amount via a cashless roll on the Amendment No. 4 Effective Date.

Post-Closing / Assignment Option

☐ The undersigned Term B-2 Lender hereby irrevocably and unconditionally consents to the Amendment and agrees to have 100% of the outstanding principal amount of the Term B-2 Euro Loans held by such Term B-2 Lender repaid on the Amendment No. 4 Effective Date and to purchase by assignment Term B-3 Euro Loans in a like principal amount (or such lesser amount allocated to such Lender by the Administrative Agent).

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Consent to be executed and delivered by a duly authorized officer.

as a Lender (type name of the legal entity)

By: _____
Name:
Title:

If a second signature is necessary:

By: _____
Name:
Title:

ADM-2A: INSIDER TRADING POLICY

OVERVIEW

Policy prohibiting insider trading and unauthorized disclosure of information to others.

EFFECTIVE DATE

July 10, 2015, Revised February 1, 2024

Applies to:	
Corporate	Subsidiaries
☒	☒

This policy is applicable to all Subsidiaries.

This policy supersedes all previous insider trading policies adopted by our Board of Directors.

After you have read this policy, please sign the Certification that is attached to this manual and return it to the THOR Compliance Officer at the address indicated on the Certification.

INTRODUCTION

Federal and state securities laws prohibit any person who is aware of “material nonpublic information” (also known as “MNPI”) about a company from trading in securities of that company. These laws also prohibit a person from disclosing or providing (also known as “tipping”) material nonpublic information to other persons who may trade on the basis of that information.

Our Board of Directors has adopted this policy to promote compliance with these laws and to protect you and our Company from the serious liabilities and penalties that can result from violations of these laws.

It is your responsibility to comply with the securities laws and this policy. If you have questions about this policy, please contact the THOR Compliance Officer as set forth under the heading "Information About the THOR Compliance Officer."

PERSONS SUBJECT TO THIS POLICY

This policy applies to the Company and any subsidiary of the Company as well as all employees, officers, or directors of the Company and its subsidiaries.

It also applies to “Related Persons” which includes the family members who reside with each employee, anyone else who lives with an employee and any other person or entity whose transactions in Company securities are directed by an employee or are subject to an employee’s influence or control (such as parents or children who consult with you before they trade in Company securities). You are responsible for making sure that these other persons and entities comply with this policy.

In addition to this policy, our directors, executive officers and certain other designated persons who have access to material nonpublic information are subject to a supplemental policy that imposes additional restrictions on their trading in Company securities.

If you possess material nonpublic information at the time your employment or other services terminates, you remain subject to this policy until the information has been publicly announced or is no longer “material” (as defined below).

DEFINITION OF MATERIAL NONPUBLIC INFORMATION

MATERIAL INFORMATION – Information about our Company is generally regarded as "material" if its public disclosure is likely to affect the market price of our securities or if it otherwise is information that a reasonable shareholder or investor would want to know before making an investment decision (i.e. to buy, sell or hold our securities).

Material information is not limited to historical facts and may also include projections and forecasts. Both positive and negative information may be material. Information about our Company that could be deemed material includes, but is not limited to:

- a significant change in our operations, projections or strategic plans;
- proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets;
- the gain or loss of a major supplier, customer or significant contract;
- a new product or discovery;
- a significant pricing change in our products or services;
- extraordinary borrowings;
- a declaration of a stock split, a public or private securities offering by us or a change in our dividend policies or amounts;
- a change in senior management or the Board of Directors;
- cybersecurity risks and incidents, including vulnerabilities and breaches; and
- developments regarding significant litigation or government agency investigations.

If you are unsure whether information is material, you should either consult with the THOR Compliance Officer before making any decision to disclose such information or to trade in or recommend securities to which that information relates, or assume that the information is material.

NONPUBLIC INFORMATION – Nonpublic

information is information that is not generally available to the investing public. The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. If you are aware of material nonpublic information, you may not trade until the information has been widely disclosed to the public (for example, through a press release or an SEC filing) and the market has had sufficient time to absorb the information. For purposes of this policy, information will generally be considered public after the first full trading day following the Company's public release of the information. For example, if we issued a press release on a Tuesday, the first day that trading could occur would be on Thursday.

If you are unsure whether information is considered public, you should either consult with the THOR Compliance Officer, or assume that the information is nonpublic and treat it as confidential.

CORE TRADING AND DISCLOSURE RESTRICTIONS

The following trading and disclosure restrictions apply to all of our employees, officers and directors (including their respective Related Persons):

- If you have material nonpublic information, you must not trade or advise anyone else to trade in our securities until such information has been publicly disclosed.
- If you have material nonpublic information regarding any other company that you obtained from your employment or relationship with us, you must not trade or advise anyone else to trade in the securities of that other company until such information has been publicly disclosed.
- You must not share material nonpublic information with people in our Company whose jobs do not require them to have such information.
- You must not disclose any nonpublic information, material or otherwise, concerning the Company to anyone outside the Company unless required as part of your duties and the person receiving the information has a reason to know the information for Company business purposes.

TRANSACTIONS COVERED BY THIS POLICY

This policy applies to any purchase or sale of Company securities, including our common stock, options to purchase our common stock, any other type of securities that we may issue, such as preferred stock, convertible debentures and warrants, as well as exchange-traded options, other derivative securities, and puts, calls and short sales involving Company securities.

Notwithstanding this general rule, certain transactions under Company benefit plans and transactions conducted pursuant to a prearranged trading plan that meet certain conditions are not prohibited by this policy. These transactions are discussed in this policy under the heading "Exceptions to this policy for certain transactions under Company benefit plans and prearranged trading plans."

UNAUTHORIZED DISCLOSURE OF INFORMATION

You are prohibited from disclosing to anyone inside or outside the Company any nonpublic information obtained at or through the Company, except when such disclosure is part of your regular duties and is needed to enable the Company to carry out its business properly and effectively. You should never trade, tip or recommend Company securities (or otherwise cause the purchase or sale of Company securities) while in possession of material nonpublic information.

We are subject to laws that govern the timing of our disclosures of material information to the public and others. In addition, only certain designated employees may discuss the Company with the news media, securities analysts and investors. All inquiries from outsiders regarding material nonpublic information about the Company should be forwarded to Trevor Gasper. Accordingly, when an inquiry is made by an outsider, the following response will generally be appropriate:

“As to these types of matters, the Company's spokesperson is Trevor Gasper. If there is any comment, he would be the person to contact.”

The following procedures are appropriate in protecting the confidentiality of Company information: (i) avoid discussions of confidential matters in places where they might be overheard or otherwise disseminated; (ii) mark sensitive documents “confidential” and use sealed envelopes marked “confidential”; (iii) secure confidential documents and restrict the copying of sensitive documents; (iv) provide instructions to receptionists regarding outside inquiries; (v) use code names for sensitive projects; (vi) use passwords to restrict computer access; and (vii) do not use any Internet message boards or similar mediums available to the public to post any unauthorized messages regarding the Company or our business, financial condition, employees, clients or other matters related to us.

CONSEQUENCES OF VIOLATING INSIDER TRADING LAWS OR THIS POLICY

The consequences of violating the securities laws or this policy can be severe.

They may include the following:

CIVIL AND CRIMINAL PENALTIES – If you violate the insider trading or tipping laws, you may be required to:

- pay civil penalties up to three times the profit made or loss avoided;
- pay a criminal penalty of up to \$5 million; and/or
- serve a jail term of up to 20 years.

In addition, the Company and/or the supervisors of a person who violates these laws may also be subject to civil or criminal penalties if they did not take appropriate steps to prevent illegal trading.

COMPANY DISCIPLINE – If you violate this policy or insider trading or tipping laws, you may be subject to disciplinary action by the Company, up to and including termination for cause. A violation of our Company policy is not necessarily the same as a violation of law, and we may determine that specific conduct violates this policy, whether or not the conduct also violates the law. We are not required to await the filing or conclusion of a civil or criminal action against an alleged violator before taking disciplinary action.

REPORTING OF VIOLATIONS – Any employee, officer or director who violates this policy or any federal or state laws governing insider trading or tipping, or knows of any such violation by any other employee, officer or director, must report the violation immediately to the THOR Compliance Officer.

EXCEPTIONS TO THIS POLICY FOR CERTAIN TRANSACTIONS UNDER COMPANY BENEFIT PLANS AND PREARRANGED TRADING PLANS

This policy does not apply to your exercise of an employee stock option. It also does not apply to your election to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This policy does apply, however, to sales of shares received upon exercise of an option, including any broker-assisted cashless exercise of an option. If you have any questions regarding any applicable exceptions under Company benefit plans, you should consult with the THOR Compliance Officer.

The trading restrictions in this policy do not apply to trading in Company securities if the trades occur pursuant to a prearranged trading plan that is fully compliant with all SEC regulations and has been pre-cleared by the THOR General Counsel. An SEC rule, Rule 10b5-1(c), may provide an affirmative defense from insider trading liability for trades that occur pursuant to a prearranged “trading plan” that meets certain specified conditions. You must pre-clear any such trading plan with the THOR General Counsel and you must enter into the trading plan at a time when you are not aware of any material nonpublic information. The THOR General Counsel can provide further guidance as to specific requirements by the SEC for the adoption of such trading plans and you are advised to seek pre-approval well in advance of the anticipated effective date of any such plan. As a condition to the approval of any such plan, the THOR General Counsel will require the inclusion in the plan of any provisions deemed necessary or advisable to comply with law and Company policy. Any changes to a trading plan that has been approved by the THOR General Counsel must also be approved by the THOR General Counsel before any further transactions can be effected pursuant to the plan.

INFORMATION ABOUT THE THOR COMPLIANCE OFFICER

If you have a question about this policy or whether it applies to a particular transaction, contact Trevor Gasper, THOR General Counsel, who is designated as the THOR Compliance Officer for this policy, for additional guidance. His telephone number is 574-970-7925 and email is tgasper@thorindustries.com.

THOR INDUSTRIES INSIDER TRADING POLICY CERTIFICATION

I hereby acknowledge receipt of the THOR Industries, Inc. Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others and agree to abide by its terms and conditions.

Signature

Print Name

Title

Date

Return this Certification to Trevor Gasper at tgasper@thorindustries.com or via fax at (866) 549-4259.

ADM-2B: SUPPLEMENTAL POLICY
CONCERNING TRADING IN COMPANY
SECURITIES BY CERTAIN DESIGNATED
PERSONS

OVERVIEW
Policy prohibits insider trading and unauthorized disclosures.
EFFECTIVE DATE
May 20, 2011, Revised February 1, 2024

This policy is applicable to all Subsidiaries and the individuals specifically mentioned herein.

This policy supplements our (i) Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others and (ii) Investor Relations and External Communications Policy, both of which prohibit insider trading and unauthorized disclosure of information to others. If you are subject to this policy, you will be notified and provided a copy of this policy. We refer to persons subject to this supplemental policy as “Designated Persons.” **After you have read this policy, please sign the Certification that is attached to this manual and return it to the THOR Compliance Officer at the address indicated on the Certification.** You will also be asked to re-certify your compliance with this policy annually.

PERSONS SUBJECT TO THIS SUPPLEMENTAL
POLICY

This supplemental policy applies to:

- Each director of the Company;
- Each officer of the Company who has been designated by our Board of Directors as an “officer” for purposes of the reporting requirements and trading restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”);
- Each officer of each operating unit of the Company; and
- Any additional persons that the Company may from time to time designate as being subject to this policy because of their position with the Company and access to material nonpublic information.

Applies to:	
Corporate	Subsidiaries
☒	☒

If you are a Designated Person, then this policy also applies to your family members who reside you, anyone else who lives with you and any other person or entity whose transactions in Company securities are directed you or are subject to your influence or control (such as parents or children who consult with you before they trade in Company securities). You are responsible for making sure that these other persons and entities comply with this policy.

ADDITIONAL TRADING RESTRICTIONS THAT APPLY
TO DESIGNATED PERSONS

If you are a Designated Person, you are subject to all of the requirements of our Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others and our Investor Relations and External Communications policy. In addition, you are subject to the following restrictions:

- **You may not trade in Company securities outside of a trading window.** For purposes of this policy, a “trading window” will commence after the close of trading two (2) trading days following the Company’s widespread public release of quarterly operating results (other than preliminary results) and ending at the close of trading on the date that is five (5) trading days prior to the end of the applicable fiscal quarter.
- **Even during a trading window, you may not trade during a blackout period.** You may not trade in Company securities during any special blackout periods that the THOR General Counsel may designate with the prior written approval of the THOR Chief Executive Officer (“CEO”). You may not disclose to any outside third party that a special blackout period has been designated.

- **You may not trade during a trading window without prior clearance.** During a trading window, you may trade in Company securities only after obtaining clearance from the THOR General Counsel. If you decide to engage in a transaction involving Company securities during a trading window, you must notify the THOR General Counsel in writing of the amount and nature of the proposed trade(s) at least two (2) business days prior to the proposed transaction, and certify in writing that you are not in possession of material nonpublic information concerning the Company. You must not engage in the transaction unless and until the THOR General Counsel provides clearance in writing and you must obtain new clearance if the cleared trade does not occur within 4 trading days of receipt of clearance. The foregoing functions of the THOR General Counsel will be undertaken by the CEO in the case of proposed trades by the THOR General Counsel. Proposed trades by the THOR CEO will require clearance by any of (i) the THOR General Counsel or (ii) the Audit Committee of the Board of Directors. The existence of these clearance procedures does not in any way obligate the THOR General Counsel to clear any transaction.
- **You may not trade in options on Company securities (puts or calls) or engage in short sales with respect to Company securities.** Trading in “puts” and “calls” (publicly traded options to sell or buy stock) and engaging in short sales are often perceived as involving insider trading and they may focus your attention on the Company’s short-term performance rather than its long-term objectives. In addition, Section 16(c) of the Exchange Act prohibits officers and directors from engaging in short sales. Therefore, transactions in puts, calls, and other derivative securities with respect to Company securities on an exchange or in any other organized market are prohibited by this policy, as are short sales of Company securities.
- **You may not hold Company securities in a margin account, and you may not, without prior approval, pledge Company securities as collateral for any other loan.** Because a broker is permitted to sell securities in a margin account if the customer fails to meet a margin call, the securities can be sold at a time when the customer is aware of material nonpublic information about the Company. Also, a foreclosure sale under any other loan could

also occur at a time when the borrower has nonpublic information about us. Therefore, you may not hold Company securities in a margin account or pledge Company securities as collateral for a loan. An exception to this prohibition may be granted in the case where you are able to clearly demonstrate the financial ability to repay the loan without resorting to the pledged securities. A request for any such exception must be made to the THOR General Counsel at least ten (10) days in advance of entering into the pledge agreement.

EXCEPTIONS TO THIS SUPPLEMENTAL POLICY

The trading restrictions in this supplemental policy do not apply to certain transactions under Company benefit plans (contact the THOR Compliance Officer with any questions or concerns). The trading restrictions in this supplemental policy also do not apply to trades pursuant to an approved prearranged trading plan provided that you enter into the plan during a trading window and the plan otherwise meets the conditions for such plans set forth in the Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others and Policies ADM-2 and ADM-2A.

In addition, specific exceptions to this supplemental policy may be made when the person requesting approval does not possess material nonpublic information, personal circumstances warrant the exception, and the exception would not otherwise contravene the law or the purposes of this policy. Any request for an exception should be directed to the THOR General Counsel. Any request for an exception by a director or executive officer shall also require the preapproval of the Audit Committee of the Board of Directors.

INFORMATION ABOUT THE THOR COMPLIANCE OFFICER

If you have a question about this policy, contact Trevor Gasper, THOR General Counsel, who is designated as the THOR Compliance Officer for this policy, for additional guidance. His telephone number is 574-970-7925 and email is tgasper@thorindustries.com.

THOR INDUSTRIES SUPPLEMENTAL TRADING POLICY CERTIFICATION

I hereby acknowledge receipt of the THOR Industries, Inc. Supplemental Policy Concerning Trading in Company Securities by Certain Designated Persons and agree to abide by its terms and conditions.

Signature

Print Name

Title

Date

Return this Certification to Trevor Gasper at tgasper@thorindustries.com or via fax at (866) 549-4259.

THOR INDUSTRIES REQUEST FOR CLEARANCE OF PROPOSED TRADE OR TRANSFER OF SECURITIES

To: Trevor Gasper
Legal and Compliance Department
THOR Industries, Inc. (the “**Company**”)

From: _____

Date: _____

RE: Request for Clearance of Proposed Sale, Trade or Transfer of Securities

Pursuant to the Company’s Supplemental Policy Concerning Trading In Company Securities By Certain Designated Persons (the “**Supplemental Trading Policy**”), I hereby request clearance by the Company of my proposed:

_____ Sale	_____ # of Shares of Stock (the “ Shares ”)
_____ Purchase	_____ Date of Transaction
_____ Other Transfer	

I hereby certify that I am not in possession of material non-public information concerning the Company. I understand that I am not permitted to execute any trade or transfer of the Shares unless and until the Compliance Department, acting on behalf of the Company, provides clearance of the requested transaction.

Name	Subsidiary / Title
------	--------------------

Received and Acknowledged this _____ day of _____, _____.

- ☐ Trade Cleared by THOR Industries, Inc.
- ☐ Trade not Cleared by THOR Industries, Inc.

By: _____
Name

Title

Exhibit 21.1

Subsidiaries of the Registrant

The subsidiaries of the Registrant, excluding those which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of July 31, 2024, are:

<u>Subsidiary</u>	<u>Jurisdiction</u>
2700 Real Estate Holdings, LLC	Indiana
Airstream, Inc.	Nevada
Airxcel, Inc.	Kansas
Aqua-Hot Heating Systems, LLC	Colorado
Balder Industries GmbH	Germany
Bürstner GmbH & Co. KG	Germany
Bürstner S.A.	France
CAN S.r.l.	Italy
Capron GmbH	Germany
Carado GmbH	Germany
Caravaning Customer Connect GmbH	Germany
Cleer Vision Tempered Glass, LLC	Indiana
Cruiser RV, LLC	Indiana
CVW, LLC	Indiana
Dethleffs France S.A.R.L.	France
Dethleffs GmbH & Co. KG	Germany
DICOR Corporation, Inc.	Indiana
DRV, LLC.	Indiana
Elkhart Composites, Inc.	Indiana
Elk Mountain RV Supply, LLC	Indiana
Erwin Hymer Center Bad Waldsee GmbH	Germany
Erwin Hymer Group Holdings UK Ltd.	United Kingdom
Erwin Hymer Group Iberica S.L. – 51% economic interest	Spain
Erwin Hymer Group Immobilien GmbH	Germany
Erwin Hymer Group Immobilien Isny GmbH & Co. KG	Germany
Erwin Hymer Group Italia S.p.A.	Italy
Erwin Hymer Group Nederland BV	Netherlands
Erwin Hymer Group Nord AB	Sweden
Erwin Hymer Group Nord ApS	Denmark
Erwin Hymer Group Nord AS	Norway
Erwin Hymer Group Nowa Sol Sp. zo.o.	Poland
Erwin Hymer Group SE	Germany
Erwin Hymer Group Services GmbH	Germany
Erwin Hymer Group Stuttgart GmbH	Germany
Erwin Hymer Group Suomi OY	Finland
Erwin Hymer Group Sverige AB – 51% economic interest	Sweden
Erwin Hymer Group UK Ltd.	United Kingdom
Etrusco GmbH	Germany
Freya Holdings Ltd.	Bermuda

Goldschmitt technobil GmbH	Germany
Grundstücksgesellschaft Sassenberg GmbH & Co. KG	Germany
Heartland Recreational Vehicles, LLC	Indiana
Hodur Industries, LLC	Indiana
Hymer GmbH & Co. KG	Germany
Hymer Immobilien GmbH & Co. KG	Germany
Hymer Loisirs S.A.R.L. France	France
Jayco, Inc. also d/b/a Starcraft RV, d/b/a Entegra Coach, d/b/a Highland Ridge, RV	Indiana
Keystone RV Company also d/b/a Dutchmen Manufacturing, d/b/a CrossRoads RV	Delaware
K.Z., Inc. also d/b/a Venture RV and d/b/a KZRV	Indiana
Laika Caravans S.p.a.	Italy
LMC Caravan GmbH & Co. KG	Germany
MCD Innovations, Inc.	Texas
Motorized Real Estate, LLC	Indiana
Movera GmbH	Germany
Niesmann+ Bischoff GmbH	Germany
Odin Industries GmbH	Germany
Postle Operating, LLC d/b/a Temple Operating and d/b/a Reflex Industries	Delaware
Rental Alliance GmbH	Germany
Seal Design, LLC	Indiana
Sif Industries B.V.	Netherlands
Sunlight GmbH	Germany
Thor Motor Coach, Inc.	Delaware
Thor Tech, Inc.	Nevada
Thor Wakarusa LLC	Indiana
Tiffin Group, LLC	Indiana
Tiffin Motor Homes, Inc.	Alabama
TN-TH Holdings, LLC – Non-controlling interest	Delaware
TN-RP Holdings, LLC – Non-controlling interest	Delaware
Towable Holdings, Inc.	Delaware
Tyr Holdings LLC & Co. KG	Germany
United Shade, LLC	Indiana
Vixen Composites, LLC	Indiana

EXHIBIT 23.1**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-262661, 333-171385 and 333-215015 on Form S-8 of our reports dated September 24, 2024, relating to the financial statements of THOR Industries, Inc. and the effectiveness of THOR Industries, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended July 31, 2024.

/s/ Deloitte & Touche LLP
Chicago, Illinois

September 24, 2024

EXHIBIT 31.1

RULE 13a-14(a) CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Robert W. Martin, certify that:

1. I have reviewed this annual report on Form 10-K of THOR Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

DATE: September 24, 2024

/s/ Robert W. Martin

Robert W. Martin
President and Chief Executive Officer
(Principal executive officer)

EXHIBIT 31.2

RULE 13a-14(a) CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Colleen Zuhl, certify that:

1. I have reviewed this annual report on Form 10-K of THOR Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

DATE: September 24, 2024

/s/ Colleen Zuhl

Colleen Zuhl

Senior Vice President and Chief Financial Officer

(Principal financial and accounting officer)

EXHIBIT 32.1

**SECTION 1350 CERTIFICATION
OF CHIEF EXECUTIVE OFFICER**

In connection with this annual report on Form 10-K of THOR Industries, Inc. for the period ended July 31, 2024, I, Robert W. Martin, President and Chief Executive Officer of THOR Industries, Inc., hereby certify pursuant to 18 U.S.C.

§ 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. this Form 10-K for the period ended July 31, 2024 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 this Form 10-K for the period ended July 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of THOR Industries, Inc.

DATE: September 24, 2024

/s/ Robert W. Martin

Robert W. Martin

President and Chief Executive Officer

(Principal executive officer)

EXHIBIT 32.2

**SECTION 1350 CERTIFICATION
OF CHIEF FINANCIAL OFFICER**

In connection with this annual report on Form 10-K of THOR Industries, Inc. for the period ended July 31, 2024, I, Colleen Zuhl, Senior Vice President and Chief Financial Officer of THOR Industries, Inc., hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. this Form 10-K for the period ended July 31, 2024 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 this Form 10-K for the period ended July 31, 2024 fairly presents, in all material respects, the financial condition and results of operations of THOR Industries, Inc.

DATE: September 24, 2024

/s/ Colleen Zuhl

Colleen Zuhl

Senior Vice President and Chief Financial Officer

(Principal financial and accounting officer)

**Amended and Restated Policy on Recoupment of Performance-Based
Compensation in the Event of an Accounting Restatement**

DEFINED TERMS

As used in this policy:

“*Affected Employee*” means any Executive Officers.

“*Board*” means the Board of Directors of THOR Industries, Inc.

“*Company*” means THOR Industries, Inc.

“*Executive Officer*” means any executive officer of THOR Industries, Inc. as defined by Section 16 of the Securities and Exchange Act of 1934, as amended, who has received Performance-Based Compensation while serving as an executive officer in any of the last 3 completed fiscal years preceding the date on which the Company is required to prepare a financial restatement on the basis of performance during those fiscal periods affected by the restatement.

“*Performance-Based Compensation*” means compensation, whether cash or equity, that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure.

CLAWBACK POLICY

If THOR Industries, Inc. is required to prepare a financial restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements, or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, as determined with the oversight of the Board’s Audit Committee, the Board will review all Performance-Based Compensation earned by an Executive Officer in whole or part for the period affected by the restatement.

This review shall be without regard to the responsibility or involvement in the actions that led to the restatement of any Affected Employee. If the Performance-Based Compensation for any of the 3 completed fiscal years immediately preceding the date on which THOR Industries, Inc. was required to prepare a financial restatement would have been lower if such compensation had been based on the restated results, the Board shall, to the full extent required and permitted by applicable law, seek recoupment from (or not pay to) any Executive Officer any portion of such Performance-Based Compensation, calculated on a pre-tax basis, that would not have been paid (or is not payable) if the Performance-Based Compensation had been granted, vested, or earned based on the restated financial information. The Board shall not be required to seek recoupment where (i) it reasonably determines that the expense paid to a third party to recover the compensation would exceed the amount to be recovered (and the Company has made a reasonable attempt to recover and documented such attempt), (ii) the recovery of the compensation would draw from deferred compensation under a tax-qualified retirement plan, or (iii) another exception to the recoupment requirement applies.

The Company may not and will not indemnify or insure any Executive Officer.

Any recoupment under this Policy may be in addition to any other remedies that may be available to the Company under applicable law, including disciplinary action up to and including termination of employment.

The Board may delegate one or more of the duties or powers described in this Policy to one or more Committees of the Board consisting solely of independent directors.

Adopted by the Board this 22nd day of June, 2023.

Attest:

/s/ Trevor Q. Gasper

Trevor Q. Gasper, Secretary