

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



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

**For the Quarterly Period Ended June 30, 2025**



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

Commission File Number: 1-10777

**Ambac**

**AMBAC FINANCIAL GROUP, INC.**

(Exact name of Registrant as specified in its charter)

Delaware

(State of incorporation)

13-3621676

(I.R.S. employer identification no.)

One World Trade Center New York NY

(Address of principal executive offices)

10007

(Zip code)

(212) 658-7470

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock par value \$0.01 per share	AMBC	New York Stock Exchange

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

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

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

Large accelerated filer ☐ 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of August 5, 2025, 46,401,736 shares of common stock, par value \$0.01 per share, of the Registrant were outstanding.

AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

<b>Cautionary Statement Pursuant to the Private Securities Litigation Reform Act of 1995</b>				<b>1</b>
<b>Item Number</b>	<b>Page</b>	<b>Item Number</b>		<b>Page</b>
<b>PART I. FINANCIAL INFORMATION</b>		<b>PART I (CONTINUED)</b>		
<b>1</b>	<b>Unaudited Consolidated Financial Statements of Ambac Financial Group, Inc. and Subsidiaries</b>		U.S. Insurance Statutory Basis Financial Results	41
	Consolidated Balance Sheets (Unaudited)	2	Non-GAAP Financial Measures	41
	Consolidated Statements of Total Comprehensive Income (Loss) (Unaudited)	3	<b>3 Quantitative and Qualitative Disclosures About Market Risk</b>	44
	Consolidated Statements of Stockholders' Equity (Unaudited)	5	<b>4 Controls and Procedures</b>	44
	Consolidated Statements of Cash Flows (Unaudited)	6		
	Notes to Unaudited Consolidated Financial Statements	7	<b>PART II. OTHER INFORMATION</b>	
<b>2</b>	<b>Management's Discussion and Analysis of Financial Condition and Results of Operations</b>	31	<b>1 Legal Proceedings</b>	45
	Overview	32	<b>1A Risk Factors</b>	45
	Critical Accounting Policies and Estimates	33	<b>2 Unregistered Sales of Equity Securities and Use of Proceeds</b>	47
	Results of Operations	33	<b>3 Defaults Upon Senior Securities</b>	47
	Liquidity and Capital Resources	37	<b>5 Other Information</b>	48
	Balance Sheet	39	<b>6 Exhibits</b>	47
	Accounting Standards	41	<b>SIGNATURES</b>	48

## CAUTIONARY STATEMENT PURSUANT TO THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Management has included in Parts I and II of this Quarterly Report on Form 10-Q, statements that may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as “estimate,” “project,” “plan,” “believe,” “anticipate,” “intend,” “planned,” “potential” and similar expressions, or future or conditional verbs such as “will,” “should,” “would,” “could,” and “may,” or the negative of those expressions or verbs, identify forward-looking statements. We caution readers that these statements are not guarantees of future performance. Forward-looking statements are not historical facts, but instead represent only our beliefs regarding future events, which may by their nature be inherently uncertain and some of which may be outside our control. These statements may relate to plans and objectives with respect to the future, among other things which may change. We are alerting you to the possibility that our actual results may differ, possibly materially, from the expected objectives or anticipated results that may be suggested, expressed or implied by these forward-looking statements. Important factors that could cause our results to differ, possibly materially, from those indicated in the forward-looking statements include, among others, those discussed under “Risk Factors” in Part I, Item 1A of the 2023 Annual Report on Form 10-K and in Part II, Item 1A of this quarterly Report on Form 10-Q.

Any or all of management’s forward-looking statements here or in other publications may turn out to be incorrect and are based on management’s current belief or opinions. Ambac Financial Group’s (“AFG”) and its subsidiaries’ (collectively, “Ambac” or the “Company”) actual results may vary materially, and there are no guarantees about the performance of Ambac’s securities. Among events, risks, uncertainties or factors that could cause actual results to differ materially are: (1) the high degree of volatility in the price of AFG’s common stock; (2) failure to consummate the proposed sale of all of the common stock of Ambac Assurance Corporation (“AAC”) and the transactions contemplated by the related stock purchase agreement (the “Sale Transactions”) in a timely manner or at all; (3) disruptions from the proposed Sale Transactions, including from litigation, that may harm Ambac’s business, including current plans and operations; (4) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed Sale Transactions; (5) uncertainty concerning the Company’s ability to achieve value for holders of its securities from the specialty property and casualty insurance business, the insurance distribution business, or related businesses; (6) inadequacy of reserves established for losses and loss expenses and the possibility that changes in loss reserves may result in further volatility of earnings or financial results; (7) risks historically reported by the Company with respect to the legacy financial guarantee business, which may continue to affect the Company if the Sale Transactions are not consummated; (8) credit risk throughout Ambac’s business, including but not limited to exposures to reinsurers and insurance distribution partners; (9) the Company’s inability to generate the significant amount of cash needed to service its debt and financial obligations, and its inability to refinance its indebtedness; (10) the Company’s substantial indebtedness could adversely affect the Company’s financial condition and operating flexibility; (11) the Company may not be able to obtain financing, refinance its outstanding indebtedness, or raise capital on acceptable terms or at all due to its substantial indebtedness and financial condition; (12) greater than expected underwriting losses in the Company’s specialty property and casualty insurance business; (13) failure of specialty insurance program partners to properly market, underwrite or administer policies; (14) inability to obtain reinsurance coverage or charge rates for insurance on expected terms; (15) loss of key relationships for production of business in specialty property and casualty and insurance distribution businesses or the inability to secure

such additional relationships to produce expected results; (16) the impact of catastrophic public health, environmental or natural events, or global or regional conflicts; (17) the risk that the Company’s risk management policies and practices do not anticipate certain risks and/or the magnitude of potential for loss; (18) restrictive covenants in agreements and instruments that impair Ambac’s ability to pursue or achieve its business strategies; (19) disagreements or disputes with the Company’s insurance regulators; (20) failure of a financial institution in which we maintain cash and investment accounts; (21) adverse impacts from changes in prevailing interest rates; (22) events or circumstances that result in the impairment of our intangible assets and/or goodwill that was recorded in connection with Ambac’s acquisitions; (23) the risk of litigation, regulatory inquiries, investigations, claims or proceedings, and the risk of adverse outcomes in connection therewith; (24) the Company’s ability to adapt to the rapid pace of regulatory change; (25) actions of stakeholders whose interests are not aligned with broader interests of Ambac’s stockholders; (26) system security risks, data protection breaches and cyber attacks; (27) failures in services or products provided by third parties; (28) political developments that disrupt the economies where the Company has insured exposures or the markets in which our insurance programs operate; (29) our inability to attract and retain qualified executives, senior managers and other employees, or the loss of such personnel; (30) fluctuations in foreign currency exchange rates; (31) failure to realize our business expansion plans, including failure to effectively onboard new program partners, or failure of such plans to create value; (32) greater competition for our specialty property and casualty insurance business and/or our insurance distribution business; (33) loss or lowering of the AM Best rating for our property and casualty insurance company subsidiaries; (34) disintermediation within the insurance industry or greater competition from technology-based insurance solutions or non-traditional insurance markets; (35) adverse effects of market cycles in the property and casualty insurance industry; (36) variations in commission income resulting from timing of policy renewals and the net effect of new and lost business production; (37) variations in contingent commissions resulting from the effects insurance losses; (38) reliance on a limited number of counterparties to produce revenue in our specialty property and casualty insurance and insurance distribution businesses; (39) changes in law or in the functioning of the healthcare market that impair the business model of our accident and health managing general underwriter; (40) difficulties in identifying appropriate acquisition or investment targets, properly evaluating the business and prospects of acquired businesses, businesses in which we invest, or targets, integrating acquired businesses into our business or failures to realize expected synergies from acquisitions or new business investments; (41) failure to realize expected benefits from investments in technology; (42) harmful acts and omissions of our business counterparts; and (43) other risks and uncertainties that have not been identified at this time.

**PART I. FINANCIAL INFORMATION**
**Item 1. Unaudited Financial Statements of Ambac Financial Group, Inc. and Subsidiaries**

**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

(Dollars in thousands, except share data) (June 30, 2025 (Unaudited))	June 30, 2025	December 31, 2024
<b>Assets:</b>		
Investments:		
Fixed maturity securities - available-for-sale, at fair value (amortized cost of \$163,183 and \$162,124)	\$ 161,335	\$ 157,020
Short-term investments, at fair value (amortized cost of \$102,719 and \$127,588)	102,720	127,601
Other investments (includes \$7,486 and \$7,499 at fair value)	28,193	28,294
Total investments (net of allowance for credit losses of \$0 and \$0)	292,248	312,915
Cash and cash equivalents (including \$23,841 and \$17,669 of restricted cash)	46,383	47,275
Premium receivables (net of allowance for credit losses of \$200 and \$142)	71,875	57,222
Commission and fees receivable	72,619	55,377
Reinsurance recoverable on paid and unpaid losses (net of allowance for credit losses of \$100 and \$100)	376,445	306,191
Deferred ceded premium	155,582	148,300
Policy acquisition costs	9,407	8,572
Intangible assets, less accumulated amortization	353,904	344,775
Goodwill	451,808	418,234
Other assets	99,698	92,317
Assets held-for-sale	6,592,417	6,267,200
<b>Total assets</b>	<b>8,522,386</b>	<b>8,058,378</b>
<b>Liabilities and Stockholders' Equity:</b>		
<b>Liabilities:</b>		
Unearned premiums	\$ 191,060	\$ 182,446
Loss and loss adjustment expense reserves	383,969	349,062
Ceded premiums payable	90,557	53,002
Deferred program fees and reinsurance commissions	7,346	7,500
Commissions payable	96,875	71,431
Deferred taxes	72,003	70,135
Short-term debt	150,000	150,000
Accrued interest payable	2,944	2,560
Other liabilities	95,900	89,036
Liabilities held-for-sale	6,213,024	5,887,685
<b>Total liabilities</b>	<b>7,303,678</b>	<b>6,862,857</b>
<b>Commitments and contingencies (See Note 13)</b>		
Redeemable noncontrolling interest	190,347	140,860
<b>Stockholders' equity:</b>		
Preferred stock, par value \$0.01 per share; 20,000,000 shares authorized shares; issued and outstanding shares—none	—	—
Common stock, par value \$0.01 per share; 130,000,000 shares authorized; issued shares: 48,875,167 and 48,875,167	489	489
Additional paid-in capital	347,939	331,007
Accumulated other comprehensive income (loss)	(66,013)	(188,436)
Retained earnings	607,548	742,185
Treasury stock, shares at cost: 2,475,146 and 2,368,194	(30,124)	(28,339)
<b>Total Ambac Financial Group, Inc. stockholders' equity</b>	<b>859,839</b>	<b>856,906</b>
Nonredeemable noncontrolling interest	168,522	197,755
<b>Total stockholders' equity</b>	<b>1,028,361</b>	<b>1,054,661</b>
<b>Total liabilities, redeemable noncontrolling interest and stockholders' equity</b>	<b>\$ 8,522,386</b>	<b>\$ 8,058,378</b>

See accompanying Notes to Unaudited Consolidated Financial Statements

**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Income (Loss) (Unaudited)**

(Dollars in thousands, except share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenues:</b>				
Commissions	\$ 30,322	\$ 13,221	\$ 67,093	\$ 30,950
Servicing and other fees	4,472	—	9,436	—
Net premiums earned	16,203	27,054	31,881	52,633
Program fees	3,497	3,328	7,149	5,895
Investment income	2,609	3,763	5,424	7,403
Other	(2,146)	3,671	(3,270)	3,707
<b>Total revenues and other income</b>	<b>54,957</b>	<b>51,037</b>	<b>117,713</b>	<b>100,588</b>
<b>Expenses:</b>				
Commissions	7,403	7,888	17,768	17,710
Losses and loss adjustment expenses	10,978	23,024	21,474	42,379
Policy acquisition costs	3,699	5,399	7,540	9,823
General and administrative	40,540	27,861	79,071	45,436
Intangible amortization and depreciation	9,741	1,614	18,917	3,228
Interest	5,570	—	11,024	—
<b>Total expenses</b>	<b>77,931</b>	<b>65,786</b>	<b>155,794</b>	<b>118,576</b>
<b>Pretax income (loss) from continuing operations</b>	<b>(22,974)</b>	<b>(14,749)</b>	<b>(38,081)</b>	<b>(17,988)</b>
Provision (benefit) for income taxes from continuing operations	(2,172)	(30)	(2,789)	100
<b>Net income (loss) from continuing operations</b>	<b>(20,802)</b>	<b>(14,719)</b>	<b>(35,292)</b>	<b>(18,088)</b>
Net income (loss) from discontinued operations, net of tax (including loss on disposal of \$52,960 and \$67,456 three and six months ended June 30, 2025)	(52,151)	14,182	(82,398)	38,322
<b>Net income (loss)</b>	<b>(72,953)</b>	<b>(537)</b>	<b>(117,690)</b>	<b>20,234</b>
Net (gain) loss attributable to noncontrolling interest	254	(213)	(1,400)	(914)
<b>Net income (loss) attributable to shareholders</b>	<b>\$ (72,699)</b>	<b>\$ (750)</b>	<b>\$ (119,090)</b>	<b>\$ 19,320</b>
<b>Net income (loss) attributable to shareholders</b>				
Continuing operations	\$ (20,548)	\$ (14,932)	(36,692)	(19,002)
Discontinued operations	(52,151)	14,182	(82,398)	38,322
<b>Total</b>	<b>\$ (72,699)</b>	<b>\$ (750)</b>	<b>(119,090)</b>	<b>19,320</b>
<b>Net income (loss) from continuing operations per share attributable to shareholders</b>				
Basic	\$ (0.45)	\$ (0.33)	\$ (1.03)	\$ (0.42)
Diluted	\$ (0.45)	\$ (0.33)	\$ (1.03)	\$ (0.42)
<b>Net income (loss) from discontinued operations per share attributable to shareholders</b>				
Basic	\$ (1.08)	\$ 0.31	\$ (1.73)	\$ 0.83
Diluted	\$ (1.08)	\$ 0.31	\$ (1.73)	\$ 0.83
<b>Net income (loss) per share attributable to shareholders</b>				
Basic	\$ (1.54)	\$ (0.02)	\$ (2.75)	\$ 0.42
Diluted	\$ (1.54)	\$ (0.02)	\$ (2.75)	\$ 0.42
<b>Weighted average number of common shares outstanding:</b>				
Basic	48,116,503	46,209,250	47,738,050	46,019,145
Diluted	48,116,503	46,209,250	47,738,050	46,019,145

See accompanying Notes to Unaudited Consolidated Financial Statements

**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Loss) (Unaudited)**

(Dollars in thousands, except share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Net income (loss)</b>	<b>\$ (72,953)</b>	<b>\$ (537)</b>	<b>\$ (117,690)</b>	<b>\$ 20,234</b>
Unrealized gains (losses) on securities, net of income tax provision (benefit) of \$503, \$(197), \$1,148, and \$414	(4,647)	3,870	13,959	(3,147)
Gains (losses) on foreign currency translation, net of income tax provision (benefit) of \$0, \$0, \$0, and \$0	97,484	1,268	133,704	(6,502)
Credit risk changes of fair value option liabilities, net of income tax provision (benefit) of \$48, \$(34), \$195, and \$(118)	144	(103)	586	(356)
Changes to postretirement benefit, net of income tax provision (benefit) of \$0, \$0, \$0, and \$0	—	(4,559)	—	(4,939)
Total other comprehensive income (loss), net of income tax	92,981	476	148,249	(14,944)
Total comprehensive income (loss), net of income tax	20,028	(60)	30,559	5,291
Less: net (gain) loss attributable to noncontrolling interest	254	(213)	(1,400)	(914)
Less: (gain) loss on foreign currency translation attributable to noncontrolling interest	(21,575)	—	(25,827)	—
<b>Total comprehensive income (loss) attributable to shareholders</b>	<b>\$ (1,293)</b>	<b>\$ (273)</b>	<b>\$ 3,332</b>	<b>\$ 4,378</b>

See accompanying Notes to Unaudited Consolidated Financial Statements

**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Equity (Unaudited)**

Three months ended June 30, 2025 and 2024

Stockholders' Equity											Mezzanine Equity
(Dollars in thousands)	Ambac Financial Group, Inc.										Redeemable NCI <sup>(1)</sup>
	Total	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Common Stock Held in Treasury, at Cost	Non-redeemable NCI <sup>(1)</sup>			
Balance at March 31, 2025	\$ 1,026,048	\$ —	\$ 489	\$ 333,356	\$ (133,168)	\$ 681,489	\$ (29,945)	\$ 173,827		\$ 185,417	
Net income (loss)	(71,953)	—	—	—	—	(72,699)	—	746		(1,000)	
Total other comprehensive income (loss)	78,756	—	—	—	67,155	—	—	11,601		9,973	
Stock-based compensation	2,437	—	—	2,437	—	—	—	—		—	
Cost of shares repurchased	(179)	—	—	—	—	—	(179)	—		—	
Cost of shares (acquired) issued under equity plan	—	—	—	—	—	—	—	—		—	
Changes to noncontrolling interest	(6,748)	—	—	12,146	—	(1,242)	—	(17,652)		(4,043)	
Balance at June 30, 2025	\$ 1,028,361	\$ —	\$ 489	\$ 347,939	\$ (66,013)	\$ 607,548	\$ (30,124)	\$ 168,522		\$ 190,347	
Balance at March 31, 2024	\$ 1,418,165	\$ —	\$ 467	\$ 291,298	\$ (175,466)	\$ 1,265,571	\$ (16,661)	\$ 52,956		\$ 17,079	
Net income (loss)	(750)	—	—	—	—	(750)	—	—		213	
Total other comprehensive income (loss)	476	—	—	—	476	—	—	—		—	
Stock-based compensation	2,282	—	—	2,282	—	—	—	—		—	
Changes to noncontrolling interest	(188)	—	—	—	—	(188)	—	—		187	
Acquisition of noncontrolling interest in subsidiary	(994)	—	—	1,044	—	—	—	(2,038)		—	
Balance at June 30, 2024	\$ 1,418,991	\$ —	\$ 467	\$ 294,624	\$ (174,990)	\$ 1,264,633	\$ (16,661)	\$ 50,918		\$ 17,079	

(1) NCI = Noncontrolling interest

Six months ended June 30, 2025 and 2024

Stockholders' Equity											Mezzanine Equity
Ambac Financial Group, Inc.											Redeemable NCI <sup>(1)</sup>
(Dollars in thousands)	Total	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Common Stock Held in Treasury, at Cost	Non-redeemable NCI <sup>(1)</sup>			
Balance at January 1, 2025	\$ 1,054,661	\$ —	\$ 489	\$ 331,007	\$ (188,436)	\$ 742,185	\$ (28,339)	\$ 197,755	\$ 140,860		
Net income (loss)	(116,949)	—	—	—	—	(119,090)	—	2,141	(741)		
Total other comprehensive income (loss)	134,479	—	—	—	122,423	—	—	12,056	13,770		
Stock-based compensation	4,786	—	—	4,786	—	—	—	—	—		
Cost of shares repurchased	(3,301)	—	—	—	—	—	(3,301)	—	—		
Cost of shares (acquired) issued under equity plan	(1,607)	—	—	—	—	(3,123)	1,516	—	—		
Changes to noncontrolling interest	(43,708)	—	—	12,146	—	(12,424)	—	(43,430)	36,458		
Balance at June 30, 2025	\$ 1,028,361	\$ —	\$ 489	\$ 347,939	\$ (66,013)	\$ 607,548	\$ (30,124)	\$ 168,522	\$ 190,347		
Balance at January 1, 2024	\$ 1,414,615	\$ —	\$ 467	\$ 291,761	\$ (160,046)	\$ 1,246,048	\$ (16,573)	\$ 52,958	\$ 17,079		
Net income (loss)	19,318	—	—	—	—	19,320	—	(2)	916		
Total other comprehensive income (loss)	(14,944)	—	—	—	(14,944)	—	—	—	—		
Stock-based compensation	1,820	—	—	1,820	—	—	—	—	—		
Cost of shares (acquired) issued under equity plan	(684)	—	—	—	—	(596)	(88)	—	—		
Changes to noncontrolling interest	(139)	—	—	—	—	(139)	—	—	(916)		
Acquisition of noncontrolling interest in subsidiary	(995)	—	—	1,043	—	—	—	(2,038)	—		
Balance at June 30, 2024	\$ 1,418,991	\$ —	\$ 467	\$ 294,624	\$ (174,990)	\$ 1,264,633	\$ (16,661)	\$ 50,918	\$ 17,079		

(1) NCI = Noncontrolling interest

See accompanying Notes to Unaudited Consolidated Financial Statements

**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Unaudited)**

(Dollars in thousands)	Six Months Ended June 30,	
	2025	2024
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ (117,690)	\$ 20,234
Net income (loss) from discontinued operations	(82,398)	38,322
Net income (loss) from continuing operations	(35,292)	(18,088)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Intangible amortization and depreciation	18,917	3,228
Amortization of bond premium and discount	(127)	(168)
Share-based compensation	16,932	1,820
Unearned premiums, net	1,332	5,902
Losses and loss expenses, net	(35,349)	3,399
Ceded premiums payable	37,555	52,127
Premium receivables	(32,231)	(39,109)
Corporate costs reallocated to continuing operations	5,265	7,581
Other, net	12,535	10,789
<b>Net cash provided by (used in) operating activities from continuing operations</b>	<b>(10,463)</b>	<b>27,481</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sales of bonds	—	20,639
Proceeds from matured bonds	21,816	12,320
Purchases of bonds	(22,747)	(28,489)
Purchases of other investments	(66)	(15,802)
Change in short-term investments	24,966	(8,345)
Other, net	(5,939)	(149)
<b>Net cash provided by (used in) investing activities from continuing operations</b>	<b>18,030</b>	<b>(19,826)</b>
<b>Cash flows from financing activities:</b>		
Payments for purchases of common stock held in treasury	(3,301)	—
Tax payments related to shares withheld for share-based compensation plans	(1,516)	(682)
Distributions to noncontrolling interest holders	(894)	(1,050)
Acquisitions of noncontrolling interest shares	(4,036)	—
<b>Net cash provided by (used in) financing activities from continuing operations</b>	<b>(9,747)</b>	<b>(1,732)</b>
Effect of foreign exchange on cash and cash equivalents - continuing operations	1,288	—
<b>Net cash provided by (used in) continuing operations</b>	<b>(892)</b>	<b>5,923</b>
Cash, cash equivalents, and restricted cash at beginning of period - continuing operations	47,275	19,223
<b>Cash, cash equivalents, and restricted cash at end of period - continuing operations</b>	<b>46,383</b>	<b>25,146</b>
Net cash provided by (used in) operating activities from discontinued operations	34,851	4,126
Net cash provided by (used in) investing activities from discontinued operations	57,667	(100,025)
Net cash provided by (used in) financing activities from discontinued operations	(94,854)	(87,492)
Effect of foreign exchange on cash and cash equivalents - discontinued operations	475	(65)
<b>Net cash provided by (used in) discontinued operations</b>	<b>(1,861)</b>	<b>(183,456)</b>
Cash, cash equivalents, and restricted cash at beginning of period - discontinued operations	66,077	255,183
<b>Cash, cash equivalents, and restricted cash at end of period - discontinued operations</b>	<b>64,216</b>	<b>71,727</b>

See accompanying Notes to Unaudited Consolidated Financial Statements



**AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

Note 1. Background and Business Description	<a href="#">8</a>	Note 8. Goodwill and Intangible Assets	<a href="#">24</a>
Note 2. Segment Information	<a href="#">11</a>	Note 9. Revenues From Contracts with Customers	<a href="#">24</a>
Note 3. Discontinued Operation	<a href="#">13</a>	Note 10. Comprehensive Income (Loss)	<a href="#">25</a>
Note 4. Investments	<a href="#">15</a>	Note 11. Net Income Per Share	<a href="#">26</a>
Note 5. Fair Value Measurements	<a href="#">18</a>	Note 12. Income Taxes	<a href="#">27</a>
Note 6. Insurance Contracts	<a href="#">22</a>	Note 13. Commitments and Contingencies	<a href="#">28</a>
Note 7. Derivative Instruments	<a href="#">23</a>		

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### 1. BACKGROUND AND BUSINESS DESCRIPTION

#### Business

The following description provides an update of *Note 1. Background and Business Description* and *Note 2. Basis of Presentation and Significant Accounting Policies* in the Notes to the Consolidated Financial Statements included in Part II, Item 8 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and should be read in conjunction with the complete descriptions provided in the Form 10-K. Capitalized terms used, but not defined herein, and in the other footnotes to the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q shall have the meanings ascribed thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Ambac Financial Group, Inc. ("AFG"), headquartered in New York City, is an insurance holding company incorporated in the state of Delaware on April 29, 1991. References to "Ambac," the "Company," "we," "our," and "us" are to AFG and its subsidiaries, as the context requires. Ambac's principal businesses include:

- **Insurance Distribution** — Ambac's specialty property and casualty ("P&C") insurance underwriting and distribution business, includes Managing General Agents and Underwriters (collectively "MGAs" or "MGA/Us"), an insurance broker, and other distribution and underwriting businesses. Insurance Distribution includes Beat Capital Partners Limited, which was acquired on July 31, 2024. At June 30, 2025, Ambac's insurance distribution platform operates in the following lines of business: property, niche specialty risk, accident & health, miscellaneous specialty, reinsurance, marine & energy, specialty auto, other professional and professional Directors & Officers ("D&O").
- **Specialty Property & Casualty Insurance** — Ambac's Specialty Property & Casualty Insurance program business currently includes five carriers (collectively, "Everspan"). Everspan carriers have an A.M. Best rating of 'A-' (Excellent) which was last affirmed on July 17, 2025.

The Company reports these two business operations as segments; see *Note 2. Segment Information* for further information.

#### Basis of Presentation

The Company has disclosed its significant accounting policies in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. The following significant accounting policies provide an update to those included in the Company's Annual Report on Form 10-K.

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial reporting and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the

information and disclosures required by GAAP for annual periods. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2024. The accompanying consolidated financial statements have not been audited by an independent registered public accounting firm in accordance with the standards of the Public Company Accounting Oversight Board (U.S.), but in the opinion of management such financial statements include all adjustments necessary for the fair presentation of the Company's consolidated financial position and results of operations. The results of operations for the three and six months ended June 30, 2025, may not be indicative of the results that may be expected for the year ending December 31, 2025. The December 31, 2024, consolidated balance sheet was derived from audited financial statements.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. As additional information becomes available or actual amounts become determinable, the recorded estimates are revised and reflected in operating results.

#### Consolidation

The consolidated financial statements include the accounts of AFG and all other entities in which AFG (directly or through its subsidiaries) has a controlling financial interest. All significant intercompany balances have been eliminated. The usual condition for a controlling financial interest is ownership of a majority of the voting interests of an entity.

#### Held for Sale and Discontinued Operations

The Company has separately classified the assets and liabilities of Ambac Assurance Corporation ("AAC") as held for sale as a result of AAC's pending sale and meeting specified accounting criteria. Assets and liabilities held for sale are presented separately within the Consolidated Balance Sheets with any adjustments necessary to measure the disposal group at the lower of its carrying value or fair value less costs to sell. The stockholders' equity section of the Consolidated Balance Sheet continues to be reported on an aggregate basis; equity components (including nonredeemable NCI (as defined below)) solely attributable to AAC are not presented separately.

The Company reports the results of operations of AAC as discontinued operations since the pending sale also represents a strategic shift that will have a major effect on the Company's operations and financial results. The results of discontinued operations are reported separately as Net income (loss) from discontinued operations within the Consolidated Statements of Total Comprehensive Income for the current and prior periods. AAC cash flows are reflected as Net cash provided by (used in) discontinued operations within the Consolidated Statements of Cash Flows for each period presented.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

Refer to *Sale of Ambac Assurance Corporation ("AAC")* in *Note 3. Discontinued Operation* for further information.

### Credit Agreement

On June 10, 2025, Ambac entered into an amendment (the "Amendment") to the \$150,000 credit agreement dated as of August 1, 2024 (the "Credit Agreement"). Pursuant to the Amendment, the maturity date for amounts owed with respect to the loans made under the Credit Agreement was extended from July 31, 2025, to the earlier of (a) December 31, 2025, and (b) the date that is the three-month anniversary of the termination of the Stock Purchase Agreement, dated June 4, 2024, between AFG and American Acorn Corporation. The Amendment requires repayment of \$10,000 of the principal amount of outstanding loans on October 31, 2025, in addition to any mandatory prepayment required under the Credit Agreement. Pursuant to the Amendment, a duration fee equal to 1.00% of the then outstanding loans shall be due on November 3, 2025. The Amendment also requires AFG and Cirrata Group, collectively, to maintain unrestricted cash and cash equivalent balances, determined in accordance with GAAP, of not less than \$30,000 at any time. AFG paid an extension fee in an amount equal to 1.00% of the aggregate principal amount of loans outstanding under the Credit Agreement on June 10, 2025. Borrowing under the Credit Agreement for the extended term bears interest at three-month SOFR plus 7.50%.

### Foreign Currency

The impact of non-functional currency transactions and the remeasurement of non-functional currency assets and liabilities into the respective subsidiaries' functional currency (collectively "foreign currency transactions gains/(losses)") are \$(4,821) and \$0 for the six months ended June 30, 2025, and 2024, respectively. Foreign currency transaction gains/(losses) are primarily the result of Beat's transactions in currencies (primarily the U.S. dollar) other than its functional currency (the British Pound Sterling).

### Noncontrolling Interests ("NCI")

#### Nonredeemable NCI

The total Nonredeemable NCI as of June 30, 2025 and December 31, 2024 were \$168,522 and \$197,755, respectively.

For Beat, the Nonredeemable NCI of \$117,604 and \$146,837 as of June 30, 2025 and December 31, 2024 includes the NCI share in certain operating units which are minority owned by the units' respective management teams that do not have associated put options. As of December 31, 2024, there were no put options associated with any of these minority interests and as such, the aggregate amount was classified as nonredeemable NCI on the balance sheet. During the six months ended June 30, 2025, certain NCI shares were reclassified between nonredeemable and redeemable NCI as further described under "Redeemable NCI" below. The acquisition date valuation method to determine the fair value of nonredeemable NCI was the discounted cash flow approach. The significant fair value assumptions used in the model included estimated long term revenue and expense forecasts and the discount rate. When redeemable NCI shares are no longer redeemable, such as when put options expire unused,

the NCI shares are reclassified to nonredeemable NCI with no change in carrying value.

During the three months ended June 30, 2025, Ambac paid \$2,967 to purchase certain nonredeemable shares from minority interest owners, resulting in a \$14,362 decrease to Nonredeemable noncontrolling interest. The difference between the consideration paid and carrying value of the nonredeemable NCI is recorded as an adjustment to additional paid-in capital.

At June 30, 2025, and December 31, 2024, AAC had 4,596 shares of issued and outstanding Auction Market Preferred Shares ("AMPS") with a liquidation preference of \$114,900 relative to Ambac common shareholders (reported as nonredeemable noncontrolling interest of \$50,918 on Ambac's balance sheet). See *Note 5. Discontinued Operation* in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion of the AMPS.

### Redeemable Noncontrolling Interest

The Xchange, All Trans, Capacity Marine, Riverton and Beat acquisitions resulted in a majority ownership of the acquired entities by Ambac. Under the terms of all the acquisition agreements, Ambac has call options to purchase the remaining interests from the minority owners (i.e., noncontrolling interests) and the minority owners have put options to sell their interests to Ambac. Because the exercise of the put options are outside the control of Ambac, in accordance with the Distinguishing Liabilities from Equity Topic of the ASC, Ambac reports redeemable NCI in the mezzanine section of its consolidated balance sheet. In addition, during the three months ended March 31, 2025, Ambac entered into put options with certain minority owners of the MGA/U operating entities that are majority owned by Beat. These put options are embedded in the associated NCI shares ("Option Shares"), resulting in remeasurement of the shares at fair value inclusive of the put options, and reclassification of the Option Shares from nonredeemable NCI to redeemable NCI. The change in carrying value resulting from revaluation of \$10,276 is recorded as an offset to retained earnings, with a corresponding impact on earnings per share for the six months ended June 30, 2025. During the three months ended June 30, 2025, Ambac paid \$1,068 as a result of exercise of put options on the Option Shares, acquiring redeemable NCI with a carrying value of \$1,815. The difference between the consideration paid and carrying value of the redeemable NCI is recorded as an adjustment to additional paid-in capital.

The redeemable noncontrolling interest is remeasured on an annual basis as the greater of:

- i. the carrying value under ASC 810, which attributes a portion of consolidated net income (loss) to the redeemable noncontrolling interest, and
- ii. the redemption value of the put option under ASC 480 as if it were exercisable at the end of the reporting period.

Any increase (decrease) in the carrying amount of the redeemable noncontrolling interest as a result of adjusting to the redemption value of the put option is recorded as an offset to retained earnings. The impact of such differences on earnings per share are presented in *Note 11. Net Income Per Share*.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

Following is a rollforward of redeemable noncontrolling interest.

Six Months Ended June 30,	2025	2024
Beginning balance	\$ 140,860	\$ 17,079
Net income (loss) attributable to redeemable noncontrolling interest (ASC 810)	(741)	916
Gain (loss) on foreign currency translation attributable to redeemable NCI	13,770	—
Reclassification from nonredeemable noncontrolling interest including remeasurement at fair value	42,180	—
Reclassification to nonredeemable noncontrolling interest	(5,136)	—
Put / call option exercise	(1,815)	—
Distributions	(919)	(1,047)
Adjustment to redemption value (ASC 480)	2,148	131
<b>Ending balance</b>	<b>\$ 190,347</b>	<b>\$ 17,079</b>

### Supplemental Disclosure of Cash Flow Information

	Six Months Ended June 30,	
	2025	2024
<b>Cash paid during the period for:</b>		
Income taxes	7,662	\$ 7,066
Interest on debt	12,361	—

	June 30,	
	2025	2024
<b>Reconciliation of cash, cash equivalents, and restricted cash reported within the Consolidated Balance Sheets to the Consolidated Statements of Cash Flows:</b>		
Cash and cash equivalents	\$ 22,542	\$ 14,590
Restricted cash	23,841	10,556
<b>Total cash, cash equivalents, and restricted cash shown on the Consolidated Statements of Cash Flows</b>	<b>\$ 46,383</b>	<b>\$ 25,146</b>

Restricted cash is cash that we do not have the right to use for general purposes and consists primarily of fiduciary cash held by Ambac's insurance distribution subsidiaries and Everspan state deposits.

### Reclassifications and Rounding

Reclassifications may have been made to prior years' amounts to conform to the current year's presentation. Certain amounts and tables in the consolidated financial statements and associated notes may not add due to rounding.

### Adopted Accounting Standards

There have been no new accounting standards adopted during the six months ended June 30, 2025.

### Future Application of Accounting Standards and Required Disclosures

#### Income Taxes:

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The enhancements in the ASU include the following:

- Within the rate reconciliation table, disclosure of additional categories of information about federal, state, and foreign

income taxes and providing more details about the reconciling items in some categories if the items meet a quantitative threshold.

- Annual disclosure of income taxes paid (net of refunds received) disaggregated by federal (national), state, and foreign taxes and disaggregation of the information by jurisdiction based on a quantitative threshold.
- Other disclosures include: i) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign and ii) income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign.

The ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. Ambac will adopt this ASU for the annual reporting period ending December 31, 2025. The standard is not expected to have a consequential impact on Ambac's financial statements.

### Expense Disaggregation Disclosures:

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40). The enhanced disclosures requirements include the following:

- Disclose the amounts of certain expense categories included in each relevant expense caption. Those categories applicable to Ambac include employee compensation, depreciation, and intangible asset amortization. A relevant expense caption is an expense caption presented on the face of the income statement within continuing operations that contains any of the expense categories listed above.
- Include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements.
- Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively.
- Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses.

The ASU is effective for annual periods beginning after December 15, 2026 and for interim reporting periods after December 15, 2027 with early adoption permitted. Ambac has not determined if it will early adopt this ASU and is evaluating the impact on Ambac's financial statements.

**Notes to Unaudited Consolidated Financial Statements**  
Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

**2. SEGMENT INFORMATION**

The Company reports its results of continuing operations in two segments: Specialty Property and Casualty Insurance and Insurance Distribution. These reportable segments offer distinct products and services as further described in *Note 1. Background and Business Description*. The operating entities within each segment are wholly or majority owned by separate intermediate holding companies: Everspan Holdings, LLC for Specialty Property and Casualty Insurance and Cirrata Group, LLC for Insurance Distribution. The Company's segments have separate management teams with incentive compensation structures based on segment level performance. Financial reporting for each segment is regularly provided to the Company's Chief Executive Officer, who is the chief operating decision maker ("CODM") for purposes of monitoring the businesses, assessing performance and allocating resources.

The following tables summarize the components of the Company's total revenues and expenses, and pretax income (loss) by reportable business segment. Information provided below for "Corporate and Other" primarily relates to the operations of AFG, which will include investment income on its investment portfolio and costs to maintain the operations of AFG, including public company reporting, capital management and business development costs for the acquisition and development of new business initiatives. As a result of the Company reporting the results of operations of AAC as discontinued operations, certain corporate costs charged to AAC totaling \$2,502 and \$3,636 for the three months ended June 30, 2025 and 2024 and \$5,265 and \$7,581 for the six months ended June 30, 2025 and 2024, respectively, have been reported in Net income from continuing operations on the Consolidated Statements of Total Comprehensive Income and included in Corporate and Other in the tables below.

Ambac Financial Group, Inc.	11	Second Quarter 2025 Form 10-Q
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## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Reportable Segments				Reportable Segments			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Total	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Total
<b>Revenues:</b>								
Net premiums earned	\$ 16,203			\$ 16,203	\$ 27,054			\$ 27,054
Commissions		\$ 30,322		30,322		\$ 13,221		13,221
Servicing and other fees		4,472		4,472		—		—
Program fees	3,497			3,497	3,328			3,328
Investment income	1,748	340	\$ 521	2,609	1,465	77	\$ 2,221	3,763
Other	(58)	(2,093)	5	(2,146)	(19)	8	3,682	3,671
<b>Total revenues from continuing operations <sup>(1)</sup></b>	<b>21,390</b>	<b>33,041</b>	<b>526</b>	<b>54,957</b>	<b>31,828</b>	<b>13,306</b>	<b>5,904</b>	<b>51,037</b>
<b>Less:</b>								
Losses and loss adjustment expenses	10,978			10,978	23,024			23,024
Policy acquisition costs	3,699			3,699	5,399			5,399
Commissions		7,403		7,403		7,888		7,888
Intangible amortization and depreciation		9,301	440	9,741	—	1,153	461	1,614
Interest		5,570		5,570		—		—
Compensation expense	2,605	14,455	5,722	22,782	3,090	2,290	5,697	11,077
Non Compensation expense	3,488	6,485	7,787	17,759	1,412	718	14,654	16,784
<b>Total expenses from continuing operations</b>	<b>20,770</b>	<b>43,214</b>	<b>13,949</b>	<b>77,931</b>	<b>32,925</b>	<b>12,049</b>	<b>20,812</b>	<b>65,786</b>
Segment pretax income (loss)	620	(10,173)	(13,423)	(22,974)	(1,097)	1,257	(14,908)	(14,749)
Segment income tax expense (benefit)	192	(2,181)	(183)	(2,172)	(27)	9	(12)	(30)
Segment net income (loss)	428	(7,992)	(13,240)	(20,802)	(1,070)	1,248	(14,896)	(14,719)
Segment net (income) loss attributable to noncontrolling interest	—	254		254	—	(213)		(213)
<b>Net income (loss) attributable to Ambac shareholders</b>	<b>\$ 428</b>	<b>\$ (7,738)</b>	<b>\$ (13,240)</b>	<b>(20,548)</b>	<b>\$ (1,070)</b>	<b>\$ 1,035</b>	<b>\$ (14,896)</b>	<b>(14,932)</b>
<b>Reconciliation to consolidated net income (loss) attributable to Ambac stockholders</b>								
Discontinued operations				(52,151)				14,182
Net income (loss) attributable to Ambac shareholders				<u>\$ (72,699)</u>				<u>\$ (750)</u>
<b>Reconciliation of segment assets to consolidated total assets</b>								
Total assets	\$ 847,647	\$ 975,843	\$ 62,041	\$ 1,885,531	\$ 713,421	\$ 155,223	\$ 216,113	\$ 1,084,757
Discontinued operations				6,636,855				7,099,591
Total consolidated assets				<u>\$ 8,522,386</u>				<u>\$ 8,184,348</u>
<b>EBITDA Reconciliation</b>								
Segment net income (loss)	\$ 428	\$ (7,992)	\$ (13,240)	\$ (20,802)	\$ (1,070)	\$ 1,248	\$ (14,896)	\$ (14,719)
Adjustments:								
Interest expense	—	5,570	—	5,570	—	—	—	—
Income taxes	192	(2,181)	(183)	(2,172)	(27)	9	(12)	(30)
Depreciation	—	—	440	440	—	14	461	475
Intangible amortization	—	9,301	—	9,301	—	1,139	—	1,139
<b>EBITDA</b>	<b>620</b>	<b>4,698</b>	<b>(12,983)</b>	<b>(7,663)</b>	<b>(1,097)</b>	<b>2,404</b>	<b>(14,441)</b>	<b>(13,135)</b>
Add: Impact of noncontrolling interests	—	(2,185)	—	(2,185)	—	(430)	—	(430)
<b>Ambac EBITDA</b>	<b>\$ 620</b>	<b>\$ 2,513</b>	<b>\$ (12,983)</b>	<b>\$ (9,848)</b>	<b>\$ (1,097)</b>	<b>\$ 1,974</b>	<b>\$ (14,441)</b>	<b>\$ (13,565)</b>

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

	Six Months Ended June 30, 2025				Six Months Ended June 30, 2024			
	Reportable Segments				Reportable Segments			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Total	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Total
<b>Revenues:</b>								
Net premiums earned	\$ 31,881			\$ 31,881	\$ 52,633			\$ 52,633
Commissions		\$ 67,093		67,093		\$ 30,950		30,950
Servicing and other fees		9,436		9,436		—		—
Program fees	7,149			7,149	5,895			5,895
Investment income	3,590	716	\$ 1,118	5,424	2,864	127	\$ 4,412	7,403
Other	(59)	(3,206)	(5)	(3,270)	(23)	94	3,636	3,707
<b>Total revenues from continuing operations<sup>(1)</sup></b>	<b>42,561</b>	<b>74,039</b>	<b>1,113</b>	<b>117,713</b>	<b>61,370</b>	<b>31,171</b>	<b>8,048</b>	<b>100,588</b>
<b>Less:</b>								
Losses and loss adjustment expenses	21,474			21,474	42,379			42,379
Policy acquisition costs	7,540			7,540	9,823			9,823
Commissions		17,768		17,768		17,710		17,710
Intangible amortization and depreciation		18,173	745	18,917		2,299	926	3,228
Interest		11,024		11,024		—		—
Compensation expense	6,116	27,988	11,566	45,669	4,851	4,592	12,187	21,630
Non Compensation expense	5,309	11,502	16,590	33,402	3,595	1,301	18,910	23,806
<b>Total expenses from continuing operations</b>	<b>40,439</b>	<b>86,455</b>	<b>28,901</b>	<b>155,794</b>	<b>60,649</b>	<b>25,902</b>	<b>32,025</b>	<b>118,576</b>
<b>Segment pretax income (loss)</b>	<b>2,122</b>	<b>(12,416)</b>	<b>(27,788)</b>	<b>(38,081)</b>	<b>721</b>	<b>5,269</b>	<b>(23,977)</b>	<b>(17,988)</b>
<b>Segment income tax expense (benefit)</b>	<b>270</b>	<b>(2,681)</b>	<b>(378)</b>	<b>(2,789)</b>	<b>79</b>	<b>127</b>	<b>(106)</b>	<b>100</b>
<b>Segment net income (loss)</b>	<b>1,852</b>	<b>(9,735)</b>	<b>(27,410)</b>	<b>(35,292)</b>	<b>642</b>	<b>5,142</b>	<b>(23,871)</b>	<b>(18,088)</b>
<b>Segment net (income) loss attributable to noncontrolling interest</b>	<b>—</b>	<b>(1,400)</b>	<b>(27,410)</b>	<b>(1,400)</b>	<b>2</b>	<b>(916)</b>	<b>—</b>	<b>(914)</b>
<b>Net income (loss) attributable to Ambac shareholders</b>	<b>\$ 1,852</b>	<b>\$ (11,135)</b>	<b>\$ (27,410)</b>	<b>(36,692)</b>	<b>\$ 644</b>	<b>\$ 4,226</b>	<b>\$ (23,871)</b>	<b>(19,002)</b>
<b>Reconciliation to consolidated net income (loss) attributable to Ambac stockholders</b>								
Discontinued operations				(82,398)				38,322
<b>Net income (loss) attributable to Ambac shareholders</b>				<b>\$ (119,090)</b>				<b>\$ 19,320</b>
<b>EBITDA Reconciliation</b>								
Segment net income (loss)	\$ 1,852	\$ (9,735)	\$ (27,410)	\$ (35,292)	\$ 642	\$ 5,142	\$ (23,871)	\$ (18,088)
Adjustments:								
Interest expense	—	11,024	—	11,024	—	—	—	—
Income taxes	270	(2,681)	(378)	(2,789)	79	127	(106)	100
Depreciation	—	109	744	853	—	21	926	947
Intangible amortization	—	18,064	—	18,064	—	2,278	—	2,278
<b>EBITDA</b>	<b>2,123</b>	<b>16,781</b>	<b>(27,044)</b>	<b>(8,140)</b>	<b>721</b>	<b>7,565</b>	<b>(23,047)</b>	<b>(14,762)</b>
Add: Impact of noncontrolling interests	—	(7,205)	—	(7,205)	—	(1,350)	—	(1,350)
<b>Ambac EBITDA</b>	<b>\$ 2,123</b>	<b>\$ 9,576</b>	<b>\$ (27,044)</b>	<b>\$ (15,345)</b>	<b>\$ 724</b>	<b>\$ 6,215</b>	<b>\$ (23,048)</b>	<b>\$ (16,112)</b>

(1) Inter-segment revenues and inter-segment pre-tax income (loss) amounts are insignificant and are not presented separately.

### 3. DISCONTINUED OPERATION

#### Sale of Ambac Assurance Corporation ("AAC")

On June 4, 2024, AFG entered into a stock purchase agreement (the "Purchase Agreement") with American Acorn Corporation (the "Buyer"), a Delaware corporation owned by funds managed by Oaktree Capital Management, L.P., pursuant to which and subject to the conditions set forth therein, AFG will sell all of the issued and outstanding shares of common stock of AAC, a wholly-owned subsidiary of AFG, to the Buyer for aggregate consideration of \$420,000 in cash (the "Sale"). The terms of the Sale as contemplated by the Purchase Agreement provide that, at the closing of the Sale (the "Closing"), Buyer will acquire complete ownership of the common stock of AAC and all of its

wholly owned subsidiaries, including Ambac Assurance UK Limited ("Ambac UK"). In connection with and pursuant to the Purchase Agreement, AFG has agreed to issue to Buyer a warrant exercisable for a number of shares of common stock, par value \$0.01, of AFG representing 9.9% of the fully diluted shares of AFG's common stock as of March 31, 2024, pro forma for the issuance of the warrant. The warrant will have an exercise price per share of \$18.50 with a 6.5-year term from the date of issuance and will be immediately exercisable. On July 3, 2025, the parties to the Purchase Agreement entered into a letter agreement pursuant to which, among other things, the parties entered into a new agreement with respect to the warrant and amended certain terms of the Investor Rights Agreement (as defined in the Purchase Agreement). The Buyer continues to pursue the final outstanding regulatory approval from the Wisconsin Office of the



## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

Commissioner of Insurance ("OCI"), which would be received only after a hearing, which has been scheduled for September 3, 2025, at or prior to which third parties would have an opportunity to object to the Sale. On or prior to August 4, 2025, representatives of certain holders of surplus notes issued by AAC filed motions to intervene in the proceedings. On July 28, 2025, the OCI staff published a memorandum including its recommendation that the Sale be approved. On July 3, 2025, AFG and the Buyer entered into an agreement to, among other matters, extend the term of the Purchase Agreement from July 3, 2025, to December 31, 2025 (subject to an automatic 90-day extension if regulatory approvals have not been obtained), to facilitate the timing of the hearing. The Buyer received approval for the change in control of Ambac UK from the U.K. Prudential Regulation Authority, which expires on October 24, 2025. See Note 5. *Discontinued Operation* in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further information regarding the Sale.

AFG recorded an expected loss on sale in the Statement of Comprehensive Income (Loss) for the year ended December 31, 2024 of \$(570,145), equal to the difference between the sale proceeds (net of the value of the warrants to be issued) and the carrying value of AAC's net assets held-for-sale, less expected closing costs. AFG recorded losses of \$(52,960) and \$(67,456) in the three and six months ended June 30, 2025, reflecting remeasurement of net assets held-for-sale and the change in fair value of the warrant to be issued to Buyer during the period, bringing the valuation allowance on held-for-sale assets to \$(637,601) as of June 30, 2025. The carrying value of held-for-sale assets and liabilities, and consequently the expected loss on disposal, are subject to variability through the closing date of the Sale. Changes to the carrying value of held-for-sale assets and liabilities could arise from changes in estimates of financial guarantee losses and loss adjustment expense reserves, including subrogation recoverable; changes in the valuation of invested assets and other financial instruments carried at fair value; adverse or favorable litigation outcomes; and other operating results of AAC and its subsidiaries, including consolidated variable interest entities ("VIEs"). Additionally, at closing, net

income will be impacted by the reclassification from Accumulated Other Comprehensive Income (Loss) of net unrealized gains (losses) on available-for-sale investment securities, cumulative foreign currency translation adjustments and cumulative credit risk changes of fair value option liabilities attributable to AAC and subsidiaries, which at June 30, 2025, amounted to \$(86,828).

The carrying value of held-for-sale assets and liabilities could also be impacted by payments on AAC's outstanding surplus notes. Surplus note principal and interest payments require the approval of OCI. Since the issuance of the surplus notes in 2010, OCI has declined to approve regular payments of interest on surplus notes, including AAC's request to pay full or partial interest on, and full or partial principal of, surplus notes on the scheduled payment date of June 9, 2025, although the OCI has permitted two exceptional payments in the past. As a result, the scheduled payment date for interest, and the scheduled maturity date for payment of principal of the surplus notes are extended until OCI grants approval to make the payment. Interest will accrue, compounded on each anniversary of the original scheduled payment date or scheduled maturity date, on any unpaid principal or interest through the actual date of payment, at 5.1% per annum. The interest on the outstanding surplus notes were accrued for, and AAC is accruing interest on the interest amounts following each scheduled payment date.

The components of the anticipated loss on sale, reflected in the valuation allowance on assets held-for-sale as of June 30, 2025 and December 31, 2024, are summarized below:

	June 30, 2025	December 31, 2024
Fair value of net consideration to be received	\$ 402,239	\$ 399,727
Less: estimated closing costs	7,535	7,235
	394,704	392,492
Carrying amount of net assets held-for-sale	1,032,305	962,637
Loss on disposal	\$ (637,601)	\$ (570,145)



## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

The following table summarizes the major classes of assets and liabilities held-for-sale on the Consolidated Balance Sheets after elimination of intercompany balances:

	June 30, 2025	December 31, 2024
<b>ASSETS:</b>		
Total investments	\$ 2,321,619	\$ 2,226,505
Cash and equivalents	13,023	8,322
Premiums receivable	218,780	217,096
Reinsurance recoverable on paid and unpaid losses	26,359	25,274
Deferred ceded premiums	74,180	79,074
Subrogation recoverable	110,838	113,962
Intangible assets	208,424	213,457
Other assets, net	71,572	49,396
VIE assets (including restricted cash of \$57,754 and 246,031)	4,185,223	3,904,259
Valuation allowance on assets held-for-sale	(637,601)	(570,145)
<b>Total assets held-for-sale</b>	<b>\$ 6,592,417</b>	<b>\$ 6,267,200</b>
<b>LIABILITIES:</b>		
Unearned premiums	\$ 227,968	\$ 228,177
Loss and loss adjustment reserves	600,916	577,167
Ceded premiums payable	54,712	56,404
Long-term debt and accrued interest	1,078,551	1,046,658
Other liabilities, net	105,346	105,772
VIE liabilities	4,145,531	3,873,507
<b>Total liabilities held-for-sale</b>	<b>\$ 6,213,024</b>	<b>\$ 5,887,685</b>

The following table summarizes the major line items constituting net income (loss) from discontinued operations reconciled to net income (loss) from discontinued operations presented in the Consolidated Statement of Comprehensive Income (Loss):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>REVENUES:</b>				
Net premiums earned	\$ 5,199	\$ 5,569	\$ 9,962	\$ 13,055
Net investment income	36,107	32,419	56,807	70,450
Net investment gains (losses), including impairments	(12,514)	(956)	(18,468)	(388)
Net gains (losses) on derivative contracts	(8,834)	461	(9,367)	1,994
Other revenues	8,840	15,995	16,661	21,435
<b>Total revenues</b>	<b>28,798</b>	<b>53,488</b>	<b>55,595</b>	<b>106,546</b>
<b>EXPENSES:</b>				
Loss and loss adjustment expenses (benefit)	(2,657)	(5,270)	8,078	(25,978)
Intangible amortization	5,362	7,014	11,188	18,341
General & administrative and other expenses	7,523	19,063	16,607	36,732
Interest expense	15,943	15,986	31,894	31,966
Other expenses	—	(5)	—	19
<b>Total expenses</b>	<b>26,171</b>	<b>36,788</b>	<b>67,767</b>	<b>61,080</b>
Pretax income (loss)	2,627	16,700	(12,172)	45,466
Provision (benefit) for income taxes	1,818	2,518	2,770	7,144
Loss on disposal	(52,960)	—	(67,456)	—
<b>Net income (loss) from discontinued operations</b>	<b>\$ (52,151)</b>	<b>\$ 14,182</b>	<b>\$ (82,398)</b>	<b>\$ 38,322</b>

## 4. INVESTMENTS

Ambac's invested assets are primarily comprised of (i) fixed maturity securities classified as either available-for-sale, (ii) interests in pooled investment funds which are reported within Other investments on the Consolidated Balance Sheets and (iii)

preferred equity investments which are reported within Other investments on the Consolidated Balance Sheets. Interests in pooled investment funds are limited partner interests and are reported using the equity method.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### Fixed Maturity Securities:

The amortized cost and estimated fair value of available-for-sale investments, at June 30, 2025, and December 31, 2024, were as follows:

	June 30, 2025:						December 31, 2024:					
	Amortized Cost	Allowance for Credit Losses	Gross Unrealized		Estimated Fair Value		Amortized Cost	Allowance for Credit Losses	Gross Unrealized		Estimated Fair Value	
			Gains	Losses					Gains	Losses		
<b>Fixed maturity securities:</b>												
Municipal obligations	\$ 14,540	\$ —	\$ 109	\$ 341	\$ 14,308		\$ 14,646	\$ —	\$ 7	\$ 570	\$ 14,083	
Corporate obligations	93,926	—	773	2,599	92,100		92,990	—	107	3,905	89,192	
U.S. government obligations	44,244	—	496	308	44,432		41,706	—	98	809	40,995	
Residential mortgage-backed securities	3,352	—	28	18	3,362		2,475	—	—	29	2,446	
Commercial mortgage-backed securities	1,935	—	2	17	1,920		2,127	—	8	34	2,101	
Collateralized debt obligations	2,642	—	11	1	2,652		3,131	—	13	2	3,142	
Other asset-backed securities	2,544	—	19	2	2,561		5,049	—	14	2	5,061	
	163,183	—	1,438	3,286	161,335		162,124	—	247	5,351	157,020	
<b>Short-term</b>	102,719	—	1	—	102,720		127,588	—	13	—	127,601	
<b>Total available-for-sale investments</b>	<b>\$ 265,902</b>	<b>\$ —</b>	<b>\$ 1,439</b>	<b>\$ 3,286</b>	<b>\$ 264,055</b>		<b>\$ 289,712</b>	<b>\$ —</b>	<b>\$ 260</b>	<b>\$ 5,351</b>	<b>\$ 284,621</b>	

The amortized cost and estimated fair value of available-for-sale investments, at June 30, 2025, by contractual maturity, were as follows:

	Amortized Cost	Estimated Fair Value
Due in one year or less	\$ 138,597	\$ 138,260
Due after one year through five years	53,212	52,386
Due after five years through ten years	62,642	61,934
Due after ten years	978	980
	255,429	253,560
Residential mortgage-backed securities	3,352	3,362
Commercial mortgage-backed securities	1,935	1,920
Collateralized debt obligations	2,642	2,652
Other asset-backed securities	2,544	2,561
<b>Total</b>	<b>\$ 265,902</b>	<b>\$ 264,055</b>

Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay certain obligations with or without call or prepayment penalties.

### Unrealized Losses on Fixed Maturity Securities:

The following table shows gross unrealized losses and fair values of Ambac's available-for-sale investments, which at June 30, 2025, and December 31, 2024, did not have an allowance for credit losses. This information is aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position, at June 30, 2025, and December 31, 2024:

	June 30, 2025						December 31, 2024					
	Less Than 12 Months		12 Months or More		Total		Less Than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss	Fair Value	Gross Unrealized Loss
<b>Fixed maturity securities:</b>												
Municipal obligations	\$ 1,329	\$ 31	\$ 6,042	\$ 310	\$ 7,371	\$ 341	\$ 6,042	\$ 112	\$ 6,582	\$ 458	\$ 12,624	\$ 570
Corporate obligations	9,555	59	35,650	2,540	45,205	2,599	23,784	269	46,612	3,636	70,396	3,905
U.S. government obligations	4,714	43	11,932	265	16,646	308	15,919	344	14,818	465	30,737	809
Residential mortgage-backed securities	1,805	18	—	—	1,805	18	2,446	29	—	—	2,446	29
Commercial mortgage-backed securities	754	17	—	—	754	17	738	34	—	—	738	34
Collateralized debt obligations	566	1	—	—	566	1	655	2	—	—	655	2
Other asset-backed securities	848	2	—	—	848	2	1,428	2	—	—	1,428	2
	19,571	171	53,624	3,115	73,195	3,286	51,012	792	68,012	4,559	119,024	5,351
<b>Short-term</b>	749	—	—	—	749	—	—	—	—	—	—	—
	20,320	171	53,624	3,115	73,944	3,286	51,012	792	68,012	4,559	119,024	5,351
<b>Total temporarily impaired securities</b>	<b>\$ 20,320</b>	<b>\$ 171</b>	<b>\$ 53,624</b>	<b>\$ 3,115</b>	<b>\$ 73,944</b>	<b>\$ 3,286</b>	<b>\$ 51,012</b>	<b>\$ 792</b>	<b>\$ 68,012</b>	<b>\$ 4,559</b>	<b>\$ 119,024</b>	<b>\$ 5,351</b>

Management has determined that the securities in the above table do not have credit impairment as of June 30, 2025, and December 31, 2024, based upon (i) no actual or expected principal and interest payment defaults on these securities and (ii) analysis of the creditworthiness of the issuer.

Ambac's assessment about whether a security is credit impaired reflects management's current judgment regarding facts and circumstances specific to the security and other factors. If that

judgment changes, Ambac may record a charge for credit impairment in future periods.

The declines in fair value and resultant unrealized losses across asset classes as of June 30, 2025, included in the above table resulted from the impact of increasing interest rates since the securities were purchased. Management has determined that the securities with unrealized losses are not credit impaired. Further

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

discussion of management's assessment with respect to security categories with larger unrealized loss balances is below.

### Corporate obligations

The gross unrealized losses on corporate obligations as of June 30, 2025, resulted primarily from an increase in interest rates since the securities were purchased. Unrealized losses of \$2,599 related to 120 investment grade securities with an average unrealized loss equal to 5% of amortized cost at June 30, 2025. Management believes that the full and timely receipt of all principal and interest payment on corporate obligations with unrealized losses as of June 30, 2025, is probable.

### Investment Income (Loss)

Net investment income (loss) was comprised of the following for the affected periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Fixed maturity securities	\$ 1,470	\$ 1,263	\$ 2,870	\$ 2,434
Short-term investments	1,191	2,988	2,648	5,577
Loans	35	—	69	—
Investment expense	(87)	(102)	(84)	(193)
Securities available-for-sale and short-term	2,609	4,149	5,503	7,818
Fixed maturity securities - trading	—	(386)	(79)	(415)
<b>Total net investment income (loss)</b>	<b>\$ 2,609</b>	<b>\$ 3,763</b>	<b>\$ 5,424</b>	<b>\$ 7,403</b>

Net investment income (loss) from Other investments primarily represents income from investment limited partnerships and other equity interests accounted for under the equity method.

### Net Investments Gains (Losses), including Impairments:

The following table details investment gains (losses) and impairments included in earnings within Other revenues for the affected periods:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross realized gains on securities	\$ 2	\$ 6,058	\$ 2	\$ 6,062
Gross realized losses on securities	—	(43)	(3)	(46)
Foreign exchange gains (losses)	—	—	—	—
Credit impairments	—	(1,480)	—	(1,480)
Intent / requirement to sell impairments	—	—	—	—
<b>Net investment gains (losses), including impairments</b>	<b>\$ 2</b>	<b>\$ 4,535</b>	<b>\$ (1)</b>	<b>\$ 4,536</b>

Ambac had an allowance for credit losses of \$0 and \$0 at June 30, 2025, and 2024, respectively.

Ambac did not purchase any financial assets with credit deterioration for the three and six months ended June 30, 2025 and 2024.

### Deposits with Regulators and Other Restrictions:

Securities carried at \$32,325 and \$22,861 at June 30, 2025, and December 31, 2024, respectively, were deposited by Ambac's insurance subsidiaries with governmental authorities or designated custodian banks as required by laws affecting insurance companies. Invested assets carried at \$765 and \$800 at June 30, 2025, and December 31, 2024, were deposited as security in connection with a letter of credit issued for an office lease. Invested assets include certain fiduciary funds held by Ambac's insurance distribution subsidiaries, carried at \$1,994 and \$2,845 at June 30, 2025, and December 31, 2024, respectively.

### Other Investments:

Ambac's investment portfolio includes a limited partnership interest in a private equity fund which seeks to generate long-term capital appreciation through venture investments in insurtech companies. The fair value of Ambac's investment in the fund was \$7,486 and \$7,499 as of June 30, 2025, and December 31, 2024, determined using net asset value ("NAV") as a practical expedient. Redemptions may be made quarterly with 90 days notice subject to withdrawal limitations and/or redemption fees which vary with the timing and notification of withdrawal provided by the investor. Ambac's unfunded commitments total \$1,658 on this private equity fund at June 30, 2025.

Other investments also include preferred equity investments with a carrying value of \$20,618 and \$20,618 as of June 30, 2025, and December 31, 2024, respectively, that do not have readily determinable fair values and are carried at cost, less any impairments as permitted under the Investments — Equity Securities Topic of the ASC. There were no impairments recorded on these investments in the three and six months ended June 30, 2025, and \$1,480 and \$1,480 in the three and six months ended June 30, 2024, respectively.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### 5. FAIR VALUE MEASUREMENTS

The Fair Value Measurement Topic of the ASC establishes a framework for measuring fair value and disclosures about fair value measurements.

#### Fair Value Hierarchy:

The Fair Value Measurement Topic of the ASC specifies a fair value hierarchy based on whether the inputs to valuation techniques used to measure fair value are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect Company-based assumptions. The fair value hierarchy has three broad levels as follows:

- Level 1 [Quoted prices for identical instruments in active markets. Assets and liabilities classified as Level 1 include US Treasury traded in highly liquid and transparent markets, and money market funds.
- Level 2 [Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Assets and liabilities classified as Level 2 generally include investments in fixed maturity securities and certain derivatives valued using only market observable data.
- Level 3 [Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. This hierarchy requires the use of observable market data when available. Financial instruments classified as Level 3 include certain investments in fixed maturity securities, loans and derivatives.

The Fair Value Measurement Topic of the ASC permits, as a practical expedient, the estimation of fair value of certain investments in funds using the net asset value per share of the investment or its equivalent ("NAV"). Investments in funds valued using NAV are not categorized as Level 1, 2 or 3 under the fair value hierarchy. The Investments — Equity Securities Topic of the ASC permits the measurement of certain equity securities without a readily determinable fair value at cost, less impairment, and adjusted to fair value when observable price changes in identical or similar investments from the same issuer occur (the "measurement alternative"). The fair values of investments measured under this measurement alternative are not included in the below disclosures of fair value of financial instruments.

The following table sets forth the carrying amount and fair value of Ambac's financial assets and liabilities as of June 30, 2025, and December 31, 2024, including the level within the fair value hierarchy at which fair value measurements are categorized. As required by the Fair Value Measurement Topic of the ASC, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	June 30, 2025					December 31, 2024				
	Carrying Amount	Total Fair Value	Fair Value Measurements Categorized as:			Carrying Amount	Total Fair Value	Fair Value Measurements Categorized as:		
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
<b>Financial assets:</b>										
<b>Fixed maturity securities:</b>										
Municipal obligations	\$ 14,308	\$ 14,308	\$ —	\$ 14,308	\$ —	\$ 14,083	\$ 14,083	\$ —	\$ 14,083	\$ —
Corporate obligations	92,100	92,100	—	92,100	—	89,192	89,192	—	89,192	—
U.S. government obligations	44,432	44,432	44,432	—	—	40,995	40,995	40,995	—	—
Residential mortgage-backed securities	3,362	3,362	—	3,362	—	2,446	2,446	—	2,446	—
Commercial mortgage-backed securities	1,920	1,920	—	1,920	—	2,101	2,101	—	2,101	—
Collateralized debt obligations	2,652	2,652	—	2,652	—	3,142	3,142	—	3,142	—
Other asset-backed securities	2,561	2,561	—	2,561	—	5,061	5,061	—	5,061	—
Short term investments	102,720	102,720	102,720	—	—	127,601	127,601	127,601	—	—
Other investments <sup>(1)</sup>	28,193	7,486	89	—	—	28,294	7,499	—	—	—
Cash, cash equivalents and restricted cash	47,085	47,085	47,085	—	—	47,276	47,276	47,276	—	—
Other assets-loans	3,503	3,503	—	—	3,503	3,434	3,434	—	—	3,434
<b>Other assets - Derivatives:</b>										
Warrants	—	—	—	—	—	—	—	—	—	—
FX forward contracts	790	790	—	790	—	—	—	—	—	—
<b>Total financial assets</b>	<b>\$ 343,626</b>	<b>\$ 322,919</b>	<b>\$ 194,326</b>	<b>\$ 117,693</b>	<b>\$ 3,503</b>	<b>\$ 363,625</b>	<b>\$ 342,830</b>	<b>\$ 215,872</b>	<b>\$ 116,025</b>	<b>\$ 3,434</b>
<b>Financial liabilities:</b>										
Short-term debt, including accrued interest	\$ 152,944	\$ 152,944	\$ 152,944	\$ —	\$ —	\$ 152,560	\$ 152,560	\$ —	\$ —	\$ 152,560
<b>Other liabilities - Derivatives:</b>										
FX forward contracts	—	—	—	—	—	317	317	—	317	—
<b>Total financial liabilities</b>	<b>\$ 152,944</b>	<b>\$ 152,944</b>	<b>\$ 152,944</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 152,877</b>	<b>\$ 152,877</b>	<b>\$ —</b>	<b>\$ 317</b>	<b>\$ 152,560</b>

- (1) Excluded from the fair value measurement categories in the table above are investment funds of \$7,486 and \$7,499 as of June 30, 2025, and December 31, 2024, respectively, which are measured using NAV as a practical expedient. Also excluded from the fair value amounts in the table above are equity securities with a carrying value of \$20,618 and \$20,618 as of June 30, 2025, and December 31, 2024, respectively, that do not have readily determinable fair values and have carrying amounts determined using the measurement alternative, and an equity method investment of \$89 and \$177 as of June 30, 2025, and December 31, 2024.

**Notes to Unaudited Consolidated Financial Statements**

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

**Determination of Fair Value:**

When available, Ambac uses quoted active market prices specific to the financial instrument to determine fair value, and classifies such items within Level 1. The determination of fair value for financial instruments categorized in Level 2 or 3 involves judgment due to the complexity of factors contributing to the valuation. Third-party sources from which we obtain independent market quotes also use assumptions, judgments and estimates in determining financial instrument values and different third parties may use different methodologies or provide different values for financial instruments. In addition, the use of internal valuation models may require assumptions about hypothetical or inactive markets. As a result of these factors, the actual trade value of a financial instrument in the market, or exit value of a financial instrument position by Ambac, may be significantly different from its recorded fair value.

Ambac's financial instruments carried at fair value are mainly comprised of investments in fixed maturity securities, equity interests in pooled investment funds, and derivative instruments. Valuation of financial instruments is performed by Ambac's finance group using methods approved by senior financial management with consultation from third-party portfolio managers as appropriate. Preliminary valuation results are discussed with senior financial management and third-party portfolio managers as necessary to assess consistency with market transactions and trends as applicable. Market transactions such as trades or negotiated settlements of similar positions, if any, are reviewed to validate fair value model results. However, financial instruments valued using significant unobservable inputs have very little or no observable market activity. Methods and significant inputs and assumptions used to determine fair values across portfolios are reviewed quarterly by senior financial management. Other valuation control procedures specific to particular portfolios are described further below.

**Fixed Maturity Securities:**

The fair values of fixed maturity investment securities are based primarily on market prices received independent pricing sources. Because many fixed maturity securities do not trade on a daily basis, pricing sources apply available market information through processes such as matrix pricing to calculate fair value. Such prices generally consider a variety of factors, including recent trades of the same and similar securities. In those cases, the items are classified within Level 2. For those fixed maturity investments where quotes were not available or cannot be reasonably corroborated, fair values are based on internal valuation models. Key inputs to the internal valuation models generally include maturity date, coupon and yield curves for asset-type and credit rating characteristics that closely match those characteristics of the specific investment securities being valued. Items valued using valuation models are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be significant inputs that are

readily observable. Longer (shorter) expected maturities or higher (lower) yields used in the valuation model will, in isolation, result in decreases (increases) in fair value. Generally, lower credit ratings or longer expected maturities will be accompanied by higher yields used to value a security.

Ambac performs various review and validation procedures to quoted and modeled prices for fixed maturity securities, including price variance analyses, missing and static price reviews, overall valuation analysis by portfolio managers and finance managers and reviews associated with our ongoing impairment analysis. Unusual prices identified through these procedures will be evaluated further against alternative third-party quotes (if available), internally modeled prices and/or other relevant data, and the pricing source values will be challenged as necessary. Price challenges generally result in the use of the pricing source's quote as originally provided or as revised by the source following their internal diligence process. A price challenge may result in a determination by either the pricing source or Ambac management that the pricing source cannot provide a reasonable value for a security or cannot adequately support a quote, in which case Ambac would resort to using either other quotes or internal models. Results of price challenges are reviewed by portfolio managers and finance managers.

**Other Investments:**

Other investments primarily relate to investments in pooled investment funds. The fair value of pooled investment funds is determined using dealer quotes or alternative pricing sources when such investments have readily determinable fair values. When fair value is not readily determinable, pooled investment funds are valued using NAV as a practical expedient as permitted under the Fair Value Measurement Topic of the ASC. Refer to *Note 4. Investments* for additional information about such investments in pooled funds that are reported at fair value using NAV as a practical expedient.

**Derivative Instruments:**

At June 30, 2025, and December 31, 2024 Ambac has foreign currency forward contracts and holds warrants to purchase preferred stock of a development stage company. The fair value of foreign currency forwards are determined using valuation models with observable market inputs. Fair value of the warrants are determined using a standard warrant valuation model with internally developed input assumptions.

**Short-term Debt:**

Short-term debt consists of SOFR indexed borrowing used for partial funding of the Beat acquisition and is classified as Level 3.

**Other Financial Assets:**

Included in Other assets are loans carried at amortized cost, the fair values of which are estimated based upon internal valuation models and are classified as Level 3.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### Additional Fair Value Information for Financial Assets and Liabilities Accounted for at Fair Value:

The following tables present the changes in the Level 3 fair value category for the periods presented in 2025 and 2024. Ambac classifies financial instruments in Level 3 of the fair value hierarchy when there is reliance on at least one significant unobservable input to the valuation model. In addition to these unobservable inputs, the valuation models for Level 3 financial instruments typically also rely on a number of inputs that are readily observable either directly or indirectly. Thus, the gains and losses presented below include changes in the fair value related to both observable and unobservable inputs.

#### Level 3 - Financial Assets and Liabilities Accounted for at Fair Value

	Investments	Derivatives	Total
<b>Three Months Ended June 30, 2025:</b>			
Balance, beginning of period	\$ —	\$ —	\$ —
Total gains/(losses) realized and unrealized:			
Included in earnings	—	—	—
Included in other comprehensive income	—	—	—
Purchases	—	—	—
Settlements	—	—	—
Balance, end of period	\$ —	\$ —	\$ —
The amount of total gains/(losses) included in earnings attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date	\$ —	\$ —	\$ —
The amount of total gains/(losses) included in other comprehensive income attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date	\$ —	\$ —	\$ —
<b>Three Months Ended June 30, 2024:</b>			
Balance, beginning of period	\$ 13,954	\$ 609	\$ 14,563
Total gains/(losses) realized and unrealized:			
Included in earnings	6,016	(61)	5,955
Included in other comprehensive income	91	—	91
Purchases	—	—	—
Settlements	(20,061)	—	(20,061)
Balance, end of period	\$ —	\$ 548	\$ 548
The amount of total gains/(losses) included in earnings attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date	\$ 6,016	\$ (61)	\$ 5,955
The amount of total gains/(losses) included in other comprehensive income attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date	\$ —	\$ —	\$ —

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### Level 3 - Financial Assets and Liabilities Accounted for at Fair Value

	Investments	Derivatives	Total
<b>Six Months Ended June 30, 2025:</b>			
Balance, beginning of period	\$ —	\$ —	\$ —
Total gains/(losses) realized and unrealized:			
Included in earnings	—	—	—
Included in other comprehensive income	—	—	—
Settlements	—	—	—
<b>Balance, end of period</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<i>The amount of total gains/(losses) included in earnings attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date</i>			
	\$ —	\$ —	\$ —
<i>The amount of total gains/(losses) included in other comprehensive income attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date</i>			
	\$ —	\$ —	\$ —
<b>Six Months Ended June 30, 2024:</b>			
Balance, beginning of period	\$ 13,920	\$ 656	\$ 14,576
Total gains/(losses) realized and unrealized:			
Included in earnings	6,016	(108)	5,908
Included in other comprehensive income	125	—	125
Settlements	(20,061)	—	(20,061)
<b>Balance, end of period</b>	<b>\$ —</b>	<b>\$ 548</b>	<b>\$ 548</b>
<i>The amount of total gains/(losses) included in earnings attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date</i>			
	\$ 6,016	\$ (108)	\$ 5,908
<i>The amount of total gains/(losses) included in other comprehensive income attributable to the change in unrealized gains or losses relating to assets and liabilities still held at the reporting date</i>			
	\$ —	\$ —	\$ —

Invested assets are transferred into Level 3 when internal valuation models that include significant unobservable inputs are used to estimate fair value. All such securities that have internally modeled fair values have been classified as Level 3. Derivative instruments are transferred into Level 3 when the use of unobservable inputs becomes significant to the overall valuation. There were no transfers of financial instruments into or out of Level 3 in the periods disclosed.

Gains and losses (realized and unrealized) relating to Level 3 assets and liabilities included in earnings for the affected periods are reported as follows:

	Three Months Ended June 30, 2025			Three Months Ended June 30, 2024		
	Net Investment Income	Net Gains (Losses) on Derivative Contracts	Other Income or (Expense)	Net Investment Income	Net Gains (Losses) on Derivative Contracts	Other Income or (Expense)
Total gains (losses) included in earnings for the period	\$ —	\$ —	\$ —	\$ —	\$ (61)	\$ 6,016
Changes in unrealized gains (losses) relating to financial instruments still held at the reporting date	—	—	—	—	(61)	—
	Six Months Ended June 30, 2025			Six Months Ended June 30, 2024		
	Net Investment Income	Net Gains (Losses) on Derivative Contracts	Other Income or (Expense)	Net Investment Income	Net Gains (Losses) on Derivative Contracts	Other Income or (Expense)
Total gains or losses included in earnings for the period	\$ —	\$ —	\$ —	\$ —	\$ (108)	\$ 6,016
Changes in unrealized gains or losses included in earnings relating to the assets and liabilities still held at the reporting date	—	—	—	—	(108)	—

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

### 6. INSURANCE CONTRACTS

Amounts presented in this Note relate only to Ambac's continuing operations.

#### Premiums:

The effect of reinsurance on premiums written and earned was as follows:

Three Months Ended June 30,					
2025		2024			
Written	Earned	Written	Earned		
Direct	\$ 89,849	\$ 79,600	\$ 90,714	\$ 70,637	
Assumed	6,399	6,974	20,492	17,283	
Ceded	81,041	70,371	78,917	60,866	
Net premiums	\$ 15,207	\$ 16,203	\$ 32,289	\$ 27,054	

Six Months Ended June 30,					
2025		2024			
Written	Earned	Written	Earned		
Direct	\$ 167,040	\$ 160,046	\$ 169,949	\$ 131,973	
Assumed	16,123	14,503	37,679	32,805	
Ceded	149,952	142,669	149,093	112,145	
Net premiums	\$ 33,211	\$ 31,881	\$ 58,535	\$ 52,633	

#### Premium Receivables, including credit impairments:

Premium receivables at June 30, 2025, and December 31, 2024, were \$71,875 and \$57,222, respectively. Management evaluates premium receivables for expected credit losses ("credit impairment") in accordance with the CECL standard, which is further described in Note 2. Basis of Presentation and Significant Accounting Policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Below is a rollforward of the premium receivable allowance for credit losses for the periods presented.

Six Months Ended June 30,	2025	2024
Beginning balance	\$ 142	\$ —
Current period provision	58	142
Write-offs of the allowance	—	—
Recoveries of previously written-off amounts	—	—
Ending balance	\$ 200	\$ 142

At June 30, 2025, and December 31, 2024, \$4,931 and \$5,690 of premiums were past due.

### Loss and Loss Adjustment Expense Reserves

Below is the loss and loss reserve expense roll-forward, net of subrogation recoverable and reinsurance, for the affected periods:

Six Months Ended June 30,	2025	2024
Beginning gross loss and loss expense reserves	\$ 349,062	\$ 197,089
Reinsurance recoverable	270,081	156,301
Beginning balance of net loss and loss expense reserves	78,981	40,788
Losses and loss expenses:		
Current year	21,144	39,375
Prior years	330	3,003
Total <sup>(1)</sup>	21,474	42,378
Loss and loss expenses paid (recovered):		
Current year	2,745	2,460
Prior years	19,155	10,169
Total	21,900	12,629
Ending net loss and loss expense reserves	78,555	70,537
Reinsurance recoverable <sup>(2)</sup>	305,414	215,490
Ending gross loss and loss expense reserves	\$ 383,969	\$ 286,027

- (1) Total losses and loss adjustment expense (benefit) is net of \$(89,957) and \$(96,732) for the six months ended June 30, 2025 and 2024, respectively, related to ceded reinsurance.
- (2) Represents reinsurance recoverable on future loss and loss expenses. Additionally, the Balance Sheet line "Reinsurance recoverable on paid and unpaid losses" includes reinsurance recoverables (payables) of \$71,031 and \$35,146 as of June 30, 2025, and 2024, respectively, related to previously paid loss and loss expenses

Prior accident years losses incurred development for the three and six months ended June 30, 2025, was primarily driven by excess liability claims, whereas prior accident years losses incurred development for the three and six months ended June 30, 2024, was primarily driven by increased commercial auto loss experience.

### Specialty Property & Casualty Loss Reserves

#### Claims Development

The following is a summary of loss and loss adjustment expense reserves, including certain components, for the Company's major product lines by reporting segment at June 30, 2025.

June 30, 2025	Net Loss and Loss Adjustment Expense Reserves	Reinsurance Recoverables on Unpaid Losses <sup>(1)</sup>	Loss and Loss Adjustment Reserves <sup>(1)</sup>
Commercial auto	\$ 25,255	\$ 123,361	\$ 148,616
Excess liability	10,772	63,632	74,404
General liability	10,428	41,653	52,081
Workers compensation	16,604	—	16,604
Non-standard personal auto	6,656	395	7,051
Professional Liability	2,020	25,833	27,853
Surety	—	12,250	12,250
Unallocated loss adjustment expense reserves	5,898	8,168	14,066
Other	\$ 922	\$ 30,122	\$ 31,044
Total	\$ 78,556	\$ 305,414	\$ 383,969



## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

- (1) Other includes \$27,629 related to legacy liabilities obtained from the acquisitions of Providence Washington Insurance Company, Greenwood Insurance Company, and Consolidated Specialty Insurance Company. All legacy liabilities remain obligations of affiliates of the sellers through reinsurance and contractual indemnities.

### Reinsurance Recoverables, Including Credit Impairments:

Everspan's reinsurance assets, including deferred ceded premiums and reinsurance recoverables on losses amounted to \$532,027 at June 30, 2025. Credit exposure existed at June 30, 2025, with respect to reinsurance recoverables to the extent that any reinsurer may not be able to reimburse Everspan under the terms of these reinsurance arrangements. At June 30, 2025, there were ceded reinsurance balances payable of \$90,557 offsetting this credit exposure. Contractually ceded reinsurance payables can only be offset against amounts owed from the same reinsurer in the event that such reinsurer is unable to meet its obligations to reimburse Everspan.

To minimize its credit exposure to losses from reinsurer insolvencies, Everspan (i) is entitled to receive collateral from its reinsurance counterparties in certain reinsurance contracts and (ii) has certain cancellation rights that can be exercised by Everspan in the event of rating agency downgrades of a reinsurer (among other events and circumstances). Everspan held letters of credit and collateral amounting to \$67,265 from its reinsurers at June 30, 2025. We believe that Everspan's reinsurance counterparties, that do not currently post collateral, are well capitalized, highly rated, authorized capacity providers. Additionally, while legacy liabilities from the Providence Washington Insurance Company acquisition and the admitted carriers previously acquired by Everspan (Greenwood Insurance Company and Consolidated Specialty Insurance Company), were fully ceded to certain reinsurers, Everspan also benefits from an unlimited, uncapped indemnity from Enstar Holdings (US) and 21st Century Premier Insurance Company, respectively, to mitigate any residual risk to these reinsurers.

At June 30, 2025, our top five reinsurers represented 62.1% of our total reinsurance recoverables on paid and unpaid losses. These reinsurance recoverables were primarily from reinsurers with applicable ratings of A or better. The following table sets forth our five most significant reinsurers by amount of reinsurance recoverable as of June 30, 2025.

Reinsurers	Rating (1)	Reinsurance Recoverable	Unsecured Recoverable
General Reinsurance Company	A++	\$ 142,768	\$ 120,301
Munich Reinsurance Company	A+	33,681	6,741
QBE Insurance Corporation	A	24,146	24,146
Swiss Reinsurance America Corporation	A+	17,241	15,780
Guaranty Captive Insurance Company	NR	15,929	—
All other reinsurers		142,780	78,728
<b>Total recoverables</b>		<b>\$ 376,545</b>	<b>\$ 245,696</b>

- (1) Represents financial strength ratings from AM Best for P&C reinsurers.  
(2) Represents reinsurance recoverables on paid and unpaid losses. Unsecured amounts from QBE Insurance Corporation are also supported by an unlimited, uncapped indemnity from Enstar Holdings (US).  
(3) Reinsurance recoverables reduced by ceded premiums payables due to reinsurers, letters of credit, and collateral posted for the benefit of Ambac.

Everspan has uncollateralized credit exposure of \$245,696 and \$232,310 and has recorded an allowance for credit losses of less than a million at June 30, 2025, and December 31, 2024. The uncollateralized credit exposure includes legacy liabilities obtained from the acquisitions of PWIC and the 21st Century Companies of \$27,629 and \$35,146 at June 30, 2025, and December 31, 2024, respectively. All legacy liabilities, which are fully ceded to reinsurers, also benefit from an unlimited, uncapped indemnity from the respective sellers to mitigate the Company from any residual risk from these reinsurers.

## 7. DERIVATIVE INSTRUMENTS

The following tables summarize the gross fair values of individual derivative instruments and the impact of legal rights of offset as reported in the Consolidated Balance Sheets as of June 30, 2025, and December 31, 2024:

June 30, 2025						December 31, 2024					
	Gross Amounts of Recognized Assets / Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets / Liabilities Presented in the Consolidated Balance Sheet	Gross Amount of Collateral Received / Pledged Not Offset in the Consolidated Balance Sheet	Net Amount		Gross Amounts of Recognized Assets / Liabilities	Gross Amounts Offset in the Consolidated Balance Sheet	Net Amounts of Assets / Liabilities Presented in the Consolidated Balance Sheet	Gross Amount of Collateral Received / Pledged Not Offset in the Consolidated Balance Sheet	Net Amount
<b>Other assets:</b>											
FX forwards	790	—	790	—	790		—	—	—	—	—
<b>Total derivative assets</b>	<b>\$ 790</b>	<b>\$ —</b>	<b>\$ 790</b>	<b>\$ —</b>	<b>\$ 790</b>		<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Other liabilities:</b>											
FX forwards	—	—	—	—	—		317	—	317	—	317
<b>Total derivative liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>		<b>\$ 317</b>	<b>\$ —</b>	<b>\$ 317</b>	<b>\$ —</b>	<b>\$ 317</b>

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

The following tables summarize the location and amount of gains and losses of derivative contracts in the Unaudited Consolidated Statements of Total Comprehensive Income (Loss) for the three and six months ended June 30, 2025, and 2024:

	Location of Gain (Loss) Recognized in Consolidated Statements of Total Comprehensive Income (Loss)	Amount of Gain (Loss) Recognized in Consolidated Statement of Total Comprehensive Income (Loss)			
		Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
<b>Derivatives:</b>					
Warrants	Net gains (losses) on derivative contracts	—	(60)	—	(108)
FX forwards	Net gains (losses) on derivative contracts	680	(377)	1,107	(377)
<b>Total derivatives</b>		<b>\$ 680</b>	<b>\$ (437)</b>	<b>1,107</b>	<b>(485)</b>

Ambac holds warrants to purchase equity shares of a development stage company and US dollar/British pound sterling foreign exchange (FX) forward contracts.

Beat utilizes foreign exchange forward contracts to partially hedge its foreign currency exposure. Beat's functional currency is the British Pound, but a significant portion of its revenues are generated in currencies other than the British Pound, particularly the US Dollar. Beat, therefore, typically enters into forward contracts to partially hedge its exposure to fluctuations in exchange rates relative to the British Pound. In connection with our acquisition of Beat and the growth profile of its business, we will be re-evaluating our exposure to foreign currency exchange rates and related hedging strategy.

Information about FX forward contracts as of June 30, 2025 and December 31, 2024, is summarized below:

Derivative Type	Weighted Average Remaining Term (years)	Face Amount (Buy)	Face Amount (Sell)	Fair Value Asset (Liability)
<b>June 30, 2025</b>				
FX Forwards-Buy GBP/Sell USD	0.39	7,853	10,000	775
FX Forwards-Buy GBP/Sell CAD	0.57	1,969	3,600	15
<b>December 31, 2024</b>				
FX Forwards-Buy GBP/Sell USD	0.61	15,720	20,000	(317)
FX Forwards-Buy GBP/Sell CAD	0.00	—	—	—

## 8. GOODWILL AND INTANGIBLE ASSETS

The following table presents the Company's goodwill asset.

	June 30, 2025	December 31, 2024
Beginning balance	\$ 418,234	\$ 69,694
Business acquisitions	—	357,316
Foreign exchange	33,574	(8,776)
Impairments	—	—
<b>Ending balance</b>	<b>\$ 451,808</b>	<b>\$ 418,234</b>

Intangible assets and accumulated amortization are included in the Consolidated Balance Sheets, as shown below.

	Gross Carrying Amount	Accumulated Amortization	Net
<b>June 30, 2025</b>			
<b>Finite-lived Intangible Assets:</b>			
Customer relationships	\$ 376,412	\$ 43,493	\$ 332,919
Non-compete agreements	1,350	1,215	135
Trade name	11,495	1,858	9,637
<b>Total finite lived intangible assets</b>	<b>389,257</b>	<b>46,566</b>	<b>342,691</b>
<b>Indefinite lived intangible assets:</b>			
Licenses	11,213	—	11,213
<b>Total intangible assets</b>	<b>400,470</b>	<b>46,566</b>	<b>353,904</b>

### December 31, 2024

<b>Finite-lived Intangible Assets:</b>			
Customer relationships	\$ 348,350	\$ 24,630	\$ 323,720
Non-compete agreements	1,350	1,080	270
Trade name	10,767	1,195	9,572
<b>Total finite lived intangible assets</b>	<b>360,467</b>	<b>26,905</b>	<b>333,562</b>
<b>Indefinite lived intangible assets:</b>			
Licenses	11,213	—	11,213
<b>Total intangible assets</b>	<b>371,680</b>	<b>26,905</b>	<b>344,775</b>

## 9. REVENUES FROM CONTRACTS WITH CUSTOMERS

As further described in the Revenue Recognition section of *Note 2. Basis of Presentation and Significant Accounting Policies* in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, the Insurance Distribution businesses have contracts that are subject to the Revenue from Contracts with Customers Topic of the ASC ("ASC 606").

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

The following table presents Insurance Distribution commission income recognized disaggregated by policy type for the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Accident & Health	\$ 5,118	\$ 7,150	\$ 13,269	\$ 17,505
Specialty Auto	2,618	3,164	7,735	6,971
Other Professional	3,657	2,023	6,885	4,266
Marine & Energy	1,622	665	3,470	1,798
Niche Specialty Risks	3,533	—	7,561	—
Property	8,129	—	13,306	—
Reinsurance	3,821	130	7,936	243
Environmental	1,238	—	2,798	—
Professional D&O	1,403	—	2,929	—
Misc. Specialty	(817)	89	1,204	167
<b>Total</b>	<b>\$ 30,322</b>	<b>\$ 13,221</b>	<b>\$ 67,093</b>	<b>\$ 30,950</b>

For the three and six months ended June 30, 2025 and 2024, revenue of \$4,472 and \$—, \$9,436 and \$— respectively, was recognized in accordance with ASC 606 and reported in Servicing and other fees on the Consolidated Statement of Comprehensive Income (Loss).

During the six months ended June 30, 2025 and 2024, the amount of revenue recognized related to performance obligations satisfied in a previous period, inclusive of changes due to estimates was approximately \$2,557 and \$4,724, respectively.

## 10. COMPREHENSIVE INCOME (LOSS)

The following tables detail the changes in the balances of each component of accumulated other comprehensive income for the affected periods:

	Three Months Ended June 30, 2025:						Three Months Ended June 30, 2024:					
	Unrealized Gains (Losses) on Available for Sale Securities <sup>(1)</sup>	Amortization of Postretirement Benefit <sup>(1)</sup>	Gain (Loss) on Foreign Currency Translation <sup>(1)</sup>	Credit Risk Changes of Fair Value Option Liabilities <sup>(1)(2)</sup>	Total		Unrealized Gains (Losses) on Available for Sale Securities <sup>(1)</sup>	Amortization of Postretirement Benefit <sup>(1)</sup>	Gain (Loss) on Foreign Currency Translation <sup>(1)</sup>	Credit Risk Changes of Fair Value Option Liabilities <sup>(1)(2)</sup>	Total	
Beginning Balance	\$ (2,530)	\$ —	\$ (129,971)	\$ (667)	\$ (133,168)		\$ (27,214)	\$ 4,559	\$ (151,806)	\$ (1,006)	\$ (175,467)	
Other comprehensive income (loss) before reclassifications	(13,845)	—	71,657	—	57,812		7,795	—	1,269	—	9,064	
Amounts reclassified from accumulated other comprehensive income (loss)	9,199	—	—	144	9,343		(3,925)	(4,559)	—	(103)	(8,587)	
Net current period other comprehensive income (loss)	(4,646)	—	71,657	144	67,155		3,870	(4,559)	1,269	(103)	477	
<b>Ending Balance</b>	<b>\$ (7,176)</b>	<b>\$ —</b>	<b>\$ (58,314)</b>	<b>\$ (523)</b>	<b>\$ (66,013)</b>		<b>\$ (23,344)</b>	<b>\$ —</b>	<b>\$ (150,537)</b>	<b>\$ (1,109)</b>	<b>\$ (174,990)</b>	

	Six Months Ended June 30, 2025						Six Months Ended June 30, 2024					
	Unrealized Gains (Losses) on Available for Sale Securities <sup>(1)</sup>	Amortization of Postretirement Benefit <sup>(1)</sup>	Gain (Loss) on Foreign Currency Translation <sup>(1)</sup>	Credit Risk Changes of Fair Value Option Liabilities <sup>(1)(2)</sup>	Total		Unrealized Gains (Losses) on Available for Sale Securities <sup>(1)</sup>	Amortization of Postretirement Benefit <sup>(1)</sup>	Gain (Loss) on Foreign Currency Translation <sup>(1)</sup>	Credit Risk Changes of Fair Value Option Liabilities <sup>(1)(2)</sup>	Total	
Beginning Balance	\$ (21,136)	\$ —	\$ (166,191)	\$ (1,109)	\$ (188,436)		\$ (20,197)	\$ 4,939	\$ (144,035)	\$ (753)	\$ (160,046)	
Other comprehensive income before reclassifications	303	—	107,877	—	108,180		1,361	(67)	(6,502)	—	(5,208)	
Amounts reclassified from accumulated other comprehensive income	13,657	—	—	586	14,243		(4,508)	(4,872)	—	(356)	(9,736)	
Net current period other comprehensive income	13,960	—	107,877	586	122,423		(3,147)	(4,939)	(6,502)	(356)	(14,944)	
<b>Ending Balance</b>	<b>\$ (7,176)</b>	<b>\$ —</b>	<b>\$ (58,314)</b>	<b>\$ (523)</b>	<b>\$ (66,013)</b>		<b>\$ (23,344)</b>	<b>\$ —</b>	<b>\$ (150,537)</b>	<b>\$ (1,109)</b>	<b>\$ (174,990)</b>	

## Contract Assets and Liabilities

The balances of contract assets and contract liabilities with customers were as follows:

	June 30, 2025	December 31, 2024
Contract assets	\$ 22,813	\$ 15,967
Contract liabilities	1,979	2,705

Contract assets and Contract liabilities is reported in Other Assets and Other Liabilities on the Balance Sheet

## Insurance Distribution

Contract assets represent estimated future consideration related to base commissions and profit-sharing commissions that were recognized as revenue upon the placement of the policy, but are not yet due. The Company does not have the right to bill or collect payment on i) base commissions until the related premiums from policyholders has been collected nor ii) profit-sharing commissions until after the contract year is completed.

Contract liabilities represent advance consideration received from customers related to employer stop loss base commissions that will be recognized over time as claims servicing is performed, which typically occurs between 17 and 20 months from contract inception. During the six months ended June 30, 2025 and 2024, the Company recognized revenue that was included in the contract liability balance as of the beginning of the period of \$473 and \$479, respectively.

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

- (1) All amounts are net of tax and NCI. Amounts in parentheses indicate reductions to Accumulated Other Comprehensive Income.  
(2) Represents the changes in fair value attributable to instrument-specific credit risk of liabilities for which the fair value option is elected.

The following table details the significant amounts reclassified from each component of accumulated other comprehensive income, shown in the above rollforward tables, for the affected periods:

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income						Affected Line Item in the Consolidated Statement of Total Comprehensive Income (Loss)		
	Three Months Ended June 30,		Six Months Ended June 30,						
	2025	2024	2025	2024					
Unrealized Gains (Losses) on Available-for-Sale Securities <sup>(1)</sup>									
	\$	12,513	\$	(3,580)	\$	18,470	\$	(4,148)	Net realized investment gains (losses)
		(3,314)		(345)		(4,813)		(360)	Provision for income taxes
	\$	9,199	\$	(3,925)	\$	13,657	\$	(4,508)	Net of tax and noncontrolling interest
Amortization of Postretirement Benefit									
Prior service cost	\$	—	\$	—	\$	—	\$	(210)	Other income
Actuarial (losses)		—		—		—		(103)	Other income
Curtailment gain		—		(4,559)		—		(4,559)	Other income
		—		(4,559)		—		(4,872)	Total before tax
		—		—		—		—	Provision for income taxes
	\$	—	\$	(4,559)	\$	—	\$	(4,872)	Net of tax and noncontrolling interest
Credit Risk Changes of Fair Value Option Liabilities									
	\$	192	\$	(69)	\$	781	\$	(406)	Credit risk changes of fair value option liabilities
		(48)		(34)		(195)		50	Provision for income taxes
	\$	144	\$	(103)	\$	586	\$	(356)	Net of tax and noncontrolling interest
Total reclassifications for the period	\$	9,343	\$	(8,587)	\$	14,243	\$	(9,736)	Net of tax and noncontrolling interest

- (1) Net unrealized investment gains (losses) on available for sale securities are included in Ambac's Consolidated Statements of Comprehensive Income (Loss) as a component of Accumulated Other Comprehensive Income (Loss). Changes in these amounts include reclassification adjustments to exclude from "Other Comprehensive Income (Loss)" those items that are included as part or "Net income for a period that has been par of "Other comprehensive income \*loss) in earlier periods.

## 11. NET INCOME PER SHARE

As of June 30, 2025, 46,400,021 shares of AFG's common stock (par value \$0.01) were issued and outstanding. Common shares outstanding decreased by 106,952 during the six months ended June 30, 2025, primarily due to share repurchases partially offset by shares issued in connection with employee stock compensation.

### Share Repurchases

On November 12, 2024, Ambac's Board of Directors authorized a share repurchase program, under which Ambac may opportunistically repurchase up to \$50,000 of the Company's common shares at management's discretion over the period ending on December 31, 2026.

The following table shows shares repurchased by year.

(\$ in thousands, except per share)	Year Ended December 31,			YTD 2025
	2022	2023	2024	
Shares repurchased	1,605,316	325,068	937,141	292,191
Total cost	\$ 14,217	\$ 4,510	\$ 11,698	\$ 3,301
Average purchase price per share	\$ 8.86	\$ 13.88	\$ 12.48	\$ 11.29
Unused authorization amount				\$ 35,001

### Earnings Per Share Calculation

The numerator of the basic and diluted earnings per share computation represents net income (loss) attributable to common stockholders adjusted by the retained earnings impacts of the noncontrolling adjustment to redemption value under ASC 480, or amendments resulting in revaluation to fair value and reclassification of NCI shares to redeemable NCI. Adjustments to the carrying value of redeemable noncontrolling interest are further described in the Redeemable NCI section of *Note 1. Background and Business Description*.

The following table provides a reconciliation of net income attributable to common stockholders to the numerator in the basic and diluted earnings per share calculation, together with the resulting earnings per share amounts:

## Notes to Unaudited Consolidated Financial Statements

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Net income (loss) attributable to common stockholders</b>	<b>\$ (72,699)</b>	<b>\$ (750)</b>	<b>\$ (119,090)</b>	<b>19,320</b>
Adjustment of NCI to fair value	—	—	(10,276)	—
Adjustment to redemption value (ASC 480)	(1,241)	(184)	(2,148)	(131)
<b>Numerator of basic and diluted EPS</b>	<b>\$ (73,940)</b>	<b>\$ (934)</b>	<b>\$ (131,514)</b>	<b>19,189</b>
<b>Per Share:</b>				
Basic	\$ (1.54)	\$ (0.02)	\$ (2.75)	\$ 0.42
Diluted	\$ (1.54)	\$ (0.02)	\$ (2.75)	\$ 0.42

The denominator of the basic earnings per share computation represents the weighted average common shares outstanding plus vested performance and restricted stock units (together, "Basic Weighted Average Shares Outstanding"). The denominator of diluted earnings per share adjusts the Basic Weighted Average Shares Outstanding for all potential dilutive common shares outstanding during the period. All potential dilutive common shares outstanding consider common stock deliverable pursuant to warrants, unvested restricted stock units and performance stock units granted under existing compensation plans. Additionally, as further described in the Redeemable NCI section of Note 1, the acquisition agreements and other agreements related to certain majority-owned subsidiaries include call and put options that, if exercised, would result in Ambac purchasing all or a portion of the remaining interests from the minority owners. Under the terms of certain of those agreements, Ambac may elect to settle a portion of its purchase with Ambac shares, which have also been considered in potential dilutive common shares outstanding.

The following table provides a reconciliation of the weighted average shares denominator used for basic net income per share to the denominator used for diluted net income per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Basic weighted average shares outstanding denominator</b>	<b>48,116,503</b>	<b>46,209,250</b>	<b>47,738,050</b>	<b>46,019,145</b>
Effect of potential dilutive shares :				
Restricted stock units	—	—	—	—
Performance stock units <sup>(1)</sup>	—	—	—	—
<b>Diluted weighted average shares outstanding denominator</b>	<b>48,116,503</b>	<b>46,209,250</b>	<b>47,738,050</b>	<b>46,019,145</b>
<b>Anti-dilutive shares excluded from the above reconciliation:</b>				
Restricted stock units	359,550	471,541	210,483	44,362
Performance stock units <sup>(1)</sup>	109,914	464,272	—	—

- (1) Performance stock units are reflected based on the performance metrics through the balance sheet date. Vesting of these units is contingent upon meeting certain performance metrics. Although a portion of these performance metrics have been achieved as of the

respective period end, it is possible that awards may no longer meet the metric at the end of the performance period.

## 12. INCOME TAXES

AFG files a consolidated U.S. Federal income tax return with its 80% or more owned domestic subsidiaries ("Consolidated Tax Subsidiaries"). Beat's US subsidiaries file separate U.S. Federal income tax returns as they are not 80% owned by AFG for tax purposes. AFG and its Consolidated Tax Subsidiaries also file separate or combined income tax returns in various states, local and foreign jurisdictions. The following are the major jurisdictions in which Ambac and its subsidiaries, including its foreign subsidiaries, operate and the earliest tax years subject to examination:

Jurisdiction	Tax Year
United States	2010
New York State	2015
New York City	2018
United Kingdom	2021

In accordance with the Income Tax Topic of the ASC, a valuation allowance is recognized if, based on the weight of available evidence, it is more-likely-than-not that some, or all, of the deferred tax asset will not be realized. As a result of the risks and uncertainties associated with future operating results, management believes it is more likely than not that the Company will not generate sufficient U.S. federal, state and/or local taxable income to recover its deferred tax operating assets and therefore maintains a full valuation allowance.

### Consolidated Pretax Income (Loss)

U.S. and foreign components of pre-tax income (loss) were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
U.S.	\$ (14,424)	\$ (14,749)	\$ (25,577)	\$ (17,988)
Foreign	(8,550)	—	(12,504)	—
<b>Total</b>	<b>\$ (22,974)</b>	<b>\$ (14,749)</b>	<b>\$ (38,081)</b>	<b>\$ (17,988)</b>

### Provision (Benefit) for Income Taxes

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2024	2023
<b>Current taxes</b>				
U.S. state and local	\$ —	\$ —	—	100
Foreign	1,622	—	2,776	—
Total Current taxes	1,622	—	2,776	100
<b>Deferred taxes</b>				
U.S.federal	(1,111)	(30)	(2,153)	—
Foreign	(2,683)	—	(3,412)	—
Total Deferred taxes	(3,794)	(30)	(5,565)	—
<b>Provision (benefit) for income taxes</b>	<b>\$ (2,172)</b>	<b>\$ (30)</b>	<b>\$ (2,789)</b>	<b>\$ 100</b>

**Notes to Unaudited Consolidated Financial Statements**

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

As of June 30, 2025, the Company has approximately (i) \$1,676,924 of federal net operating loss carryforwards, which if not utilized will begin expiring in 2030. Of this amount, \$155,636 will carryforward indefinitely.

On July 4, 2025, President Trump signed into law a reconciliation bill, known informally as the One Big Beautiful Bill Act ("OBGBA" or "the Act"), which contains a number of business tax provisions, including favorable treatment for capital investment and research expenditures, expansion of the limitations on deductibility of executive compensation and modifications to U.S. taxation of foreign derived income.

The Company does not expect this legislation to have a significant impact on the Company's current operations or financial condition. As required by ASC 740, any effects of this legislation will be reflected in the Company's financial statements during the period of enactment, which will be the nine months ending September 30, 2025.

**13. COMMITMENTS AND CONTINGENCIES**

The Company periodically receives various regulatory inquiries and requests for information with respect to investigations and inquiries that such regulators are conducting. The Company has complied with all such inquiries and requests for information.

The Company is involved from time to time in various routine legal proceedings, including proceedings related to litigation with present or former employees. Although such litigation is routine and incidental to the conduct of its business, such litigation can potentially result in large monetary awards when a civil jury is allowed to determine compensatory and/or punitive damages.

Everspan may be subject to disputes with policyholders or other third parties regarding the scope and extent of coverage offered under Everspan's policies, including disputes relating to Everspan's course of conduct in the handling of claims and settling or failing to settle claims (which can lead to bad faith and other forms of extra-contractual liability); be required to defend claimants in suits against its policyholders for covered liability claims; or enter into commercial disputes with its reinsurers, MGA/Us or third party claims administrators regarding their respective contractual obligations and rights. Under some circumstances, the results of such disputes or suits may lead to liabilities beyond those which are anticipated or reserved, including liabilities in excess of applicable policy limits.

In the ordinary course of their businesses, certain of Ambac's subsidiaries assert claims in legal proceedings against third parties to recover losses already paid and/or mitigate future losses. The amounts recovered and/or losses avoided which may result from these proceedings is uncertain, although recoveries and/or losses avoided in any one or more of these proceedings during any quarter or fiscal year could be material to Ambac's results of operations in that quarter or fiscal year.

From time to time, Ambac is subject to allegations concerning its corporate governance, including the manner in which it exercises control and oversight of its subsidiaries, that may lead to litigation, including derivative litigation. While the monetary impacts of addressing such allegations outside of litigation may

not be material, these charges may distract management and the Board of Directors from their principal focus on Ambac's business, strategy and objectives.

It is not reasonably possible to predict whether suits in addition to those described below will be filed or whether additional inquiries or requests for information will be made, and it is also not possible to predict the outcome of litigation, inquiries or requests for information. It is possible that there could be unfavorable outcomes in these or other proceedings. Legal accruals for litigation against the Company with losses that are probable and reasonably estimable are not material to the operating results or financial position of the Company. For the litigation matters the Company is defending that do not meet the "probable and reasonably estimable" accrual threshold and where no loss estimates have been provided below, management is unable to make a meaningful estimate of the amount or range of loss that could result from unfavorable outcomes. Under some circumstances, adverse results in any such proceedings could be material to our business, operations, financial position, profitability or cash flows. The Company believes that it has substantial defenses to the claims described below and, to the extent that these actions proceed, the Company intends to defend itself vigorously; however, the Company is not able to predict the outcomes of these actions.

**Current Litigation**

Dwight Jereczek and Stanley Elliott, individually and on behalf of all others similarly situated v. MBIA Inc., Ambac Financial Group, Inc., Ambac Assurance Corporation, MBIA Insurance Corporation, and National Public Finance Guarantee Corporation (United States District Court for the District of Connecticut, filed on February 12, 2025) (the "COFINA Case"). This putative class action complaint is brought by alleged former holders of bonds issued by the Puerto Rico Sales Tax Financing Corporation ("COFINA") allegedly insured by defendants under financial guaranty insurance policies. On behalf of themselves and all persons and entities that owned such bonds between October 19, 2018, and February 12, 2019, plaintiffs allege that, in connection with the restructuring of COFINA under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act, defendants orchestrated a scheme to improperly use their role in the Title III process to alter contracts with insured COFINA bondholders, resulting in such bondholders receiving less than what they contracted for under the financial guaranty insurance policies. Plaintiffs assert claims for breach of contract, unjust enrichment, and bad faith refusal to pay first-party benefits under an insurance contract. Plaintiffs seek an unspecified amount of damages with interest thereon, disgorgement of profits, a declaratory judgment of plaintiffs' rights and defendants' responsibilities, and a permanent injunction against violations of law. Plaintiffs filed an amended complaint on May 6, 2025. The amended complaint includes an additional claim against Ambac for breach of the implied covenant of good faith and fair dealing, and seeks punitive damages from all defendants. On May 8, 2025, the summons and amended complaint were served on Ambac. On May 29, 2025, Ambac filed a motion to dismiss the amended complaint or, in the alternative, to transfer venue to the Title III court. MBIA Inc., MBIA Insurance Corporation, and National Public Finance Guarantee Corporation (together, "National") filed



**Notes to Unaudited Consolidated Financial Statements**

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

a joinder to Ambac's request for transfer on the same day, and subsequently filed their own motion to dismiss on June 18, 2025. Plaintiffs filed their opposition to Ambac's motion to dismiss or transfer on July 5, 2025. The deadline to file a reply in support of Ambac's motion is August 8, 2025. Plaintiffs filed their opposition to National's motion to dismiss on July 25, 2025; the deadline to file a reply in support of National's motion is August 14, 2025.

CQS (UK) LLP, CQS (US), LLC, Deutsche Bank Securities Inc., FFI Fund Ltd., FYI Fund Ltd., Intermarket Corporation, Deltroit Asset Management (UK) LLP, Mudrick Stressed Credit Master Fund, L.P., Olifant Fund, Ltd., Shenkman Tactical Credit Master Fund LP, Shenkman Opportunistic Credit Master Fund LP, Four Points Multi-Strategy Master Fund, Inc., Shenkman Multi-Asset Credit Select Master Fund LP, and Three Court Master, LP v. Ambac Assurance Corporation and Ambac Financial Group, Inc. (Supreme Court of the State of New York, County of New York, Index No. 651400/2025, filed March 12, 2025) (the "Surplus Note Case"). Plaintiffs, purported owners of surplus notes issued by AAC, filed a complaint alleging that AAC and AFG breached the Settlement Agreement because AAC co-invested in Cirrata V LLC, the acquisition vehicle for Beat, without approval of the OCI. Plaintiffs sought damages in an unspecified amount allegedly sustained as a result of AAC's and AFG's breaches of the Settlement Agreement. On April 7, 2025, defendants filed a motion to dismiss the claims with prejudice. In response to defendants' motion, the plaintiffs sought leave from the court to amend their complaint, and the amended complaint was filed on April 23, 2025. On May 7, 2025, defendants again filed a motion to dismiss the claims with prejudice, which was fully briefed on May 30, 2025. After oral argument on June 5, 2025, the court ruled from the bench in favor of AAC and AFG, dismissing plaintiffs' amended complaint in its entirety and with prejudice. Plaintiffs' deadline to file notice of an appeal was July 18, 2025, and no such notice was filed.

Monterey Bay Military Housing, LLC, et al. v. Ambac Assurance Corporation, et al. (United States District Court, Southern District of New York, Case No. 1:19-cv-09193-PGG, transferred on October 4, 2019 from the United States District Court, Northern District of California, San Jose Division, Case No. 17-cv-04992-BLF, filed August 28, 2017). Plaintiffs, the corporate developers of various military housing projects, filed an amended complaint on October 27, 2017 against AAC, a former employee of AAC, and certain unaffiliated persons and entities, asserting claims for (i) violation of 18 U.S.C §§ 1962(c) and 1962(d) (civil Racketeer Influenced and Corrupt Organizations Act ("RICO") and conspiracy to commit civil RICO), (ii) breach of fiduciary duty, (iii) aiding and abetting breach of fiduciary duty, (iv) fraudulent misrepresentation, (v) fraudulent concealment and (vi) conspiracy to commit fraud. The claims relate to bonds and debt certificates (insured by AAC) that were issued to finance the renovation and construction of housing at certain military bases. Plaintiffs allege that defendants secretly conspired to overcharge plaintiffs for the financing of the projects and directed the excess profits to themselves. Plaintiffs allege defendants generated these excess profits by supposedly charging inflated interest rates, manipulating "shadow ratings," charging unnecessary fees, and hiding evidence of their alleged wrongdoing. Plaintiffs seek,

among other things, compensatory damages, disgorgement of profits and fees, punitive damages, trebled damages and attorneys' fees. AAC and the other defendants filed motions to dismiss the amended complaint on November 13, 2017. On July 17, 2018, the court granted AAC's and the other defendants' motion to dismiss the first amended complaint without prejudice. On December 17, 2018, Plaintiffs filed a second amended complaint. On February 15, 2019, AAC and the other defendants filed a motion to dismiss the second amended complaint. On September 26, 2019, the court issued a decision denying defendants' motion to dismiss and sua sponte reconsidering its previous denial of defendants' motion to transfer venue to the Southern District of New York ("SDNY"). On October 10, 2019, after the case was transferred to the SDNY, the defendants filed motions to vacate or reconsider the decision by the Northern District of California on the defendants' motion to dismiss. On March 31, 2021, the court granted defendants' motions for reconsideration and, upon reconsideration, dismissed the claims against AAC and its former employee for breach of fiduciary duty and for aiding and abetting breach of AAC's or its former employee's fiduciary duty; dismissed two plaintiffs' RICO claims against AAC and its former employee; and in all other respects denied defendants' motions. Defendants served answers to the second amended complaint on April 21, 2021, asserting several affirmative defenses, including a defense for unclean hands focused on the plaintiffs' failure to maintain the project properties and falsification of maintenance records. On May 24, 2021, plaintiffs moved to strike defendants' unclean hands defenses. On September 14, 2021, Magistrate Judge Sarah L. Cave, to whom plaintiffs' motion to strike was referred for a Report and Recommendation, issued an opinion and order denying plaintiffs' motion. On April 6, 2022, certain co-defendants filed a motion to sever the plaintiffs' claims and to dismiss all claims except for claims asserted by the Monterey Bay plaintiffs. On January 26, 2024, the court granted the parties leave to file motions for summary judgment; opening briefs were due March 22, 2024, while oppositions are due May 31, 2024 and replies on July 12, 2024. On February 29, 2024, the court denied co-defendants' motion to sever plaintiffs' claims. On March 22, 2024, defendants served opening motions for summary judgment against plaintiffs' claims in their entirety on multiple grounds, and plaintiffs served cross-motions for summary judgment on defendants' unclean hands defenses. The parties' summary judgment motions were fully briefed as of July 12, 2024 and are currently awaiting a decision from the Court. On December 11, 2024, the Court denied Plaintiffs' motion for oral argument on Defendants' motions for summary judgment, stating that it would "notify the parties if it concludes that oral argument concerning the motions for summary judgment would be productive."

In re National Collegiate Student Loan Trusts Litigation (Delaware Court of Chancery, Consolidated C.A. No. 12111, filed November 1, 2019). On November 1, 2019, AAC became aware of a new declaratory judgment action filed by certain residual equity interest holders ("NC Owners" or "Plaintiffs") in fourteen National Collegiate Student Loan Trusts (the "Trusts") against Wilmington Trust Company, the Owner Trustee for the Trusts; U.S. Bank National Association, the Indenture Trustee; GSS Data Services, Inc., the Administrator; and AAC. Through this action, Plaintiffs seek a number of judicial determinations.

**Notes to Unaudited Consolidated Financial Statements**

Ambac Financial Group, Inc. and Subsidiaries  
(Dollar Amounts in Thousands, Except Per Share Amounts)

On January 21, 2020, the presiding Vice Chancellor entered an order consolidating the action with previously filed litigation relating to the Trusts. On February 13, 2020, AAC, the Owner Trustee, the Indenture Trustee, and other parties filed declaratory judgment counterclaims. Several parties, including Plaintiffs and AAC, filed motions for judgment on the pleadings in support of their requested judicial determinations. On August 27, 2020, the Vice Chancellor issued an opinion addressing all of the pending motions for judgment on the pleadings, which granted certain of the parties' requested judicial determinations and denied others. He deferred judgment on still other declarations pending further factual development. The Vice Chancellor entered a series of stays to facilitate good-faith settlement discussions, the most recent of which was entered on May 2, 2023, and stayed the matter through May 5, 2023. On July 9, 2025, the Administrator filed a status report stating that certain parties continue to negotiate a resolution to some of the pending claims.

**Potential Litigation**

AAC's estimates of projected losses for RMBS transactions consider, among other things, the RMBS transactions' payment waterfall structure, including the application of interest and principal payments and recoveries, and depend in part on our interpretations of contracts and other bases of our legal rights. From time to time, bond trustees and other transaction participants have employed different contractual interpretations and have commenced, or threatened to commence, litigation to resolve these differences. From time to time AAC is also subject to allegations that it has failed to fulfill a contractual obligation or duty in respect of securities that it has issued. It is not possible to predict whether additional disputes will arise, nor the outcomes of any potential litigation. It is possible that there could be unfavorable outcomes in these or other disputes or proceedings and that our interpretations may prove to be incorrect, which could lead to changes to our estimate of loss reserves.

In the ordinary course of its businesses, AAC asserts claims in legal proceedings against third parties to recover losses already paid and/or mitigate future losses. The amounts recovered and/or losses avoided which may result from these proceedings is uncertain, although recoveries and/or losses avoided in any one or more of these proceedings during any quarter or fiscal year could be material to Ambac's results of operations in that quarter or fiscal year.

**Impact of the AAC Sale on Litigation**

AAC is involved in litigation as described above. These actual and potential cases may continue after the AAC Sale is completed. Following completion of the AAC Sale, AFG will no longer have any exposure to these matters other than those in which it is a named defendant, currently the COFINA Case and the Surplus Note Case so long as it remains a defendant.



## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (\$ and £ in thousands)

The objectives of our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") are to provide users of our consolidated financial statements with the following:

- A narrative explanation from the perspective of management of our financial condition, results of operations, cash flows, liquidity and certain other factors that may affect future results;
- Context to the unaudited consolidated financial statements; and
- Information that allows assessment of the likelihood that past performance is indicative of future performance.

The following discussion should be read in conjunction with our consolidated financial statements in Part I, Item 1 and the matters described under Part II, Item 1A Risk Factors in this Quarterly Report and under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024. Refer to Item 1. Business and Note 1. Background and Business Description in our Annual Report on Form 10-K for the year ended December 31, 2024 for a description of our business and our key strategies to achieve our primary goal to maximize shareholder value.

Unless otherwise noted, this Management's Discussion and Analysis of Financial Condition and Results of Operations relates solely to our continuing operations and does not include the operations of the Legacy Financial Guarantee business. See "Sale of AAC" below and "Sale of Ambac Assurance Corporation" in Note 5. *Discontinued Operation* of the Notes to Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2024 for additional information about the divestiture of the Legacy Financial Guarantee business.

### Organization of Information

MD&A includes the following sections:

	<i>Page</i>
<i>Strategies to Enhance Shareholder Value</i>	<a href="#">31</a>
<i>Overview</i>	<a href="#">32</a>
<i>Critical Accounting Estimates</i>	<a href="#">33</a>
<i>Results of Operations</i>	<a href="#">33</a>
<i>Liquidity and Capital Resources</i>	<a href="#">37</a>
<i>Balance Sheet</i>	<a href="#">39</a>
<i>Accounting Standards</i>	<a href="#">41</a>
<i>U.S. Insurance Statutory Basis Financial Results</i>	<a href="#">41</a>
<i>Non-GAAP Financial Measures</i>	<a href="#">41</a>

## Strategies to Enhance Shareholder Value

The Company's primary goal is to maximize long-term shareholder value through the execution of targeted strategies for its Insurance Distribution and Specialty Property and Casualty Insurance businesses.

Insurance Distribution and Specialty Property and Casualty Insurance strategic priorities include:

- Expanding our Insurance Distribution business based on deep domain knowledge in specialty and niche classes of risk which generate attractive margins at scale. This will be achieved through acquisitions, strategic investments, establishing new businesses "de-novo," and organic growth and diversification supported by a centralized technology led shared services offering
- Growing our Specialty Property and Casualty Insurance business to generate underwriting profits from a diversified portfolio of commercial and personal liability risks accessed primarily through program administrators.

Ambac continuously evaluates, and is currently evaluating, opportunities to acquire businesses and assets for its Insurance Distribution business, and is currently in ongoing discussions to potentially acquire one or more businesses. These acquisitions may be material to our business, financial condition and operations and may involve raising capital to finance the acquisition(s). There can be no assurance, including with respect to the acquisitions under discussion, that we will agree to acquire any business or assets, obtain necessary financing or complete any acquisition in a timely manner or at all.

## OVERVIEW

AFG's subsidiaries/businesses are divided into two reportable segments with results for the three and six months ended June 30, 2025, and 2024, as follows:

(\$ in thousands)	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Specialty Property and Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property and Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
Gross premiums written	\$ 96,247			96,247	\$ 111,206			111,206
Net premiums written	15,207			15,207	32,289			32,289
Premiums placed		\$ 249,912		\$ 249,912		\$ 53,418		\$ 53,418
Total revenues	21,390	33,041	\$ 526	54,957	31,828	13,306	\$ 5,904	51,037
Total expenses	20,770	43,214	13,949	77,931	32,925	12,049	20,812	65,786
Pretax income (loss)	620	(10,173)	(13,423)	(22,974)	(1,097)	1,257	(14,908)	(14,749)
EBITDA <sup>(2)</sup>	620	4,698	(12,983)	(7,663)	(1,097)	2,404	(14,441)	(13,135)
Adjusted EBITDA	681	4,580	(7,771)	(2,508)	(1,023)	2,404	(1,562)	(182)
Net income (loss) attributable to Ambac shareholders	428	\$ (7,738)	\$ (13,240)	(20,548)	(1,070)	\$ 1,035	\$ (14,896)	(14,932)
EBITDA attributable to Ambac shareholders	620	2,513	(12,983)	(9,848)	(1,097)	1,974	(14,441)	(13,565)
Adjusted EBITDA attributable to Ambac common stockholders	\$ 681	2,519	\$ (7,771)	(4,569)	\$ (1,023)	1,974	\$ (1,562)	(612)

	Six Months Ended June 30, 2025				Six Months Ended June 30, 2024			
	Specialty Property and Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property and Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
Premiums placed		\$ 480,518		\$ 480,518		\$ 143,514		\$ 143,514
Gross premiums written	\$ 183,162			\$ 183,162	\$ 207,628			\$ 207,628
Net premiums written	\$ 33,212			\$ 33,212	\$ 58,536			\$ 58,536
Total revenues	\$ 42,561	\$ 74,039	\$ 1,113	\$ 117,713	\$ 61,370	\$ 31,171	\$ 8,048	\$ 100,588
Total expenses	\$ 40,439	\$ 86,455	\$ 28,901	\$ 155,794	\$ 60,649	\$ 25,902	\$ 32,025	\$ 118,576
Pretax income (loss)	\$ 2,122	\$ (12,416)	\$ (27,788)	\$ (38,081)	\$ 721	\$ 5,269	\$ (23,977)	\$ (17,988)
EBITDA <sup>(2)</sup>	\$ 2,123	\$ 16,781	\$ (27,044)	\$ (8,140)	\$ 721	\$ 7,565	\$ (23,047)	\$ (14,762)
Adjusted EBITDA	\$ 2,270	\$ 16,692	\$ (17,759)	\$ 1,205	\$ 849	\$ 7,526	\$ (7,289)	\$ 1,122
Net income (loss) attributable to Ambac shareholders	\$ 1,852	\$ (11,135)	\$ (27,410)	\$ (36,692)	\$ 644	\$ 4,226	\$ (23,871)	\$ (19,002)
EBITDA attributable to Ambac shareholders	\$ 2,123	\$ 9,576	\$ (27,044)	\$ (15,345)	\$ 724	\$ 6,215	\$ (23,048)	\$ (16,112)
Adjusted EBITDA attributable to Ambac common stockholders	\$ 2,270	\$ 9,611	\$ (17,759)	\$ (5,876)	\$ 849	\$ 6,176	\$ (7,289)	\$ (228)

### Sale of AAC

On June 4, 2024, AFG entered into a stock purchase agreement (the "Purchase Agreement") with American Acorn Corporation (the "Buyer"), a Delaware corporation owned by funds managed by Oaktree Capital Management, L.P., pursuant to which and subject to the conditions set forth therein, AFG will sell all of the issued and outstanding shares of common stock of AAC, a wholly-owned subsidiary of AFG, to Buyer for aggregate consideration of \$420 in cash (the "Sale"). The terms of the Sale as contemplated by the Purchase Agreement provide that, at the closing of the Sale (the "Closing"), Buyer will acquire complete common equity ownership of AAC and all of its wholly owned subsidiaries, including Ambac Assurance UK Limited ("Ambac UK"). In connection with and pursuant to the Purchase Agreement, AFG has agreed to issue to Buyer a warrant exercisable for a number of shares of common stock, par value \$0.01, of AFG representing 9.9% of the fully diluted shares of AFG's common stock as of March 31, 2024, pro forma for the issuance of the warrant. The warrant will have an exercise price per share of \$18.50 with a six and a half-year term from the date of issuance and will be immediately exercisable. Payment of the exercise price may be settled, at AFG's option, by way of a cash exercise or by net share settlement. On July 3, 2025, the parties to the Purchase Agreement entered into a letter agreement pursuant

to which, among other things, the parties entered into a new agreement with respect to the warrant and amended certain terms of the Investor Rights Agreement (as defined in the Purchase Agreement). The Buyer continues to pursue the final outstanding regulatory approval for the Sale, which would be received only after a hearing, currently scheduled for September 3, 2025, at or prior to which third parties would have an opportunity to object to the Sale. On or prior to August 4, 2025, representatives of certain holders of surplus notes issued by AAC filed motions to intervene in the proceedings. On July 28, 2025, the OCI staff published a memorandum including its recommendation that the Sale be approved. On July 3, 2025, AFG and the Buyer entered into an agreement to, among other matters, extend the term of the Purchase Agreement from July 3, 2025 to December 31, 2025 (subject to an automatic 90-day extension if regulatory approvals have not been obtained), to facilitate the timing of the hearing. The Buyer received approval for the change in control of Ambac UK from the U.K. Prudential Regulation Authority, which expires on October 24, 2025. Refer to Note 5. *Discontinued Operation* of the Notes to Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2024, for further details on the pending sale of AAC.

The anticipated loss on sale included within Net income (loss) from discontinued operations before tax on the Consolidated Statement of Comprehensive Income (Loss) for the six months ended June 30, 2025, and year ended December 31, 2024, was \$(67,456) and \$(570,145), respectively. See Note 3. Discontinued Operation in this report on Form 10-Q for further information.

At Closing, net income will be impacted by reclassification from Accumulated Other Comprehensive Income (Loss) of net unrealized gains (losses) on available-for-sale investment securities, cumulative foreign currency translation adjustments and cumulative credit risk changes of fair value option liabilities attributable to AAC and subsidiaries, which at June 30, 2025, amounted to \$(86,828).

### SEC Final Rules on Climate Related Information

On March 6, 2024, the U.S. Securities and Exchange Commission (“SEC”) adopted *The Enhancement and Standardization of Climate-Related Disclosures for Investors* (“Final Rule”), which will require registrants to disclose extensive climate-related information in their Form 10-K annual reports and registration statements. The Final Rule was scheduled to become effective May 28, 2024; however, the SEC has voluntarily stayed the rule’s effective date pending judicial review of legal challenges. In March 2025, the SEC ended its defense of the Final Rule, though judicial review of legal challenges continues.

The compliance dates for accelerated filers for annual reports or registration statements that include financial statements for the year ending December 31 are phased in from 2026 through 2031. Depending on when the legal challenges are resolved, the compliance dates may be retained or delayed.

Ambac is reviewing the Final Rule and is currently assessing our related compliance obligations and other effects on our operations.

### CRITICAL ACCOUNTING ESTIMATES

Ambac’s Unaudited Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), which require the use of material estimates and assumptions. For a discussion of Ambac’s critical accounting policies and estimates, see “Critical Accounting Policies and Estimates” in Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in Ambac’s Annual Report on Form 10-K for the year ended December 31, 2024.

## Results of Operations

### Consolidated Results

A summary of our financial results is shown below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Gross premiums written</b>	<b>\$ 96,247</b>	<b>\$ 111,206</b>	<b>\$ 183,162</b>	<b>\$ 207,628</b>
<b>Net premiums written</b>	<b>15,207</b>	<b>32,289</b>	<b>33,212</b>	<b>58,536</b>
<b>Revenues:</b>				
Net premiums earned	\$ 16,203	\$ 27,054	\$ 31,881	\$ 52,633
Commissions	30,322	13,221	67,093	30,950
Servicing and other fees	4,472	—	9,436	—
Program fees	3,497	3,328	7,149	5,895
Investment income	2,609	3,763	5,424	7,403
Other	(2,146)	3,671	(3,270)	3,707
<b>Expenses:</b>				
Losses and loss adjustment expenses	10,978	23,024	21,474	42,379
Policy acquisition costs	3,699	5,399	7,540	9,823
Commissions	7,403	7,888	17,768	17,710
General and administrative	40,540	27,861	79,071	45,436
Intangible amortization and depreciation	9,741	1,614	18,917	3,228
Interest	5,570	—	11,024	—
<b>Total expenses</b>	<b>77,931</b>	<b>65,786</b>	<b>155,794</b>	<b>118,576</b>
Provision (benefit) for income taxes from continuing operations	(2,172)	(30)	(2,789)	100
<b>Net income (loss) from continuing operations</b>	<b>(20,802)</b>	<b>(14,719)</b>	<b>(35,292)</b>	<b>(18,088)</b>
Net income (loss) from discontinued operations, net of income taxes	(52,151)	14,182		
<b>Net income (loss)</b>	<b>(72,953)</b>	<b>(537)</b>		
Net (gain) loss attributable to noncontrolling interest	254	(213)	(1,400)	(914)
<b>Net income (loss) attributable to shareholders</b>	<b>\$ (72,699)</b>	<b>\$ (750)</b>	<b>\$ (119,090)</b>	<b>\$ 19,320</b>

Ambac's results for the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024 were impacted by the following:

- Ambac's acquisition of its interests in Beat on August 1, 2024.
- In the fourth quarter of 2024, the pending sale of AAC was determined to qualify for discontinued operations presentation, resulting in its results being reported within discontinued operations. Refer to Note 1. Background and Business Description and Note 5. Discontinued Operation of the Notes to Consolidated Financial Statements in the Annual Report on Form 10-K for the year ended December 31, 2024, and Note 3. Discontinued Operations to the Unaudited Consolidated Financial Statements in this Quarterly Report on Form 10-Q for further details on the pending sale and results for the three and six months ended June 30, 2025, and 2024.

The following paragraphs describe the consolidated results of continuing operations of Ambac and its subsidiaries for the three and six months ended June 30, 2025, and 2024, respectively.

**Gross Premiums Written.** Gross premiums written decreased \$14,959 and \$24,466 for the three and six months ended June 30, 2025, compared to the same period in the prior year.

The reduction is primarily driven by the non-renewal of certain programs, including the non-renewal of an assumed non-standard personal auto program, partially offset by growth in existing programs and the addition of new programs.

**Net Premiums Written.** Net premiums written decreased \$17,082 and \$25,325 for the three and six months ended June 30, 2025, compared to the same period in the prior year.

The reduction is primarily driven by the non-renewal of certain programs, including an assumed non-standard personal auto program, partially offset by growth in existing programs and the addition of new programs.

**Net Premiums Earned.** Net premiums earned decreased \$10,851 and \$20,752 for the three and six months ended June 30, 2025, compared to the same period in the prior year.

The decrease was primarily driven by the non-renewal of certain programs, including an assumed non-standard personal auto program, partially offset by growth in existing programs and the addition of new programs.

**Commission Income and Commission Expense.** Commission income for the three and six months ended June 30, 2025, was \$30,322 and \$67,093 compared to \$13,221 and \$30,950 for the three and six months ended June 30, 2024. Commission income included profit commissions (based on underwriting performance) of \$2,266 and \$6,957 for the three and six months ended June 30, 2025, and \$1,141 and \$2,323 for the three and six months ended June 30, 2024, respectively. The increase was primarily driven by the inclusion of profit commissions earned by Beat following the acquisition in August 2024.

For the three and six months ended June 30, 2025, commission expense of \$7,403 and \$17,768 compared to \$7,888 and \$17,710 in three and six months ended June 30, 2024, representing approximately 43% and 74% of commission income in each respective period. The decrease in commission expense relative to commission income in 2025 relative to 2024 is primarily a result of the acquisition of Beat. When third parties are paid commissions to obtain business, the majority of Beat's commission income is reported net of any distribution and commission expenses, due to the nature of its program agreements. The majority of the Insurance Distribution Segment's other MGA/Us report their commission income gross of distribution and commission expenses.

**Program Fees.** Program fee revenues were \$3,497 and \$3,328 for the three and six months ended June 30, 2025, and 2024, respectively. Program fee revenues represent the recognition of ceding commissions in excess of direct acquisition costs received from reinsurers and minimum fees received from MGA/Us until

related programs reach certain levels of premium ceded. Program fees are charged as a percentage of premiums ceded to reinsurers as a component of total ceding commissions. The growth is a function of growth of business and related premiums ceded to reinsurers.

**Net Investment Income.** Net investment income consists of interest income, including the net effect of discount accretion and premium amortization, from fixed maturity securities classified as available-for-sale and net gains (losses) on pooled investment funds which are reported under the equity method. These funds and certain other investments are reported in Other investments on the Consolidated Balance Sheets. For further information about investment funds held, refer to Note 4. Investments to the Unaudited Consolidated Financial Statements, included in Part I, Item 1 in this Form 10-Q.

Net investment income decreased \$1,154 and \$1,979 for the three and six months ended June 30, 2025 compared to the prior year periods due to lower Corporate short-term investment balances resulting primarily from the acquisition of Beat, partially offset by higher investment income on short-term investments at the Cirrata companies with the addition of Beat, and growth of the Everspan investment portfolio.

**Servicing and Other Fees.** Includes revenues earned for providing operational and administrative services to the Lloyd's syndicates managed by Beat as well as certain policy and brokerage fees.

**Other Revenues.** Other revenues includes (i) net investment gains (losses) on securities sold or called; (ii) investment impairment charges; (iii) foreign exchange gains (losses) from the Insurance Distribution segment; (iv) net gains on derivative contracts resulting from the change in fair value of FX forward contracts used to manage currency risk within the Insurance Distribution segment and (v) fair value changes on warrants to purchase equity of certain development stage companies held by AFG. The net loss for the three and six months ended June 30, 2025, of \$(2,146) and \$(3,270) was driven primarily by foreign exchange losses on non-functional currency operations. Net gains for the three and six months ended June 30, 2025 were driven by gains from the conversion and early settlement of certain convertible notes, including make-whole payments, partially offset by a write-down in carrying value on an investment in preferred securities that are carried at cost less impairments and net foreign exchange losses.

**Losses and Loss Adjustment Expenses (Benefit).** Loss and loss adjustment expenses incurred decreased \$12,046 and \$20,905 for the three and six months ended June 30, 2025, compared to the same period in the prior year.

The lower loss and loss adjustment expenses is primarily due to the shift in mix of business driven by the non-renewal of certain programs, including an assumed non-standard personal auto program in which Everspan was a reinsurer and certain commercial auto programs, partially offset by growth in existing programs and the addition of new programs.

**General and Administrative Expenses (G&A).** The following table provides a summary of G&A expenses for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Compensation	\$ 22,782	\$ 11,083	\$ 45,669	\$ 21,630
Non-compensation	17,756	16,792	33,401	23,932
Total G&A expenses	\$ 40,539	\$ 27,875	\$ 79,070	\$ 45,562

The increase in Compensation G&A expenses during the three and six months ended June 30, 2025, was due to higher compensation costs due to Insurance Distribution acquisitions; offset by lower current year period expenses for performance incentive compensation.

Non-Compensation G&A expenses for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, were driven up by integration expenses related to the acquisition of Beat offset by lower Corporate segment expenses related to M&A transactions. Cost related to restructuring due to the sale of AAC for the three and six months ended June 30, 2025 were \$2,918 and \$4,737, respectively, and for the three and six months ended June 30, 2024 were \$5,203 and \$5,337, respectively.

**Intangible Amortization and Depreciation.** Intangible amortization for the three and six months ended June 30, 2025, was \$9,212 and \$17,975 compared to \$967 and \$2,278 in the comparable prior year periods. The increase in other intangible amortization for the three and six months ended June 30, 2025 related to the Beat acquisition.

**Interest Expense.** Interest expense for the three and six months ended June 30, 2025 was \$5,570 and \$11,024, related to the short-term debt used in funding the Beat acquisition, entered into during the third quarter of 2024. The company had no debt or interest expenses during the three and six months ended June 30, 2024.

**Provision for Income Taxes.** The provision (benefit) for income taxes primarily relates to international operations and was \$(2,172) and \$(2,789) for the three and six months ended June 30, 2025, compared to \$(30) and \$100 for the three and six months ended June 30, 2024.

## Results of Operations by Segment

### Specialty Property and Casualty Insurance

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross premiums written	\$ 96,247	\$ 111,206	\$ 183,162	\$ 207,628
Net premiums written	15,207	32,289	33,212	58,536
<b>Revenues:</b>				
Net premiums earned	\$ 16,203	\$ 27,054	\$ 31,881	\$ 52,633
Program fees	3,497	3,328	7,149	5,895
Investment income	1,748	1,465	3,590	2,864
Other income	(58)	(19)	(59)	(22)
Total	21,390	31,828	42,561	61,370
<b>Expenses:</b>				
Losses and loss expenses incurred	10,978	23,024	21,474	42,379
Amortization of deferred acquisition costs, net	3,699	5,399	7,540	9,823
General and administrative expenses	6,093	4,502	11,425	8,446
Total	20,770	32,925	40,439	60,648
EBITDA	\$ 620	\$ (1,097)	\$ 2,122	\$ 722
Pretax income (loss)	\$ 620	\$ (1,097)	\$ 2,122	\$ 721
<b>Retention Ratio <sup>(1)</sup></b>				
	15.8%	29.0%	18.1%	28.2%
<b>Loss and LAE Ratio <sup>(2)</sup></b>				
	67.8%	85.1%	67.4%	80.5%
<b>Expense Ratio <sup>(3)</sup></b>				
	38.9%	24.3%	37.1%	23.5%
<b>Combined Ratio <sup>(4)</sup></b>				
	106.7%	109.4%	104.5%	104.0%
<b>Ambac's stockholders equity <sup>(5)</sup></b>				
	\$ 140,919	\$ 119,775		

- (1) Retention ratio is defined as net premiums written divided by gross premiums written
- (2) Loss and LAE ratio is defined as losses and loss expenses incurred divided by net premiums earned
- (3) Expense Ratio is defined as acquisition costs and general and administrative expenses, reduced by program fees divided by net premiums earned
- (4) Combined ratio is defined as Loss and LAE ratio plus Expense Ratio
- (5) Represents Ambac stockholders equity in the Specialty Property and Casualty Insurance segment, including intercompany eliminations.

The Specialty Property and Casualty Insurance segment has grown significantly since underwriting its first program in May 2021. Twenty-four programs were authorized to issue policies as of June 30, 2025, including Everspan participating on certain programs as a reinsurer. As part of Everspan's focus on improving profitability and capital utilization, Everspan non-renewed certain programs, including a commercial auto program and an assumed non-standard personal auto program in the latter half of 2024, and a commercial auto and a general liability program in 1Q2025. The non-renewals resulted in a reduction in gross and net written premiums, net premiums earned, losses and loss expenses incurred, and a shift in Everspan's retention ratio in the three and six months ended June 30, 2025, compared to three and six months ended June 30, 2024. Partially offsetting these non-renewals are the continued growth in existing programs and addition of new programs. EBITDA and pre-tax income increased in the three and six months ended June 30, 2025

compared to June 30, 2024, primarily resulting from lower losses incurred due the non-renewal of certain programs in 2025 and lower loss reserve strengthening in 2025 versus 2024. This is partially offset by a reduction in earned premium related to the non-renewal of these programs.

Consistent with its strategy to generate sustainable and profitable, long-term specialty property and casualty program insurance business with a focus on diverse classes of risks, Everspan may source select programs as a reinsurer. Accessing programs as a reinsurer provides Everspan the ability to diversify its risk profile (temporarily or long-term), efficiently manage its exposure limits and underwrite programs in a cost efficient manner, amongst other benefits. Everspan may participate as a reinsurer on up to 30% of a program, which is in line with its strategy to generally retain up to 30% per program. Participation as a reinsurer will affect the retention ratio as Everspan's portion of assumed premiums is reflected fully in both Gross and Net Premiums Written.

The change in the loss ratio was driven by the shift in mix of business. The three and six months ended June 30, 2025, contained minimal prior years loss strengthening of 1.0% and 1.0%, respectively driven primarily by excess liability loss experience, whereas the three and six months ended June 30, 2024, contained prior years loss strengthening of 6.9% and 5.7%, respectively, which was primarily driven by commercial auto loss experience on programs which have since been non-renewed.

Loss and loss expenses incurred, and Everspan's associated Loss and LAE ratio, may be adversely impacted by economic and social inflation. The impact of inflation on ultimate loss reserves is difficult to estimate, particularly in light of recent disruptions to the judicial system, supply chains and labor markets. Going forward, we may not be able to offset the impact of inflation on our loss costs with sufficient price increases. The estimation of loss reserves may also be more difficult during extreme events, such as a pandemic, or during the persistence of volatile or uncertain economic conditions, due to, amongst other reasons, unexpected changes in behavior of judiciaries, claimants and policyholders, including fraudulent reporting of exposures and/or losses. Due to the inherent uncertainty underlying loss reserve estimates, the final resolution of the estimated liability for loss and loss adjustment expenses will likely be higher or lower than the related loss reserves at the reporting date. In addition, our estimate of losses and loss expenses may change. These additional liabilities or increases in estimates, or a range of either, could vary significantly from period to period.

In addition to the decrease in the Loss and LAE ratio for the three and six months ended June 30, 2025, compared to the three and six months ended June 30, 2024, there was a decrease in the benefit to acquisition costs resulting from sliding scale commission arrangements with program partners. Such benefit reduced the Specialty Property and Casualty Insurance segments expense ratio by 2.6% and 5.6% for the three months ended June 30, 2025 and 2024, respectively and 1.3% and 5.9% for the six months ended June 30, 2025 and 2024, respectively. Certain Everspan programs were structured to include sliding scale commission arrangements within a loss ratio range. These sliding scale arrangements help mitigate losses, protect underwriting results and limit earnings volatility.

General and administrative costs were higher for the three and six months ended June 30, 2025, relative to the three and six months ended June 30, 2024, due to the mix and net increase of headcount movement, the impact of changes to premium tax accruals (\$0.9 million for the three and six months ended June 30, 2026) and legal expenses partially offset by reduced performance on long term incentive compensation.

## Insurance Distribution

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Premiums placed	\$ 249,912	\$ 53,418	\$ 480,518	\$ 143,514
Commission income	\$ 30,322	\$ 13,221	\$ 67,093	\$ 30,950
Commission expense	7,403	7,888	17,768	2,278
Net commissions	22,919	5,333	49,325	28,672
Servicing and other fees	4,472	—	9,436	—
Investment income	340	77	716	127
Other revenue	(2,093)	8	—	94
<b>Expenses:</b>				
General and administrative expenses	20,940	3,008	39,489	5,893
<b>EBITDA</b>	<b>4,698</b>	<b>2,410</b>	<b>16,782</b>	<b>7,568</b>
Interest expense	5,570	—	11,024	—
Depreciation	—	14	8	—
Intangible amortization	9,301	1,139	18,064	1,301
<b>Pretax income (loss)</b>	<b>\$ (10,173)</b>	<b>\$ 1,257</b>	<b>\$ (12,416)</b>	<b>\$ 7,283</b>
<b>Ambac's stockholders equity<sup>(1)</sup></b>	<b>\$ 302,273</b>	<b>\$ 104,618</b>		

(1) Represents the share of Ambac stockholders equity for each subsidiary within the Insurance Distribution segment, including intercompany eliminations.

Ambac's Insurance Distribution businesses are compensated for their services primarily by commissions paid by insurance carriers for underwriting, structuring and/or administering policies. Commission revenues are usually based on a percentage of the premiums placed. In addition, we are eligible to receive profit sharing contingent commissions on certain programs based on the underwriting results of the policies placed with carriers, which may cause some variability in revenue and earnings.

Insurance Distribution pre-tax loss for the three and six months ended June 30, 2025, was \$(10,173) and \$(12,416) compared to \$1,257 and \$5,269 for the three and six months ended June 30, 2024. The decrease was primarily driven by an increase in intangible amortization and interest expense related to the Beat acquisition.

During the three months and six months ended June 30, 2025, Insurance Distribution results were negatively impacted by foreign exchange losses, intangible amortization and interest expense related to the Beat acquisition. Post the sale of AAC, which is expected to close in the third quarter of 2025, the short-term debt used to partially finance the Beat acquisition will be repaid and the associated interest expense will no longer be incurred.

The Insurance Distribution segment placed premiums for its carriers are shown below:



	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Premiums Placed	\$ 249,912	\$ 53,418	\$ 480,518	\$ 143,514
Increase over prior period	\$ 196,494		\$ 337,004	
As a percent	367.8 %		234.8 %	

Higher premiums placed were mostly driven by the acquisition of Beat effective July 31, 2024.

For the three months ended June 30, 2025, the increase in premiums placed and changes to the mix of business written led to the growth in commission income and commission expense of 129% and (6)%, respectively.

Business underwritten within our Insurance Distribution business can be seasonal which may result in revenue and earnings concentrations from period to period. As the Insurance Distribution business grows, we make additional acquisitions and launch additional de novo underwriting units, revenue and earnings concentrations may increase or may shift, perhaps meaningfully.

G&A expenses for the three and six months ended June 30, 2025, are \$20,940 and \$39,489 an increase over three and six months ended June 30, 2024 of 17,932 and \$33,596, respectively, as a result of the Beat acquisition in the third quarter of 2024.

## Corporate

Corporate consists of our holding company and shared services operations ("Corporate"). Corporate provides financial, technological and human resources to Ambac's two segments and is responsible for the function of AFG as a publicly traded company.

Corporate revenues totaled \$526 and \$5,904 for the three months ended June 30, 2025 and 2024, respectively and \$1,113 and \$8,048 for the six months ended June 30, 2025 and 2024, respectively. Corporate revenue is mostly generated from investment of AFG's liquid resources and investment results from its previously made strategic investments, including certain minority investments in MGA/Us and an insurtech fund. Investment revenues comprised of net investment income and net investment gains (losses), including impairments were \$521 and \$6,757 for the three months ended June 30, 2025 and 2024, respectively and \$1,118 and \$8,949 for the six months ended June 30, 2025 and 2024, respectively. The declines from 2024 to 2025 are attributable to the use of liquid resources for the acquisition of Beat and net investment gains of \$4,536 in the three and six months ended June 30, 2024 related to certain of AFG's strategic investments in MGA/Us..

As a result of the Company reporting the results of operations of AAC as discontinued operations, certain corporate costs charged to AAC have been reported in Net income from continuing operations and included in Corporate expenses for all years presented. Corporate expenses were \$13,506 and \$20,351 for the three months ended June 30, 2025 and 2024, respectively and \$28,901 and \$32,025 for the six months ended June 30, 2025 and

2024. Corporate expenses were lower for the three and six months ended June 30, 2025 compared to three and six months ended June 30, 2024 mainly due to lower expenses related to corporate development and the sale of AAC.

## LIQUIDITY AND CAPITAL RESOURCES

### Holding Company Liquidity

AFG is organized as a legal entity separate and distinct from its operating subsidiaries. AFG's liquidity is primarily dependent on its net assets, excluding the operating subsidiaries that it owns, totaling \$84,922 as of June 30, 2025, and secondarily on investment income, distributions, tax and expense sharing payments from its operating subsidiaries and third party capital (e.g. from credit facilities and equity issuance).

	June 30, 2025	December 31, 2024
Cash and short-term investments	\$ 44,863	\$ 74,423
Other investments <sup>(1)</sup>	29,560	28,117
Other net (liabilities) assets	10,499	16,674
<b>Total</b>	<b>\$ 84,922</b>	<b>\$ 119,214</b>

(1) Includes strategic minority investments in insurance services businesses of \$20,618 at June 30, 2025, and December 31, 2024..

The decrease in AFG net assets, excluding its equity investments in subsidiaries, during the first six months of 2025 was driven primarily by net cash outflows from operating and interest expenses in addition to treasury stock purchases, partially offset by interest income and net distributions received from subsidiaries.

- Effective July 31, 2024, AFG closed the acquisition of a 60% controlling interest in Beat. In connection with the acquisition, Cirrata incurred \$150,000 of debt maturing in 364 days funded by a global bank (the "Credit Facility"). Repayment of debt under the Credit Facility is guaranteed by AFG. AFG is required to repay this debt upon the closing of the sale of AAC or otherwise refinance such short-term debt with longer-term debt. On June 10, 2025, AFG entered into an agreement to extend the maturity date of the Credit Facility from July 31, 2025, to the earlier of (a) December 31, 2025, and (b) the date that is the three-month anniversary of the termination of the Purchase Agreement.
- AFG's acquisition of Beat was partially funded by AAC's co-investment in the amount of \$62,000. Upon the close of the AAC sale, AFG will purchase AAC's co-investment at a price resulting in a 7.5% rate of return per annum to AAC.
- If AFG were to not sell AAC, its ability to receive dividends from AAC and the timing of any such potential dividends would depend on regulatory approval and the satisfaction of certain obligations senior to AFG's equity interest (e.g. surplus notes).
- Subject to the satisfaction of the conditions required for the sale of AAC as described in Note 5. Discontinued Operation in the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, AFG will receive \$420,000 of proceeds at closing less applicable legal, advisory and other expenses incurred in connection with the Sale.

- Everspan's ability to make future dividend payments will mostly depend on its future profitability relative to its capital needs to support growth. Everspan is not expected to pay dividends in 2025. Everspan makes tax payments to AFG in accordance with a Tax Sharing Agreement. For the six months ended June 30, 2025, Everspan paid \$1,744 in tax payments to AFG.
- Cirrata does not have any regulatory restrictions on its ability to make distributions. AFG received distributions from Cirrata of \$3,118 and \$4,650 during the six months ended June 30, 2025 and 2024, respectively.

AFG's principal uses of liquidity are: (i) the payment of G&A expenses, including costs to explore opportunities to grow and diversify Ambac, (ii) making capital investments to acquire, grow and/or capitalize new and/or existing businesses, including through the acquisition of noncontrolling interests as a result of the exercise of outstanding puts and/or calls, and (iii) making investments in technology and other operational infrastructure to improve the operational effectiveness and efficiency of our business and to support its growth. Funding puts, calls and other capital commitments could require payments from AFG, the magnitude of which will ultimately depend on the performance of the underlying businesses, whether or not the puts or calls are exercised, FX rates and other considerations of approximately \$300,000 through 2030. AFG seeks to fund these potential puts and calls from internal resources, but may seek to raise additional short-term or long-term funding or capital sources depending on a number of considerations, including distribution levels from subsidiaries, the potential for additional acquisitions, other capital investment demands, and other considerations. AFG may also provide short-term financial support, primarily in the form of loans, to its operating subsidiaries to support their operating requirements.

In the opinion of the Company's management the net assets and expected funding sources of AFG are currently sufficient to meet AFG's current liquidity requirements. However, events, opportunities, acquisitions, the exercise of puts and calls, the need to refinance outstanding debt, or other circumstances could require AFG to seek additional capital (e.g. through the issuance of debt, equity or hybrid securities).

The Credit Facility includes covenants that restrict our ability to manage capital resources by limiting, among other actions, the issuance of debt or capital stock; the creation of liens; the disposition of assets; engaging in transactions with affiliates; making restricted payments, including dividends and the purchase or redemption of capital stock; and making acquisitions and other investments. The Credit Facility also requires the prepayment of the borrowings thereunder with proceeds of certain debt or equity issuances and certain asset sales. These requirements will impact our financial and operational flexibility while the Credit Facility remains in place.

## Operating Companies' Liquidity

### Insurance

Sources of liquidity for Everspan are primarily through funds generated from premiums, reinsurance recoveries, fees, investment income and maturities and sales of investments.

Cash provided from these sources is used primarily for claim payments, loss expenses, acquisition costs, operating expenses, reinsurance payments and purchases of securities and other investments.

Everspan manages its liquidity risk by projecting cash flows and maintaining specified levels of cash and short-term investments at all times. It is the opinion of the Company's management that the insurance subsidiaries' near term liquidity needs will be adequately met from the sources described above.

### Insurance Distribution

The liquidity requirements of our Insurance Distribution subsidiaries are met primarily by funds generated from commission (both base and profit commissions) and fees. Base commissions and fees are generally received monthly, whereas profit commissions are received only if the business underwritten is profitable. Cash provided from these sources is used primarily for commissions paid to sub-producers, operating expenses and distributions to AFG and other members.

### Cash Held at Banks

Ambac maintains cash and investment accounts, including premium trust accounts, at depository institutions in amounts in excess of the limits insured by the FDIC and in countries other than the U.S. Ambac's cash balances held at banks were \$36,407 as of June 30, 2025, including cash of Ambac's insurance distribution subsidiaries held in regional banks of \$35,085 as of June 30, 2025.

### Consolidated Cash Flow Statement Discussion

The following table summarizes the net cash flows for the periods presented.

Six Months Ended June 30,	2025	2024
<b>Cash provided by (used in):</b>		
Operating activities	\$ (10,463)	\$ 27,481
Investing activities	18,030	(19,826)
Financing activities	(9,747)	(1,732)
Foreign exchange impact on cash and cash equivalents	475	(65)
<b>Net cash flow</b>	<b>\$ (1,705)</b>	<b>\$ 5,858</b>

### Operating Activities for Continuing Operations

Operating cash flows during the six months ended June 30, 2025 and 2024, was \$(10,463) and \$27,481, respectively. Operating cash flows for the six months ended June 30, 2025, were adversely impacted by G&A expenses paid and interest on short-term borrowing, an increase in reinsurance recoverable, partially offset by cash collections from both the specialty P&C and insurance distribution businesses.

Future operating flows will primarily be impacted by net premium collections, commission and fee income and investment income receipts, G&A expenses, commission expenses, net claim and loss expense payments and interest payments on debt.



### Investing Activities for Continuing Operations

Investing activities for the six months ended June 30, 2025 were primarily driven by changes in short-term investments.

Future investing cash flows will be primarily dependent on the sale of AAC, potential acquisitions, the exercise of puts and calls related to non-controlling interests and the purchase and sale of securities.

### Financing Activities for Continuing Operations

Financing activities for the six months ended June 30, 2025, included purchases of common stock of \$3,301.

Future financing cash flows will be primarily impacted by paydowns and maturities of debt, new borrowings, capital management activity and distributions to noncontrolling interests.

### Cash Flows from Discontinued Operations

Cash flows pertaining to discontinued operations are reported separately on the Consolidated Statements of Cash Flows. The primary driver of the cash flows from discontinued operations was the continued run-off of the financial guarantee business. Since the agreement to sell AAC, the operations have been substantially separated and the potential impacts on future liquidity to the continuing operations are expected to be insignificant.

## BALANCE SHEET

Total assets increased by \$464,008 from December 31, 2024, to \$8,522,386 at June 30, 2025, primarily due to the increase in reinsurance recoverables associated with the growth of the specialty P&C businesses and the increase in Assets held-for-sale as further described below.

### Investment Portfolio

Ambac's investment portfolio is managed under established guidelines designed to meet the investment objectives of Everspan Group and AFG. The Insurance Distribution businesses investments are limited to money market funds and U.S. Government Treasury bonds. Refer to "Description of the Business – Investments and Investment Policy" located in Part I, Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further description of Ambac's investment policies and applicable regulations.

The following table summarizes the composition of Ambac's investment portfolio, at carrying value at June 30, 2025, and December 31, 2024:

	June 30, 2025				December 31, 2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consolidated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consolidated
Fixed maturity securities	\$ 159,879	\$ —	\$ 1,456	\$ 161,335	\$ 157,020	\$ —	\$ —	\$ 157,020
Short-term	34,998	32,949	34,773	102,720	35,727	27,435	64,439	127,601
Other investments	—	89	28,104	28,193	—	176	28,117	28,293
<b>Total investments</b>	<b>\$ 194,877</b>	<b>\$ 33,038</b>	<b>\$ 64,333</b>	<b>\$ 292,248</b>	<b>\$ 192,247</b>	<b>\$ 27,611</b>	<b>\$ 92,556</b>	<b>\$ 312,914</b>

Ambac invests in various asset classes in its fixed maturity securities portfolio. Refer to Note 4. Investments to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Form 10-Q for information about fixed maturity securities and other investments by asset class.

Total liabilities increased by approximately \$440,821 from December 31, 2024, to \$7,303,678 as of June 30, 2025, primarily due to an increase in loss and loss adjustment expense reserve and ceded premium payables from the specialty P&C businesses and liabilities held-for-sale as further described below.

As of June 30, 2025, total Ambac Financial Group stockholders' equity was \$859,839, compared with total stockholders' equity of \$856,906 at December 31, 2024. The increase was primarily driven by foreign currency translation gains of \$107,877 (net of the NCI impact of \$25,827) and unrealized fixed maturity securities gains of \$13,959, offset by a net loss of \$119,090.

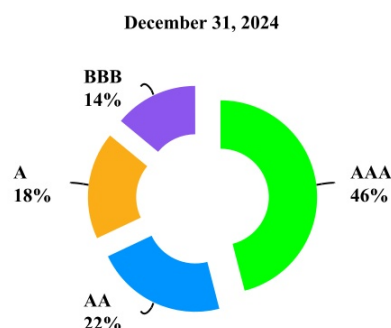
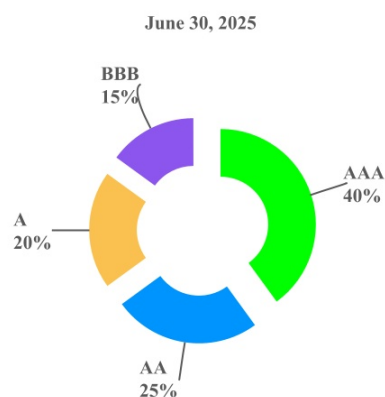
### Discontinued Operation:

**Assets and Liabilities Held-for-Sale.** Assets held-for-sale increased to \$6,592,417 at June 30, 2025, from \$6,267,200 as December 31, 2024. The increase is primarily due to the impact of exchange rates as the British Pound Sterling strengthened driving an increased value in British Pound Sterling assets partially offset by an increase in the valuation allowance for the loss on disposal of AAC of \$67,456. Liabilities held-for-sale increased to \$6,213,024 at June 30, 2025, from \$5,887,685 as December 31, 2024, primarily due to a the impact of exchange rates on balances denominated in British Pound Sterling.

### Continuing Operations:

The following discusses changes in assets, liabilities and stockholders' equity, excluding assets and liabilities held-for-sale related to the pending sale of AAC, as of June 30, 2025, compared to December 31, 2024.

The following charts provide the ratings distribution of the fixed maturity investment portfolio based on fair value at June 30, 2025, and December 31, 2024. Ratings represent the lower of ratings provided by S&P and Moody's when ratings are available from both agencies.



### Premium Receivables

Ambac's premium receivables increased to \$71,875 at June 30, 2025, from \$57,222 at December 31, 2024. The increase is primarily due to growth in the Specialty P&C Insurance Segment, including receivables related to the programs where Everspan participates as a reinsurer.

### Commission and fees receivable

Ambac's commission and fee receivables increased to \$72,619 at June 30, 2025, from \$55,377 at December 31, 2024. The increase is primarily due to growth in the Insurance Distribution Segment and the Beat acquisition.

### Reinsurance Recoverable on Paid and Unpaid Losses

Ambac has reinsurance in place pursuant to surplus share treaty and facultative agreements. As of June 30, 2025, and December 31, 2024, reinsurance recoverable on paid and unpaid losses were \$376,445 and \$306,191, respectively, increasing primarily due to growth in the Specialty P&C Insurance Segment. To minimize its exposure to losses from reinsurers, Ambac (i) monitors the

financial condition of its reinsurers; (ii) is entitled to receive collateral from its reinsurance counterparties under certain reinsurance contracts; and (iii) has certain cancellation rights that can be exercised in the event of rating agency downgrades of a reinsurer (among other events and circumstances). Those reinsurance counterparties that do not currently post collateral are well capitalized, highly rated, authorized capacity providers. Ambac benefited from letters of credit and collateral amounting to approximately \$67,265 from its reinsurers at June 30, 2025. Additionally, while legacy liabilities from Specialty P&C acquisitions were fully ceded to certain reinsurers, Everspan also benefits from an unlimited, uncapped indemnity from the respective sellers to mitigate any residual risk to these reinsurers.

### Intangible Assets, net of Accumulated Depreciation

Intangible assets primarily include (i) intangible assets established as part of acquisitions in the Insurance Distribution business of \$324,636 at June 30, 2025 and (iii) indefinite-lived intangible assets in the Specialty P&C business as part of its acquisitions of \$11,213 at June 30, 2025.

As of June 30, 2025, and December 31, 2024, intangible assets were \$353,904 and \$344,775, respectively. The increase is driven by foreign exchange rates (appreciation of the British pound), partially offset by amortization of \$17,975.

### Goodwill

As of June 30, 2025, and December 31, 2024, goodwill totaled \$451,808 and \$418,234 respectively. The increase is primarily driven by foreign exchange rates (appreciation of the British pound). All of the goodwill was assigned to the Insurance Distribution segment.

### Liabilities

#### Loss and Loss Adjustment Expense Reserves

Loss and loss adjustment expense reserves are estimates of the ultimate liability for unpaid losses and loss expenses for claims that have been reported and claims that have been incurred, but not yet reported as of the balance sheet date.

Loss and loss adjustment expense reserves by line of business were as follows as of June 30, 2025, and December 31, 2024

Line	June 30, 2025		December 31, 2024	
	Gross	Net	Gross	Net
Commercial auto	\$ 148,616	\$ 25,255	\$ 158,472	\$ 28,720
Excess liability	74,404	10,772	50,248	6,571
General liability	52,081	10,428	35,211	8,286
Workers compensation	16,604	16,604	14,465	14,465
Non-standard personal auto	7,051	6,656	12,689	12,185
Professional Liability	27,853	2,020	17,698	1,807
Surety	12,250	—	11,217	6
Unallocated loss adjustment expense reserves	14,066	5,898	12,238	6,578
Other <sup>(1)</sup>	31,044	922	36,826	363
<b>Loss and Loss Expense Reserves</b>	<b>\$ 383,969</b>	<b>\$ 78,555</b>	<b>\$ 349,064</b>	<b>\$ 78,980</b>

- (1) Includes \$27,629 and \$0 loss and loss expense reserves on a gross and net of reinsurance basis at June 30, 2025 and \$35,146 and \$0 loss and loss expense reserves on a gross and net of reinsurance basis at December 31, 2024 related to legacy liabilities obtained from the acquisitions of Providence Washington Insurance Company, Greenwood Insurance Company and Consolidated

Specialty Insurance Company. All legacy liabilities remain obligations of affiliates of the sellers through reinsurance.

The process for determining the level of loss and loss adjustment reserves is subject to certain estimates and judgments. Refer to the "Critical Accounting Policies and Estimates" and "Results of Operations" sections of Management's Discussion and Analysis of Financial Condition and Results of Operations, in addition to Basis of Presentation and Significant Accounting Policies and Loss Reserves sections included in Note 2. Basis of Presentation and Significant Accounting Policies and Note 8. Insurance Contracts, respectively, of the Consolidated Financial Statements included in Part II, Item 8 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further information on loss and loss expenses.

#### **Short and Long-term Debt**

Ambac borrowed under a short-term credit facility to provide partial funding of the acquisition of Beat in 2024. The carrying value of this short term debt is \$150,000 as of June 30, 2025, and December 31, 2024. This short-term debt will be repaid from the proceeds of the sale of AAC.

#### **Commission Payable**

Commission payables are commissions due to sub producers for placing insurance contracts on behalf of the MGAs and amounts due to UK Syndicates that provide advanced commissions to fund short term liquidity needs for MGAs. Commission payable at June 30, 2025, and December 31, 2024 was \$96,875 and \$71,431, respectively. The increase is primarily due to higher advance commissions due to Syndicates.

#### **Redeemable Noncontrolling Interest (NCI)**

The minority equity interests of Beat's majority owned MGA/Us were classified within nonredeemable NCI at December 31, 2024. During the three months ended March 31, 2025, Ambac entered into put options on certain of these minority interests that are embedded in the underlying equity instruments. As a result, the minority interests were reclassified from nonredeemable to redeemable and remeasured at fair value including the put options, increasing redeemable NCI by \$42,180. Other changes to redeemable NCI during the three and six months ended June 30, 2025, relate primarily to the allocation of financial results to the minority interests, revaluation to redemption value where applicable, reclassification of certain interests to nonredeemable due to the expiration of related put options, the exercise of certain put options and the impact of foreign currency translation.

### **ACCOUNTING STANDARDS**

Please refer to Note 1. Business and Basis of Presentation to the Unaudited Consolidated Financial Statements included in Part I, Item 1 in this Form 10-Q for a discussion of new accounting pronouncements and the potential impact on Ambac's financial condition and results of operations.

### **U.S. STATUTORY BASIS FINANCIAL RESULTS**

AFG's U.S. insurance subsidiaries prepare financial statements under accounting practices prescribed or permitted by its domiciliary state regulator ("SAP") for determining and reporting the financial condition and results of operations of an insurance

company. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures manual ("NAIC SAP") is adopted as a component of prescribed practices by each domiciliary state. For further information, see "Everspan Indemnity Insurance Company," in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 9. Insurance Regulatory Restrictions to the Consolidated Financial Statements included in Part II, Item 8 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

#### **Everspan Indemnity Insurance Company**

Everspan Indemnity Insurance Company's (EIIC) statutory policyholder surplus was \$126,488 at June 30, 2025, as compared to \$125,202 at December 31, 2024. The increase in surplus was driven by net income at Everspan Indemnity Insurance Company, including its subsidiaries, of \$1,093 during the six months ended June 30, 2025. Each of Everspan's insurance carriers are a direct or indirect wholly-owned subsidiary of EIIC and therefore are included in EIIC's statutory policyholder surplus.

### **NON-GAAP FINANCIAL MEASURES**

In addition to reporting the Company's quarterly financial results in accordance with GAAP, the Company is reporting non-GAAP financial measures: EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, Organic Revenue Growth Rate (Insurance Distribution segment only), Adjusted Net Income and Adjusted Net Income Margin. These amounts are derived from our consolidated financial information, but are not presented in our consolidated financial results.

We present non-GAAP supplemental financial information because we believe such information is of interest to the investment community, and that it provides greater transparency and enhanced visibility into the underlying drivers and performance of our businesses on a basis that may not be otherwise apparent on a GAAP basis. We view these non-GAAP financial measures as important indicators when assessing and evaluating our performance on a segmented and consolidated basis and they are presented to improve the comparability of our results between periods by eliminating the impact of the items that may not be representative of our core operating performance. These non-GAAP financial measures are not substitutes for the Company's GAAP reporting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-GAAP measures differently.

Beginning December 31, 2024, Ambac replaced the non-GAAP measure Adjusted Net Income with new non-GAAP measures Adjusted Net Income and Adjusted Net Income Margin and added Adjusted EBITDA and Adjusted EBITDA Margin to better align with other participants in the Property & Casualty insurance industry, including insurance carriers and other peers in the insurance distribution business.

The following paragraphs define each non-GAAP financial measure. A tabular reconciliation of the non-GAAP financial measure and the most comparable GAAP financial measure is also presented below.

**EBITDA** — EBITDA is net income (loss) from continuing operations before interest expense, income taxes, depreciation and amortization of intangible assets.

**EBITDA Margin** — EBITDA divided by total revenues.

**Adjusted EBITDA and Adjusted EBITDA Margin** — We define Adjusted EBITDA as net income (loss) from continuing operations before interest expense, income taxes, depreciation, amortization of intangible assets, change in fair value of contingent consideration and certain items of income and

expense, including share-based compensation expense, acquisition and integration related expenses, severance, and other exceptional or non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that may obfuscate business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

	Three Months Ended June 30, 2025				Three Months Ended June 30, 2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
Net income (loss) (Continuing Operations)	\$ 428	\$ (7,992)	\$ (13,240)	\$ (20,802)	\$ (1,070)	\$ 1,248	\$ (14,896)	\$ (14,719)
Adjustments:								
Add: Interest expense	—	5,570	—	5,570	—	—	—	—
Add: Income tax expense	192	(2,181)	(183)	(2,172)	(27)	9	(12)	(30)
Add: Depreciation	—	—	440	440	—	14	461	475
Add: Intangible amortization	—	9,301	—	9,301	—	1,139	—	1,139
<b>EBITDA</b>	<b>620</b>	<b>4,698</b>	<b>(12,983)</b>	<b>(7,663)</b>	<b>(1,097)</b>	<b>2,404</b>	<b>(14,441)</b>	<b>(13,135)</b>
Add: Impact of noncontrolling interests	—	(2,185)	—	(2,185)	—	(430)	—	(430)
<b>EBITDA to shareholders</b>	<b>620</b>	<b>2,513</b>	<b>(12,983)</b>	<b>(9,848)</b>	<b>(1,097)</b>	<b>1,974</b>	<b>(14,441)</b>	<b>(13,565)</b>
Net income margin	2.0 %	(24.2)%	(2517.1)%	(37.9)%	(3.4)%	9.4 %	(252.3)%	(28.8)%
Net income margin to Ambac shareholders	2.0 %	(23.4)%	(2517.1)%	(37.4)%	(3.4)%	9.4 %	(252.3)%	(28.8)%
EBITDA margin	2.9 %	14.2 %	(2468.3)%	(13.9)%	(3.4)%	18.1 %	(244.6)%	(25.7)%
EBITDA margin to Ambac shareholders	2.9 %	7.6 %	(2468.3)%	(17.9)%	(3.4)%	14.8 %	(244.6)%	(26.6)%
Add: Acquisition and integration related expenses	—	375	399	774	—	—	10,404	10,404
Add: Equity-based compensation expense	61	67	1,895	2,023	74	—	1,747	1,821
Add: Severance and restructuring expense	—	31	2,918	2,949	—	—	5,203	5,203
Add: Other non-operating (income) losses	—	(591)	—	(591)	—	—	(4,475)	(4,475)
Adjusted EBITDA	\$ 681	\$ 4,580	\$ (7,771)	\$ (2,508)	\$ (1,023)	\$ 2,404	\$ (1,562)	\$ (182)
Adjusted EBITDA attributable to Ambac shareholders	\$ 681	\$ 2,519	\$ (7,771)	\$ (4,569)	\$ (1,023)	\$ 1,974	\$ (1,562)	\$ (612)
Adjusted EBITDA Margin	3.2 %	13.9 %	(1477.4)%	(4.6)%	(3.2)%	18.1 %	(26.5)%	(0.4)%
Adjusted EBITDA Margin to Ambac shareholders	3.2 %	7.6 %	(1477.4)%	(8.3)%	(3.2)%	14.8 %	(26.5)%	(1.2)%

	Six Months Ended June 30, 2025				Six Months Ended June 30, 2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
Net income (loss) (Continuing Operations)	\$ 1,852	\$ (9,735)	\$ (27,410)	\$ (35,292)	\$ 642	\$ 5,142	\$ (23,871)	\$ (18,088)
Adjustments:								
Add: Interest expense	—	11,024	—	11,024	—	—	—	—
Add: Income tax expense	270	(2,681)	(378)	(2,789)	79	127	(106)	100
Add: Depreciation	—	109	744	853	—	21	926	947
Add: Intangible amortization	—	18,064	—	18,064	—	2,278	—	2,278
<b>EBITDA</b>	<b>2,123</b>	<b>16,781</b>	<b>(27,044)</b>	<b>(8,140)</b>	<b>721</b>	<b>7,565</b>	<b>(23,047)</b>	<b>(14,762)</b>
Add: Impact of noncontrolling interests	—	(7,205)	—	(7,205)	—	(1,350)	—	(1,350)
<b>EBITDA to shareholders</b>	<b>2,123</b>	<b>9,576</b>	<b>(27,044)</b>	<b>(15,345)</b>	<b>724</b>	<b>6,215</b>	<b>(23,048)</b>	<b>(16,112)</b>
Net income margin	4.4 %	(13.1)%	(2462.9)%	(30.0)%	1.0 %	16.5 %	(296.6)%	(18.0)%
Net income margin to Ambac shareholders	4.4 %	(15.0)%	(2462.9)%	(31.2)%	1.1 %	16.4 %	(296.6)%	(18.0)%
EBITDA margin	5.0 %	22.7 %	(2430.0)%	(6.9)%	1.2 %	24.3 %	(286.4)%	(14.7)%
EBITDA margin to Ambac shareholders	5.0 %	12.9 %	(2430.0)%	(13.0)%	1.2 %	19.9 %	(286.4)%	(16.0)%
Add: Acquisition and integration related expenses	—	375	1,081	1,456	—	—	10,973	10,973
Add: Equity-based compensation expense	147	67	3,469	3,683	125	—	3,876	4,001
Add: Severance and restructuring expense	—	60	4,737	4,797	—	—	5,337	5,337
Add: Other non-operating (income) losses	—	(591)	—	(591)	—	—	(4,427)	(4,427)
Adjusted EBITDA	\$ 2,270	\$ 16,692	\$ (17,759)	\$ 1,205	\$ 849	\$ 7,526	\$ (7,289)	\$ 1,122
Adjusted EBITDA attributable to Ambac shareholders	\$ 2,270	\$ 9,611	\$ (17,759)	\$ (5,876)	\$ 849	\$ 6,176	\$ (7,289)	\$ (228)
Adjusted EBITDA Margin	5.3 %	22.5 %	NM	(4.6)%	1.4 %	24.1 %	NM	1.1 %
Adjusted EBITDA Margin to Ambac shareholders	5.3 %	13.0 %	NM	(8.3)%	1.4 %	19.8 %	NM	(0.2)%

**Organic Revenue Growth & Rate (Insurance Distribution Only.)** — Organic revenue is based on commissions and fees for the relevant period by excluding (i) the first twelve months of commissions and fees generated from acquisitions and (ii) commissions and fees from divestitures (iii) and other items such as contingent commissions and the impact of changes in foreign exchange rates.

Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period and reached the twelve-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue.

Organic revenue growth rate to Total revenue growth rate, the most directly comparable GAAP measure, for each of the periods indicated is as follows (in percentages):

Three Months Ended June 30,	2025	2024	% Growth
Total Insurance Distribution revenue & growth percentage <sup>(1)</sup>	\$ 33,041	\$ 13,306	148.3 %
Less: Acquired revenues	(18,923)		
Less: Profit commission and contingent commission income	(2,266)	(1,141)	
<b>Total Organic Revenue &amp; Growth Percentage</b>	<b>\$ 11,852</b>	<b>\$ 12,165</b>	<b>(2.6)%</b>

Six Months Ended June 30,	2025	2024	% Growth
Total Insurance Distribution revenue & growth percentage <sup>(1)</sup>	\$ 74,039	\$ 31,171	137.5
Less: Acquired revenues	(38,893)	—	
Less: Profit commission and contingent commission income	(6,957)	(2,323)	
<b>Total Organic Revenue &amp; Growth Percentage</b>	<b>\$ 28,189</b>	<b>28,848</b>	<b>(2.3)%</b>

(1) Total Insurance Distribution revenue includes investment income.

**Adjusted Net Income and Adjusted Net Income Margin** — We define Adjusted net income as net income (loss) from continuing operations attributable to Ambac adjusted for amortization of intangible assets, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, acquisition and integration related expenses, severance and non-recurring income and loss items that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. Per share amounts exclude any impact of revaluing non-controlling interests as otherwise reported under GAAP earnings per share. We believe that adjusted net income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that may obfuscate business performance.

	Three Months Ended June 30,							
	2025				2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
<b>Net income (loss) (Continuing Operations)</b>	\$ 428	\$ (7,992)	\$ (13,240)	\$ (20,802)	\$ (1,070)	\$ 1,248	\$ (14,896)	\$ (14,719)
Adjustments:								
Add: Acquisition and integration related expenses	—	375	399	774	—	—	10,404	10,404
Add: Intangible amortization	—	9,301	—	9,301	—	1,139	—	1,139
Add: Equity-based compensation expense	61	67	1,895	2,023	74	—	1,747	1,821
Add: Severance and restructuring expense	—	31	2,918	2,949	—	—	5,203	5,203
Add: Other non-operating (income) losses	—	(591)	—	(591)	—	—	(4,475)	(4,475)
<b>Adjusted net income (loss) before tax and NCI</b>	489	1,191	(8,028)	(6,348)	(996)	2,387	(2,017)	(627)
<b>Income tax effects</b>	(15)	(1,892)	15	(1,892)	—	—	—	—
<b>Adjusted net income (loss) before NCI</b>	474	(701)	(8,013)	(8,240)	(996)	2,387	(2,017)	(627)
Net (income) loss attributable to noncontrolling interest	—	(2,312)	—	(2,312)	—	(430)	—	(430)
<b>Adjusted net income (loss) attributable to shareholders</b>	\$ 474	\$ (3,013)	\$ (8,013)	\$ (10,552)	\$ (996)	\$ 1,957	\$ (2,017)	\$ (1,057)

	Three Months Ended June 30,							
	2025				2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
<b>Net income (loss) margin</b>	1.9 %	(24.0)%	(11927.9)%	(37.4)%	(3.4)%	9.4 %	(252.3)%	(28.8)%
<b>Adjusted Net income (loss) attributable to Ambac stockholders margin</b>	2.1 %	(9.0)%	(7218.9)%	(19.0)%	(3.1)%	14.7 %	(34.2)%	(2.1)%

	Six Months Ended June 30,							
	2025				2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
<b>Net income (loss) (Continuing Operations)</b>	\$ 1,852	\$ (9,735)	\$ (27,410)	\$ (35,292)	\$ 642	\$ 5,142	\$ (23,871)	\$ (18,088)
Adjustments:								
Add: Acquisition and integration related expenses	—	375	1,081	1,456	—	—	10,973	10,973
Add: Intangible amortization	—	18,064	—	18,064	—	2,278	—	2,278
Add: Equity-based compensation expense	147	67	3,469	3,683	125	—	3,876	4,001
Add: Severance and restructuring expense	—	60	4,737	4,797	—	—	5,337	5,337
Add: Other non-operating (income) losses	—	(591)	—	(591)	—	—	(4,427)	(4,427)
<b>Adjusted net income (loss) before tax and NCI</b>	2,000	8,240	(18,123)	(7,883)	770	7,308	(8,113)	(36)
<b>Income tax effects</b>	(15)	(1,892)	15	(1,892)	—	—	—	—
<b>Adjusted net income (loss) before NCI</b>	1,985	6,348	(18,108)	(9,775)	770	7,308	(8,113)	(36)
Net (income) loss attributable to noncontrolling interest	—	(6,812)	—	(6,812)	—	(1,350)	—	(1,350)
<b>Adjusted net income (loss) attributable to common shareholders</b>	\$ 1,985	\$ (464)	\$ (18,108)	\$ (16,587)	\$ 770	\$ 5,958	\$ (8,113)	\$ (1,386)

	Six Months Ended June 30,							
	2025				2024			
	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated	Specialty Property & Casualty Insurance	Insurance Distribution	Corporate & Other	Consoli-dated
<b>Net income (loss) margin</b>	8.3 %	(29.2)%	(24695.5)%	(63.4)%	1.1 %	16.1 %	(296.6)%	(18.1)%
<b>Adjusted Net income (loss) attributable to Ambac stockholders margin</b>	8.9 %	(1.4)%	(16315.3)%	(29.8)%	1.3 %	19.1 %	(100.8)%	(1.4)%

### Item 3. Quantitative and Qualitative Disclosure About Market Risk

As of June 30, 2025, there are no material changes in the market risks that the Company is exposed to compared to December 31, 2024.

### Item 4. Controls and Procedures

In connection with the preparation of this second quarter Form 10-Q, an evaluation was carried out by Ambac's management, with the participation of Ambac's Chief Executive Officer and Chief Financial Officer, of the effectiveness of Ambac's disclosure controls and procedures (as defined in rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Quarterly Report on Form



10-Q. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Based on its evaluation, Ambac's Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2025, Ambac's disclosure controls and procedures were effective.

Under guidelines established by the SEC, companies are permitted to exclude certain acquisitions from their first assessment of internal control over financial reporting following the date of acquisition. Based on those guidelines, management's assessment of the effectiveness of Ambac Financial Group Inc.'s internal control over financial reporting at June 30, 2025, excluded certain processes of Beat Capital Partners Limited which were not integrated into the Company's existing internal control over financial reporting environment at June 30, 2025. The excluded Beat Capital Partners Limited processes represented approximately 6% of the Company's total assets at June 30, 2025 and approximately 41% of the Company's total revenue for the six months ended June 30, 2025. Management has formally incorporated Beat into Ambac's program for internal control over financial reporting effective August 1, 2025. Accordingly, Beat will be in the scope of management's control assessments beginning with the third quarter of 2025.

Effective January 1, 2025, Ambac Financial Group, Inc. changed the general ledger and consolidation system and certain related processes used for a substantial portion of its continuing operations. As part of its implementation, the Company evaluated the impact of this new system on its internal control over financial reporting and made changes to controls and procedures where necessary. There were no other changes in our internal control over financial reporting during the first six months of 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Please refer to Note 13. Commitments and Contingencies of the Unaudited Consolidated Financial Statements located in Part I, Item 1 in this Form 10-Q and Note 19: Commitments and Contingencies in Part II, Item 8 in the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for a discussion on legal proceedings against Ambac and its subsidiaries.

### Item 1A. Risk Factors

You should carefully consider the risk factors set forth in the "Risk Factors" section, Item 1A to Part I in our Annual Report on Form 10-K for the year ended December 31, 2024, which is hereby incorporated by reference. These important factors may cause our actual results to differ materially from those indicated by our forward-looking statements, including those contained in this report. Please also see the section entitled "Cautionary Statement Pursuant to the Private Securities Litigation Reform Act of 1995" in this quarterly report on Form 10-Q. There have been no material changes to the risk factors we have disclosed in the "Risk Factors" section of our aforementioned Annual Report on Form 10-K, except as noted below.

### Risks Related to the Sale of AAC

***The sale of the common stock of Ambac Assurance Corporation may not be completed as anticipated, or at all.***

The closing of the AAC Sale is conditioned on, among other things, the receipt of specified regulatory approvals. Regulatory approvals may not be received or may lapse, or the receipt or renewal of such approvals may be substantially delayed, due to objections, litigation, the need for additional process, information or review, or other factors. It is also possible that one or more other conditions to the closing of the AAC Sale is not satisfied, or that the parties are prevented from closing by law or by order of a court or other governmental authority.

In addition, the purchase agreement relating to the AAC Sale (the "Purchase Agreement") provides for certain termination rights. Buyer and AFG may terminate the Purchase Agreement by mutual written agreement at any time prior to the closing date. In addition, either Buyer or AFG may terminate the Purchase Agreement at any time prior to the closing by giving written notice to the other party if

- the closing has not been consummated on or before December 31, 2025 (the "End Date"); provided, however, that if the closing has not occurred solely due to the failure to obtain applicable governmental and regulatory approvals from the authorities including, but not limited to, the OCI, the End Date will be automatically extended for an additional ninety (90) days and the parties agree to continue to use their respective reasonable best efforts to satisfy such conditions to closing; provided, further, that the right to terminate the Purchase Agreement for the foregoing is not available to any party whose breach of any provision of the Purchase Agreement results in the failure of the closing to be consummated; or
- (i) applicable law makes the consummation of the closing illegal or otherwise prohibited or (ii) any judgment, injunction, order or decree of any governmental authority enjoins Buyer and AFG from consummating the closing.

The Purchase Agreement may be terminated by Buyer by written notice to AFG if a breach of any representation or warranty or failure to perform any covenant or agreement shall have occurred that would cause certain conditions not to be satisfied, and such breach is not cured within sixty (60) days of written notice to AFG or is incapable of being cured by the End Date. Additionally, the Purchase Agreement may be terminated by Buyer if at any time the AFG Board of Directors effects an Ambac Board Recommendation Change (as defined in the Purchase Agreement).

The Purchase Agreement may be terminated by AFG by written notice if a breach of any representation or warranty or failure to perform any covenant or agreement shall have occurred that would cause certain conditions not to be satisfied, and such breach is not cured within sixty (60) days of written notice to Buyer or is incapable of being cured by the End Date.

The total proceeds realized from the AAC Sale are contingent upon satisfaction of various closing conditions. There can be no assurance that the conditions will be satisfied. Any delay in satisfying the closing conditions may increase the risk that the



AAC Sale will be terminated or reduce the benefits we expect to achieve.

### **Risks Related to the Company's Business**

***Catastrophic events may cause volatility of net income and comprehensive income primarily through changes to loss reserves, which may not be adequate to cover potential losses, and declines in revenues. Revenue may be adversely impacted by reduced business activity and lower sliding scale and profit commissions.***

Catastrophic events, whether natural or man-made, including natural disasters and environmental and public health events that result in material disruption of economic activity, loss of human life or significant property damage, can have a materially negative impact on our financial and operational performance.

Public health crises and/or natural disasters can cause economic and financial disruptions that may adversely affect our business and results of operations.

The objective of establishing loss reserve estimates is not to, and our loss reserves do not, reflect worst possible outcomes. As a result of inherent uncertainties in the estimates and judgments made to determine loss reserves, there can be no assurance that either actual losses will not exceed such reserves or that our reserves will not materially change over time as circumstances, events, our assumptions, or our models change.

Everspan may be exposed to losses arising out of unpredictable catastrophic events both natural and man-made. These events include hurricanes, earthquakes, windstorms, floods, wildfires, and severe winter weather, terrorist attacks, wars, political unrest, explosions, cyber-attacks, nuclear, biological, chemical or radiological events and infrastructure failures. A severe single catastrophe or a series of such events could result in losses exceeding Everspan's reinsurance protection and may have a material adverse impact on our results of operations or financial condition.

Catastrophic events can lead to significant volatility in the markets in which we operate in addition to the global financial markets. Disruptions to these markets could result in a decline in business activity, increased claims, reduced underwriting capacity from insurance companies, reinsurers and other capital providers upon which our P&C businesses are reliant. Catastrophic events may also interrupt the operations of our agents and business partners that distribute our P&C insurance products. Profit commissions and contingent commissions related to certain of our P&C business lines may also be adversely impacted by catastrophic losses. Individually and/or collectively, these results may have a material adverse impact on our results of operations and financial condition.

These events could result in decreased business activity, increased claims and losses, and reduced underwriting capacity from our capacity providers potentially making it more difficult for Everspan and our MGAs to place coverage. Moreover, such disasters may disrupt public and private infrastructure, including communication networks and financial systems, which could disrupt our normal business operations. Any increases in loss ratios due to natural or man-made disasters could impact our profit or contingent commissions.

Further, we use internally developed and third-party vendor tools and models to assess exposure to losses, including catastrophic losses. However, these tools are subject to inherent limitations and may not accurately predict future losses or loss development. Limitations in these tools and models may adversely affect our results of operations and financial condition.

***Our Insurance Distribution businesses, results of operations, financial condition and liquidity may be materially adversely affected by certain potential claims or proceedings.***

Our owned MGA/Us and insurance brokerage operating subsidiaries are subject to various potential claims and other proceedings, including those relating to alleged errors and omissions in connection with the placement or servicing of insurance and/or the provision of services in the ordinary course of business, of which we cannot, and likely will not be able to, predict the outcome with certainty. Because our MGA/Us and insurance brokerage operating subsidiaries often assist customers with matters involving substantial amounts of money, including the placement of insurance and the handling of related claims, customers may assert, errors and omissions and, other claims against all or part of the amounts in question. Also, the failure of an insurer with whom our MGA/Us and insurance brokerage operating subsidiaries place business could result in errors and omissions claims against it by its customers, which could adversely affect Ambac's results of operations and financial condition. Claimants may seek large damage awards, and these claims may involve potentially significant legal costs and damages. In addition, regardless of monetary costs, these matters could have a material adverse effect on our reputation and cause harm to carrier, customer or employee relationships, or divert personnel and management resources.

### **Risks Related to the Capital, Liquidity and Credit Markets**

***AFG and the Insurance Distribution business have substantial indebtedness, which could adversely affect our financial condition, operational flexibility and our ability to obtain financing in the future***

We financed the acquisition of Beat in part through the issuance of \$150,000 of new indebtedness, which is guaranteed by AFG (the "Credit Facility"). The debt incurred under the Credit Facility matures on December 31, 2025. The obligations of AFG and its subsidiaries under the Credit Facility are secured on a first-priority basis by (i) a pledge of all of the capital stock of Everspan Holdings, LLC and (ii) a pledge of all of the capital stock of Beat.

The Company intends to pay off the Credit Facility with the proceeds of the AAC Sale. In the event that the AAC Sale did not occur, due to factors described elsewhere in these Risk Factors or for any other reason, the Company would need to seek to refinance the Credit Facility through the public or private credit markets. Alternatively the Company would seek to raise additional capital or restructure the debt. There is no guaranty that the Company could refinance or restructure the Credit Facility or raise additional capital at commercially reasonable terms or at all. In addition, if the Company were able to refinance or restructure the Credit Facility or raise additional capital it may incur a higher rate of interest or suffer more restrictive covenants,

which could cause a material adverse impact on the Company's results of operations and financial condition.

Furthermore, raising additional capital through the issuance of equity would depend on market and economic conditions, dilute the ownership of existing stockholders and potentially diminish the ability of the Company to access the capital markets in the future. Moreover, raising additional capital through the sale of assets would depend on market and economic conditions; the availability of buyers; the requirements and conditions of local law, including regulatory restrictions; and other factors that may result in the Company or a party enforcing rights against the Company to be unable to receive proceeds sufficient to discharge the Company's obligations. Because of these and other factors beyond our control, the Company may be unable to pay or discharge the principal or interest on the indebtedness incurred under the Credit Facility on economic terms or at all, which would materially impair the value of the Company.

The Credit Facility includes covenants that restrict our ability to manage capital resources by limiting, among other actions, the issuance of additional debt or capital stock; the creation of liens; the disposition of assets; engaging in transactions with affiliates; making restricted payments, including dividends and the purchase or redemption of capital stock; and making acquisitions and other investments. The Credit Facility also requires the prepayment of the borrowings thereunder with proceeds of certain debt or equity issuances and certain asset sales, including the AAC Sale. These requirements will impact our financial and operational flexibility while the Credit Facility remains in place.

The Company's substantial indebtedness could have other significant consequences for our financial condition and operational flexibility. For example, it could:

- increase our vulnerability to general adverse economic, competitive and industry conditions;
- limit our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes on satisfactory terms or at all;
- require the Company to dedicate a substantial portion of its cash flow from operations to the payment of interest on its indebtedness, thereby reducing the funds available for operations and to fund the execution of key strategies;
- limit or restrict the Company from making strategic acquisitions or cause us to make non-strategic divestitures;
- limit the Company's ability, or increase the costs, to refinance its indebtedness or repay indebtedness due to ongoing interest payment obligations; and
- limit our ability to attract and retain key employees.

While restrictive covenants in the Credit Facility may limit the amount of additional indebtedness the Company may incur, we may obtain waivers of those restrictions and incur additional indebtedness in the future. In addition, if the Company incurred indebtedness, its ability to make scheduled payments on, or refinance, any such indebtedness may depend on the ability of our subsidiaries to make distributions or pay dividends, which in turn will depend on their future operating performance and contractual, legal and regulatory restrictions on the payment of

distributions or dividends to which they may be subject. There can be no assurance that any such dividends or distributions would be made. This could further exacerbate the risks associated with the Company's substantial leverage.

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

(a) **Unregistered Sales of Equity Securities** — No matters require disclosure.

(b) **Purchases of Equity Securities By the Issuer and Affiliated Purchasers**

When restricted stock unit awards issued by Ambac vest or settle, they become taxable compensation to employees. Shares may be withheld to cover the employee's portion of withholding taxes. In the second quarter of 2025, Ambac purchased shares from employees that settled restricted stock units to meet employee tax withholdings.

	Apr-2025	May-2025	Jun-2025	Second Quarter 2025
Total Shares Purchased <sup>(1)</sup>	—	—	—	—
Average Price Paid Per Share	\$ —	\$ —	\$ —	\$ —
Total Number of Shares Purchased as Part of Publicly Announced Plan	—	27,400	—	27,400
Maximum Dollar Value That may Yet be Purchased Under the Plan				\$ 35,001

On November 12, 2024, Ambac's Board of Directors authorized a share repurchase program, under which Ambac may opportunistically repurchase up to \$50,000 of the Company's common shares at management's discretion over the period ending on December 31, 2026.

The following table shows shares repurchased by year.

(\$ in thousands, except per share)	Year Ended December 31,			YTD 2025
	2022	2023	2024	
Shares repurchased	1,605,316	325,068	937,141	292,191
Total cost	\$ 14.2	\$ 4.5	\$ 11.7	\$ 3.3
Average purchase price per share	\$ 8.86	\$ 13.88	\$ 12.48	\$ 11.29
Unused authorization amount				\$ 35,001

Item 3. **Defaults Upon Senior Securities** — No matters require disclosure.

Item 5. **Other Information** — In the last fiscal quarter, none of our directors or executive officers adopted, terminated, or modified any Rule 10b5-1 trading arrangement, or any non-Rule 10b5-1 trading arrangement.

At the 2025 Annual Meeting of Stockholders held on May 28, 2025, the Company's stockholders recommended, by a non-binding advisory vote, that a stockholder vote to approve the

compensation of our named executive officers should occur every year. In accordance with the stockholders' recommendation, the Company has determined that an advisory vote on the compensation of our named executive officers will be conducted every year, until the next required vote on the frequency of

stockholder votes on the compensation of our named executive officers.

No other matters require disclosure.

## Item 6. Exhibits

Exhibit Number	Description
<b>Other exhibits, filed or furnished, as indicated:</b>	
10.1	<a href="#">First Amendment to the Stock Purchase Agreement, by and between Ambac Financial Group, Inc. and American Acorn Corporation, dated as of July 3, 2025 (incorporated herein by reference to exhibit 2.1 in the Current Report on Form 8-K filed on July 7, 2025).</a>
10.2	<a href="#">Letter Agreement, by and between Ambac Financial Group, Inc. and American Acorn Corporation, dated as of July 3, 2025 (incorporated herein by reference to exhibit 10.1 in the Current Report on Form 8-K filed on July 7, 2025).</a>
10.3+	<a href="#">First Amendment dated as of June 10, 2025 to the Credit Agreement, by and between Ambac Financial Group, Cirrata V LLC, Cirrata Group, LLC, Cirrata V UK Ltd and UBS AG, dated as of August 1, 2024.</a>
10.4+	<a href="#">Form of 2025 Performance Stock Unit Award Agreement between Ambac Financial Group, Inc. and Messrs. LeBlanc, Trick, Ksenak, McGinnis and Ms. Smith.</a>
10.5+	<a href="#">Form of 2025 Restricted Stock Unit Award Agreement between Ambac Financial Group, Inc. and Messrs. LeBlanc, Trick, Ksenak, McGinnis and Ms. Smith.</a>
31.1+	<a href="#">Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) Promulgated under the Securities Exchange Act of 1934, as amended.</a>
31.2+	<a href="#">Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) Promulgated under the Securities Exchange Act of 1934, as amended.</a>
32.1++	<a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	XBRL Instance Document - the instance document does not appear in the interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
+ Filed herewith. ++ Furnished herewith.	

## SIGNATURES

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

Dated: August 7, 2025

**AMBAC FINANCIAL GROUP, INC.**

By: /s/ DAVID TRICK  
Name: **David Trick**  
Title: **Chief Financial Officer and Treasurer  
(Duly Authorized Officer and  
Principal Financial Officer)**

This AMENDMENT NO. 1 TO CREDIT AGREEMENT, dated as of June 10, 2025 (this "**Amendment**"), by and among **CIRRATA GROUP LLC**, a Delaware limited liability company ("**Cirrata Group**"), **CIRRATA V LLC**, a Delaware limited liability company ("**Cirrata V**") and **Cirrata V UK Limited**, a private company limited by shares incorporated under the laws of England and Wales with company number 15854655 ("**Cirrata UK**", and together with Cirrata Group and Cirrata V, the "**Borrowers**"; individually, each a "**Borrower**"), **AMBAC FINANCIAL GROUP, INC.**, a Delaware corporation (the "**Parent**" and together with the Borrowers, the "**Obligors**"; individually, each an "**Obligor**"), the Lenders party hereto, and **UBS AG, STAMFORD BRANCH**, as administrative agent for the Lenders (in such capacity, including any successor thereto, the "**Agent**").

WHEREAS, the Borrowers and the Parent entered into that certain Credit Agreement, dated as of August 1, 2024 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "**Existing Credit Agreement**", and the Existing Credit Agreement as amended by this Amendment, the "**Credit Agreement**"), by and among the Borrowers, the Parent, the lenders from time to time party thereto (collectively, the "**Lenders**"; individually, each a "**Lender**") and the Agent.

WHEREAS, the Borrowers and the Parent have requested that Agent and Lenders amend the Existing Credit Agreement as set forth herein, and Agent and the Lenders party hereto have agreed to amend the Existing Credit Agreement as set forth herein, in each case, subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, agreements, provisions and covenants set forth herein, the parties hereto agree as follows:

## ARTICLE I

### RATIFICATION; DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 *Relation to Credit Agreement; Ratification.* This Amendment is entered into in accordance with Section 11.01 of the Existing Credit Agreement and amends the Existing Credit Agreement as set forth herein. Except as amended by this Amendment, the provisions of the Credit Agreement are in all respects ratified and confirmed and shall remain in full force and effect.

Section 1.2 *Definitions.* Capitalized terms used herein but not defined herein shall have the meaning given to them in the Credit Agreement.

## ARTICLE II

### AMENDMENTS TO CREDIT AGREEMENT

Section 2.1 *Amendments to Credit Agreement.* As of the Amendment No. 1 Effective Date (as defined below), the Existing 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 examples: and by inserting the double-underlined text (indicated textually in the same manner as the following examples: blue, double-underlined text), in each case in the place where such text appears therein.

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### ARTICLE III

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

Section 4.1 Each of Obligor hereby represents and warrants to the Lenders and the Agent that as of the date hereof, both immediately before and immediately after giving effect to this Amendment:

Section 4.1 *Corporate Authorization; No Contravention.*

Section 4.2 The execution, delivery and performance of this Amendment and the Credit Agreement and each other Loan Document to which it is a party are within its corporate or other organizational powers. The execution, delivery and performance of this Amendment and the Credit Agreement and each other Loan Document to which it is a party have been duly authorized by all necessary corporate or other organizational action of each Obligor, and do not and will not:

Section 4.3 (a) contravene the terms of any of such Obligor's Organization Documents;

Section 4.4 (b) conflict with or result in any breach or contravention of, or result in or require the creation of any Lien (other than the Transaction Liens) under, any document evidencing any material Contractual Obligation to which such Obligor is a party, except to the extent that such conflicts, in the aggregate, would not reasonably be expected to have a Material Adverse Effect; or

Section 4.5 (c) violate any Requirement of Law or any order, injunction, writ or decree of any Governmental Authority to which such Obligor or its property is subject, except to the extent that such violations, in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 4.6 *Governmental Authorization.*

Section 4.7 No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Obligor of this Amendment and the Credit Agreement and each other Loan Document to which it is a party or the granting of any Liens by any Obligor pursuant to the Loan Documents, except (i) such as have been obtained and are in full force and effect, (ii) filings necessary to perfect the Transaction Liens, (iii) such as may be required in accordance with applicable securities Laws in connection with realization on the Pledged Collateral and (iv) those the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

Section 4.8 *Binding Effect.*

Section 4.9 This Amendment and the Credit Agreement and each other Loan Document that has been delivered by an Obligor has been duly executed and delivered by each Obligor party thereto and constitutes a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency,

or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, regardless of whether considered in a proceeding in equity or at law. Any security interest created by any Security Document remains a valid, perfected, first priority security interest in the Collateral immediately after giving effect to this Amendment.

Section 4.10     *Representations and Warranties.*

Section 4.11     Immediately before and after giving effect to this Amendment and each of the transactions contemplated hereby, each of the representations and warranties made by it in the Credit Agreement and in any other Loan Document are true and correct on and as of the Amendment No. 1 Effective Date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties are true and correct as of such earlier date.

Section 4.12     *No Default.*

Section 4.13     Immediately before and after giving effect to this Amendment and each of the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing.

ARTICLE V

ARTICLE VI   CONDITIONS TO EFFECTIVENESS; CONDITIONS SUBSEQUENT

Section 6.1     *Conditions to Effectiveness.* This Amendment shall become effective on the date on which the following conditions shall have been satisfied or waived by the Agent (such date, the "Amendment No. 1 Effective Date"):

- (a)     The Agent shall have received executed counterparts of this Amendment by each of the parties hereto.
- (b)     The Agent shall have received:

(A)     (i)   in respect of the Parent, Cirrata Group and Cirrata V:

(A)     a copy of the articles or certificate of incorporation or equivalent document of each Obligor as in effect on the Amendment No. 1 Effective Date, certified by the Secretary of State (or similar applicable Government Authority) of its jurisdiction of incorporation or organization as of a recent date;

(B)     a copy of the bylaws, operating agreement, or equivalent document of each Obligor as in effect on the Amendment No. 1 Effective Date, certified by the Secretary or Assistant Secretary of such Obligor as of the Amendment No. 1 Effective Date;

(C)     copies of the resolutions of the board of directors, authorized subcommittee thereof, or other equivalent body of each Obligor authorizing the execution, delivery and performance of this Amendment, certified as of the Amendment No. 1 Effective Date by the Secretary or an Assistant Secretary of such Obligor (or in the case of a limited liability company, of its manager);

(D) a certificate of the Secretary or Assistant Secretary of each Obligor (or in the case of a limited liability company, of its manager) certifying the names and true signatures of the officers of such Obligor authorized to execute, deliver and perform, as applicable, this Amendment;

(E) a certificate of good standing or equivalent document for each Obligor from the Secretary of State (or similar, applicable Governmental Authority) of its jurisdiction of incorporation or organization as of a recent date; and

(F) (ii) in respect of Cirrata UK:

(G) (A) a copy of the constitutional documents (certificate of incorporation, most recent articles of association, memorandum of association and change of name certificates);

(H) (B) a copy of a resolution of the board of directors;

(I) (C) a specimen signature of each person authorized by the board resolutions above in relation to this Amendment and related documents;

(J) (D) a certificate of an authorized signatory or director of Cirrata UK:

(K) (E) confirming that borrowing, guaranteeing or securing the Obligations would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded; and

(L) (F) certifying that each copy document relating to it specified in this section is correct, complete and in full force and effect and has not been amended or superseded as at the date no earlier than the date of this Amendment.

(c) The Agent shall have received evidence that (i) all fees required to be paid hereunder on the Amendment No. 1 Effective Date have been paid and (ii) all attorneys' fees and expenses incurred by Agent in connection with this Amendment that have been invoiced to date have been paid.

(d) Immediately before and after giving effect to this Amendment and each of the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing.

## ARTICLE VII

### ARTICLE VIII EXTENSION FEE

Section 8.1 *Extension Fee.* The Borrowers shall pay an extension to the Agent, for the account of each Lender, on the date hereof, in an amount equal to 1.00% of the aggregate principal amount of such Lender's Loans outstanding on the date hereof. Such extension fee shall be paid in



immediately available funds. Such extension fee shall be fully earned on the date hereof and shall not be refundable under any circumstances.

## ARTICLE IX

### ARTICLE X MISCELLANEOUS

Section 10.1 *Entirety.* This Amendment, together with the other Loan Documents and any separate agreements with respect to fees payable to the Agent, embodies the entire agreement and understanding among the Borrowers, the Lenders and the Agent and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof. In the event of an inconsistency between the terms of this Amendment and the terms of the Loan Documents, this Amendment shall govern.

Section 10.2 *Loan Document.* This Amendment shall constitute a "Loan Document" as defined under the Credit Agreement.

Section 10.3 *No Novation.* This Amendment shall not constitute a novation of the obligations contained in the Existing Credit Agreement.

Section 10.4 *No Waiver; Status of Loan Documents.* This Amendment shall not constitute an amendment or waiver of any provision of the Existing Credit Agreement not expressly referred to herein and shall not be construed as an amendment, waiver or consent to any action on the part of any party hereto that would require an amendment, waiver or consent of the Agent or the Lenders except as expressly stated herein. Except as expressly amended hereby, the provisions of the Existing Credit Agreement and the other Loan Documents are and shall remain in full force and effect. On and after the date hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall be deemed to mean and be a reference to the Credit Agreement, as amended by this Amendment.

Section 10.5 *Consent and Reaffirmation.* Each of the Borrowers and Parent hereby ratifies, affirms, acknowledges and agrees that the Credit Agreement and each of the other Loan Documents to which each such Obligor is a party constitutes the valid and enforceable obligations of each such Obligor in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity. Each of the Borrowers and Parent hereby agrees that this Amendment in no way acts as a release or relinquishment of any of the Liens or rights securing payment of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by each of the Borrowers and Parent in all respects. The Credit Agreement and the other Loan Documents shall remain unchanged and in full force and effect in accordance with their original terms, except as explicitly provided herein. Except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. For the avoidance of doubt, each of the parties hereto acknowledge and agree that the Liens created under the Security Documents shall continue in full force and effect in accordance with the terms of such Security Documents after giving effect to this Amendment.

Section 10.6 *Governing Law; Jurisdiction; Consent to Service of Process; Process Agent; Sovereign Immunity.*

(a) This Amendment shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender or the Agent may otherwise have to bring any action or proceeding relating to any Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in subsection (b) of this Section 6.6. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.02 of the Credit Agreement. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

(e) Cirrata UK hereby irrevocably appoints the Borrower Representative (in such capacity, the “**Process Agent**”), as its agent to receive on behalf of Cirrata UK service of the summons and complaint and any other process which may be served in any action or proceeding described above. Such service may be made by mailing or delivering a copy of such process to Cirrata UK, in care of the Process Agent at the address specified for such Process Agent, and Cirrata UK hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Cirrata UK covenants and agrees that, for so long as it shall be bound under this Amendment or any other Loan Document, it shall maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for the purposes of any legal action, suit or proceeding brought by any party in respect of this Amendment or such other Loan Document and shall keep the Agents advised of the identity and location of such agent. If for any reason there is no authorized agent for service of process in New York, Cirrata UK irrevocably consents to the service of process out of the said courts by mailing copies thereof by registered United States air mail postage prepaid to it at its address specified in Section 11.02 of the Credit Agreement. Nothing in this Section 6.5 shall affect the right of any Secured Party to (i) commence legal proceedings or otherwise sue Cirrata UK in the country in which it is domiciled or in any other court having jurisdiction over Cirrata UK or (ii) serve process upon Cirrata UK in any manner authorized by the laws of any such jurisdiction.

(f) Each Borrower waives any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process to which it or its properties or assets may be entitled. To the extent that any Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of

execution, execution or otherwise) with respect to itself or its property, each Borrower irrevocably waives such immunity in respect of its obligations under the Loan Documents.

Section 10.7 *Counterparts*. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile transmission or other electronic transmission (e.g., “.pdf” or “.tif”) shall be effective as delivery of a manually executed counterpart hereof.

Section 10.8 *Severability*. If any provision of this Amendment is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of this Amendment shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Lenders in order to carry out the intentions of the parties thereto as nearly as may be possible and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

Section 10.9 *Successors and Assigns*. This Amendment shall be binding upon the Obligors and their respective successors and assigns and shall inure to the benefit of Agent, Lenders and their respective successors and permitted assigns.

Section 10.10 [*Remainder of this page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their proper and duly authorized officers as of the day and year first above written.

**CIRRATA GROUP LLC,**  
as a Borrower

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

**CIRRATA V LLC,**  
as a Borrower

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

**CIRRATA V UK LIMITED,**  
as a Borrower

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

**AMBAC FINANCIAL GROUP, INC.,**  
as the Parent

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

**UBS AG, STAMFORD BRANCH,**  
as Agent and Lender

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

Section 10.11 By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Amendment No. 1 to Credit Agreement (Project Brio)]

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**EXHIBIT A**

**Amendments to Credit Agreement**

[Attached]

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CREDIT AGREEMENT

Dated as of August 1, 2024

among

CIRRATA GROUP LLC,  
as a Borrower,

CIRRATA V LLC,  
as a Borrower,

CIRRATA V UK LIMITED,  
as a Borrower

AMBAC FINANCIAL GROUP, INC.,  
as the Parent,

UBS AG, STAMFORD BRANCH  
as the Agent, and

THE LENDERS PARTY HERETO

---

UBS SECURITIES LLC  
as Lead Arranger and Bookrunner

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## TABLE OF CONTENTS

	<u>PAGE</u>
Article 1	1
Definitions	
Section 1.01. Certain Defined Terms	1
Section 1.02. Other Interpretive Provisions	24
Section 1.03. Accounting Principles	25
Section 1.04. Times of Day	26
Section 1.05. Timing of Payment or Performance; Compliance with this Agreement	26
Section 1.06. Certifications	26
Section 1.07. Currency	26
Section 1.08. Appointment of Borrower Representative	27
Article 2	27
The Credits	
Section 2.01. Term Loans	27
Section 2.02. Pro Rata Shares	28
Section 2.03. Conversion and Continuation of Loans	28
Section 2.04. Notes; Loan Accounts	29
Section 2.05. Repayment of Loans	29
Section 2.06. Optional and Mandatory Prepayments	29
Section 2.07. Interest	30
Section 2.08. Fees	32
Section 2.09. Computation of Fees and Interest	32
Section 2.10. Payments Generally	32
Section 2.11. Sharing of Payments by Lenders	33
Section 2.12. Defaulting Lenders	34
Article 3	35
Taxes, Yield Protection And Illegality	
Section 3.01. Taxes	35
Section 3.02. Illegality	38
Section 3.03. Increased Costs and Reduction of Return	38
Section 3.04. Funding Losses	39
Section 3.05. Inability to Determine Rates	39
Section 3.06. Certificates of Lenders	40
Section 3.07. Substitution of Lenders; Mitigation	40
Section 3.08. Benchmark Replacement Setting	41
Section 3.09. Survival	42
Article 4	42
Conditions Precedent	
Section 4.01. Conditions to Closing	42
Section 4.02. Determinations Under Section 4.01	44
Article 5	44
Representations and Warranties	
Section 5.01. Corporate Existence and Power	44
Section 5.02. Corporate Authorization; No Contravention	45

Section 5.03.	Governmental Authorization	45
Section 5.04.	Binding Effect	45
Section 5.05.	Litigation	45
Section 5.06.	Employee Benefit Plans	46
Section 5.07.	Margin Regulations	46
Section 5.08.	Title to Properties	46
Section 5.09.	Taxes	46
Section 5.10.	Financial Condition	47
Section 5.11.	Environmental Matters	47
Section 5.12.	Investment Company Act	47
Section 5.13.	Subsidiaries	47
Section 5.14.	Intellectual Property	48
Section 5.15.	Full Disclosure	48
Section 5.16.	Solvency	48
Section 5.17.	Security Interests	48
Section 5.18.	Compliance with Laws	49
Section 5.19.	Sanctions Laws and Regulations	49
Section 5.20.	Use of Proceeds	49
Article 6		49
Affirmative Covenants		
Section 6.01.	Financial Statements	49
Section 6.02.	Certificates; Other Information	50
Section 6.03.	Notices	50
Section 6.04.	Preservation of Corporate Existence, Etc	51
Section 6.05.	Insurance	52
Section 6.06.	Payment of Tax Obligations	52
Section 6.07.	Compliance with Laws	52
Section 6.08.	Compliance with ERISA	52
Section 6.09.	Inspection of Property and Books and Records	52
Section 6.10.	Use of Proceeds	53
Section 6.11.	Further Assurances	53
Section 6.12.	Conduct of Business	53
Section 6.13.	Fiscal Year	53
Section 6.14.	Maintenance of Properties	53
Section 6.15.	Sanctions Laws and Regulations	54
Article 7		54
Negative Covenants		
Section 7.01.	Limitation on Indebtedness and Disqualified Capital Stock	54
Section 7.02.	Liens	55
Section 7.03.	Disposition of Assets	57
Section 7.04.	Transactions with Affiliates	59
Section 7.05.	Fundamental Changes	59
Section 7.06.	Restricted Payments	60
Section 7.07.	Investments and Acquisitions	61
Section 7.08.	Prepayment of Certain Indebtedness; Modifications of Certain Agreements	62

Section 7.09.	Minimum Consolidated Net Worth	62
Section 7.10.	Restrictive Agreements	62
Section 7.11.	Minimum L	63
Article 8		63
Events Of Default		
Section 8.01.	Events of Default	63
Section 8.02.	Remedies	65
Section 8.03.	Rights Not Exclusive	65
Section 8.04.	Clean-up Period	65
Article 9		66
The Agent		
Section 9.01.	Appointment and Authority	66
Section 9.02.	Rights as a Lender	66
Section 9.03.	Exculpatory Provisions	67
Section 9.04.	Reliance by the Agent	67
Section 9.05.	Delegation of Duties	68
Section 9.06.	Resignation of the Agent	68
Section 9.07.	Non-Reliance on the Agent and Other Lenders	68
Section 9.08.	No Other Duties, Etc	69
Section 9.09.	The Agent May File Proofs of Claim	69
Section 9.10.	Collateral and Guaranty Matters	69
Section 9.11.	Indemnification of Agent-Related Persons	70
Section 9.12.	Withholding Tax	70
Section 9.13.	Certain ERISA Matters	70
Section 9.14.	Erroneous Payments	71
Article 10		74
Guaranty		
Section 10.01.	Guaranty of the Obligations	74
Section 10.02.	Payment by Guarantor	74
Section 10.03.	Liability of Guarantor Absolute	75
Section 10.04.	Waivers by Guarantor	77
Section 10.05.	Guarantor's Rights of Subrogation, Etc.	77
Section 10.06.	Subordination of Other Obligations	78
Section 10.07.	Continuing Guaranty	78
Section 10.08.	Authority of Guarantor or Borrowers	78
Section 10.09.	Financial Condition of Borrowers	78
Section 10.10.	Bankruptcy, Etc.	79
Section 10.11.	Release of Guarantor	79
Section 10.12.	Remedies	79
Section 10.13.	Instrument for the Payment of Money	79
Section 10.14.	General Limitation on Guaranty Obligations	80
Article 11		80
Miscellaneous		
Section 11.01.	Amendments and Waivers	80
Section 11.02.	Notices	81
Section 11.03.	No Waiver; Cumulative Remedies	83

Section 11.04.	Costs and Expenses	83
Section 11.05.	Borrower Indemnification; Damage Waiver	84
Section 11.06.	Marshalling; Payments Set Aside	85
Section 11.07.	Assignments, Successors, Participations, Etc	85
Section 11.08.	Confidentiality	87
Section 11.09.	Set-off	89
Section 11.10.	Notification of Addresses, Lending Offices, Etc	89
Section 11.11.	Effectiveness; Counterparts	89
Section 11.12.	Survival of Representations and Warranties	89
Section 11.13.	Severability	89
Section 11.14.	Replacement of Defaulting Lenders and Non-Consenting Lenders	90
Section 11.15.	Governing Law; Jurisdiction; Consent to Service of Process; Process Agent; Sovereign Immunity.	90
Section 11.16.	Waiver of Jury Trial	91
Section 11.17.	USA PATRIOT Act Notice	91
Section 11.18.	Entire Agreement	91
Section 11.19.	Independence of Covenants	92
Section 11.20.	Obligations Several; Independent Nature of Lenders' Right	92
Section 11.21.	No Fiduciary Duty	92
Section 11.22.	Acknowledgment and Consent to Bail-In of Affected Financial Institutions	92
Section 11.23.	Acknowledgment and Consent Regarding Any Supported QFCs	93
Section 11.24.	Lender Action	94
Section 11.25.	Joint and Several Liability of the Borrowers	94
Section 11.26.	Judgment Currency	94

## **APPENDICES**

Appendix A-1 Commitments

## **SCHEDULES**

Schedule 5.05 Litigation

Schedule 5.14(a) Options, Warrants, Calls, Rights, Commitments or Other Agreements

Schedule 5.14(b) Subsidiaries

Schedule 7.01 Existing Indebtedness

Schedule 7.02 Existing Liens

Schedule 7.07 Existing and Committed Investments

Schedule 7.10 Restrictive Agreements

Schedule 11.02 Addresses for Notices

## **EXHIBITS**

Exhibit A-1 Form of Compliance Certificate

Exhibit A-2 Form of Company Audit Certificate

Exhibit B Form of Note

Exhibit C-1 Form of Loan Notice

Exhibit C-2 Form of Continuation/Conversion Notice

Exhibit D Form of Assignment and Assumption

Exhibit E Form of U.S. Pledge Agreement

Exhibit F-1 United States Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Exhibit F-2 United States Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Exhibit F-3 United States Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Exhibit F-4 United States Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Exhibit G Form of Global Note

## CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of August 1, 2024, by and among CIRRATA GROUP LLC, a Delaware limited liability company (“**Cirrata Group**”), CIRRATA V LLC, a Delaware limited liability company (“**Cirrata V**”), CIRRATA V UK LIMITED, a limited liability company incorporated under the laws of England and Wales with company number 15854655 (“**Cirrata UK**”, and together with Cirrata Group and Cirrata V, the “**Borrowers**”; individually, each a “**Borrower**”) AMBAC FINANCIAL GROUP, INC., a Delaware corporation (the “**Parent**”), the lenders from time to time party to this Agreement (collectively, the “**Lenders**”; individually, each a “**Lender**”), and UBS AG, STAMFORD BRANCH, as administrative agent (in such capacity, the “**Agent**”) for the Lenders.

WHEREAS, the Borrowers desire to obtain from the Lenders a term loan facility in an aggregate principal amount of \$150,000,000;

WHEREAS, the Borrowers intend to use the proceeds of the term loan facility to (i) finance the acquisition by the Beat Purchaser (as defined below) of 60% of the outstanding ordinary shares of Beat Capital Partners Limited (the “**Company**”) pursuant to the Share Purchase Agreement, dated as of June 4, 2024 (as amended, supplemented, modified or assigned from time to time in accordance with the terms hereof and thereof, together with the exhibits and disclosure schedules thereto, the “**Acquisition Agreement**”) by and among the Beat Purchaser, the Parent, each of the sellers named therein (the “**Sellers**”) and the Company (the “**Beat Acquisition**”) and (ii) pay fees and expenses incurred in connection with the Transactions (as defined below).

WHEREAS, (i) the Parent is willing to guarantee the foregoing obligations of the Borrowers and to provide a pledge of the Capital Stock of Everspan Holdings, LLC, a Delaware limited liability company (“**Everspan**”) as security for such obligations and (ii) Cirrata V and Cirrata UK are willing to provide a pledge of all of the Capital Stock of the Company held by them as security for such obligations, all on the terms set forth herein and in the Security Documents.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

### Article 1 Definitions

#### Section 1.01. *Certain Defined Terms.*

The following terms have the following meanings:

“**AAC**” means Ambac Assurance Corporation, a Wisconsin stock insurance company.

“**Acquisition**” means (a) any Investment by the Parent or any Borrower in a Person whereby such Person becomes a direct or indirect Subsidiary of the Parent or is merged, consolidated or amalgamated with or into the Parent or such Borrower (including any Investment in a Subsidiary or joint venture that serves to increase the Parent’s or any Borrower’s ownership interests therein) or (b) an acquisition by the Parent or any Borrower of the property and assets of any Person that constitutes all or substantially all of the assets of such Person or any division, line of business, book of business or business unit of such Person; *provided* that capital expenditures (as determined in accordance with GAAP) that do not, individually or as part of a series of related transactions, result in the acquisition of all or substantially all of the assets of any Person or any division, line of business, book of business or business unit of such Person shall be deemed not to be Acquisitions.

“**Acquisition Agreement**” has the meaning specified in the recitals to this Agreement.

**“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. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract or otherwise.

**“Agent”** means UBS AG, Stamford Branch, in its capacity as administrative agent under the Loan Documents.

**“Agent-Related Persons”** means the Agent and the Arranger in each case together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

**“Agent’s Office”** means the Agent’s address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Agent may from time to time specify.

**“Agreement”** means this Credit Agreement.

**“Annual Statement”** means the annual statutory financial statement of any Insurance Subsidiary required to be filed with such Insurance Subsidiary’s domiciliary insurance commissioner (or similar authority), which statement shall be in the form required by such Insurance Subsidiary’s domiciliary insurance commissioner (or similar authority), or if no specific form is so required, in the form of financial statements permitted by such insurance commissioner (or such similar authority) to be used for filing annual statutory financial statements and shall contain the type of information permitted or required by such domiciliary insurance commissioner (or such similar authority) to be disclosed therein, together with all exhibits or schedules filed therewith.

**“Anti-Corruption Laws”** means all laws, rules, and regulations of any jurisdiction applicable to the Parent and its Subsidiaries concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010.

**“Anti-Money Laundering Laws”** means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to an Obligor and its Subsidiaries, related to terrorism financing or money laundering including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act”, 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the UK Proceeds of Crime Act 2002 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

**“Applicable Margin”** means, as of any date of determination, a percentage *per annum* equal to: (a) in respect of SOFR Loans, 4.50% and (b) in respect of Base Rate Loans, 3.50%; *provided* that the Applicable Margin shall automatically increase to (i) 5.50% in respect of SOFR Loans and 4.50% in respect of Base Rate Loans on November 1, 2024, (ii) 6.50% in respect of SOFR Loans and 5.50% in respect of Base Rate Loans on February 1, 2025 and (iii) 7.50% in respect of SOFR Loans and 6.50% in respect of Base Rate Loans on May 1, 2025.

**“Approved Electronic Communications”** means any notice, demand, communication, information, document or other material that any Obligor provides to the Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent or Lenders by means of electronic communications pursuant to Section 11.02(b).

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

**“Arranger”** means UBS Securities LLC.

“**Asset Sale**” means, without duplication, any Disposition or series of related Dispositions by the Parent, any Borrower or any Pledged Entity of (i) AAC and its subsidiaries pursuant to the Aurora Transaction Agreements or any other Disposition of the Capital Stock of AAC or (ii) the Capital Stock of any direct Subsidiary of such Person which is an operating company (which shall (x) include any repurchase or redemption of Capital Stock constituting Collateral by the issuer of such Capital Stock and (y) exclude any Disposition to Parent or any Subsidiary).

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee substantially in the form of Exhibit D or in another form reasonably acceptable to the Agent and the Borrowers.

“**Attorney Costs**” means and includes all reasonable and documented out-of-pocket fees, expenses and disbursements of any law firm or other external legal counsel.

“**Aurora ~~Transaction Agreement~~ Sale Agreement**” means the Stock Purchase Agreement, dated June 4, 2024, between Ambac Financial Group, Inc. and American Acorn Corporation, ~~together with the other agreements contemplated thereunder.~~

“**Aurora Transaction Agreements**” means the Aurora Sale Agreement, together with the other agreements contemplated thereunder.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, 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 Section 3.08(d).

“**Bail-In Action**” shall mean 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**” shall mean, (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.).

“**Base Rate**” means for any day a fluctuating rate *per annum* equal to the highest of (a) the Federal Funds Effective Rate *plus* 1/2 of 1%, (b) the Prime Rate and (c) Term SOFR for an Interest Period of one month beginning on such day (or if such day is not a Business Day, the Business Day immediately preceding such day) *plus* 1.00% *per annum*. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or Term SOFR, respectively

“**Base Rate Loan**” means a Loan that bears interest based on the Base Rate.

“**Base Rate Term SOFR Determination Day**” has the meaning specified in the definition of “Term SOFR”.

“**Beat Acquisition**” has the meaning specified in the recitals to this Agreement.

“**Beat Purchaser**” means, either Cirrata V or, if Cirrata V assigns its rights as a “Purchaser” under the Acquisition Agreement to Cirrata UK on or prior to the Closing Date, Cirrata UK.



**“Benchmark”** means, initially, the Term SOFR Reference Rate; *provided* that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference 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 Section 3.08.

**“Benchmark Replacement”** means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Agent and the Borrowers 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 to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; *provided* that, if such Benchmark Replacement as so determined would be less than 0.00%, such Benchmark Replacement will be deemed to be 0.00% 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, 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 Agent and the Borrowers giving due consideration to (a) 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 or (b) 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 Date”** means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) 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

(b) in the case of clause (c) 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 non-representative; *provided* that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) 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, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) 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 the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) 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);

(b) 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 Federal Reserve Bank of New York, 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) 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

(c) 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 not, or as of a specified future date will not 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 Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.08 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.08.

“**Benefit Plan**” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**Borrower Representative**” means Cirrata V LLC, in its capacity as Borrower Representative pursuant to the provisions of Section 1.08.

“**Borrowers**” has the meaning specified in the introduction to this Agreement.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Agent’s Office is located or New York City and, if such day relates to any SOFR Loan, means any such day that is also a U.S. Government Securities Business Day.

“**Capital Adequacy Regulation**” means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy or liquidity of any bank or of any corporation controlling a bank.

“**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), including partnership interests and membership interests, and any and all warrants, rights or options to purchase any of the foregoing; *provided* that, for the avoidance of doubt, Capital Stock shall not be deemed to include debt convertible or exchangeable for any of the foregoing.

“**Capitalized Lease Liabilities**” means, with respect to any Person, all monetary obligations of such Person under any leasing or similar arrangement that, in accordance with GAAP, would be classified as a capitalized lease, and, for purposes of this Agreement, the amount of such obligations shall be the

capitalized amount thereof, determined in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of this definition, whenever in this Agreement it is necessary to determine whether a lease is a capital lease or an operating lease, such determination shall be made on the basis of GAAP as in effect on January 1, 2016.

**“Cash Contribution Requirement”** means the requirement that, substantially concurrently with the funding of the Loans, (i) the Parent shall have contributed cash to Cirrata V (the **“Parent Cash Contribution”**) and (ii) AAC shall have contributed cash to Cirrata V (the **“AAC Cash Contribution”**), and together with the Parent Cash Contribution the **“Cash Contributions”**) that, together with the value of equity in the Parent received by the Sellers (collectively, the **“Cash and Equity Amount”**), represents not less than 40% of the sum of (i) the aggregate gross proceeds of the Loans borrowed on the Closing Date and (ii) the sum of the amount of such Cash Contributions and the value of equity in the Parent received by the Sellers, in each case on the Closing Date (such sum, the **“Funded Capitalization”**); provided that any Cash Contribution for Capital Stock of Cirrata V (other than common stock) or for intercompany debt shall be on terms (including in the case of any intercompany debt, subordination terms) reasonably acceptable to the Lenders.

**“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 or any State thereof in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of twelve months or less from the date of acquisition issued 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 \$500,000,000 and a short term deposit rating of at least A-1 by S&P and P-1 by Moody’s, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally; (c) commercial paper of an issuer rated at least A-2 by S&P and P-2 by Moody’s at the time of acquisition thereof, 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 one year 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 and A2 by Moody’s; (f) securities with maturities of one year 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) instruments equivalent to those referred to in clauses (a) through (f) above denominated in any foreign currency comparable in credit quality and tenor to those referred to above and customarily used for cash management purposes in any jurisdiction outside the United States; and (h) shares of money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (g) of this definition.

**“Cash Management Obligations”** means obligations in respect of treasury, depository and cash management services, including commercial credit cards, stored value cards, purchasing cards, treasury management, check drawing and automated payment services (including depository, overdraft, controlled disbursement, ACH transactions, return items and interstate depository network services, Society for Worldwide Interbank Financial Telecommunication transfers, cash pooling and operational foreign exchange management) and any arrangements or services similar to any of the foregoing.

**“CERCLA”** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

**“Change of Control”** means (a) any acquisition, directly or indirectly, by any person or group (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), of beneficial ownership (within the meaning of Rule 13d-3 of the SEC under the Exchange Act) of 35% or more of the outstanding shares of Voting Stock of the Parent, (b) the failure by the Parent to directly own, legally and beneficially, 100% of

the Capital Stock in Cirrata Group, or (c) the failure by the Parent to own, legally and beneficially, directly or indirectly, 100% of the Capital Stock in Cirrata V and Cirrata UK.

“**Cirrata Group**” has the meaning specified in the introduction to this Agreement.

“**Cirrata UK**” has the meaning specified in the introduction to this Agreement.

“**Cirrata V**” has the meaning specified in the introduction to this Agreement.

“**Clean-up Expiration Date**” means the first day following the end of the relevant Clean-up Period.

“**Clean-up Period**” means the period commencing on the Closing Date and ending on (and including) the date falling 90 days thereafter.

“**Closing Date**” means August 1, 2024.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

“**Collateral**” means, collectively, all of the Pledged Collateral and all other property of whatever kind and nature subject or purported to be subject from time to time to a Lien under any Security Document in favor of the Agent for the benefit of the Secured Parties under any Security Document.

“**Collateral and Guarantee Requirement**” means the requirement that:

(a) the Agent shall have received (i) from the Parent, a counterpart of the U.S. Pledge Agreement duly executed and delivered on behalf of the Parent and (ii) from each of Cirrata V and Cirrata UK, a counterpart of the UK Share Pledge duly executed and delivered on behalf of Cirrata V and Cirrata UK;

(b) all documents and instruments, including Uniform Commercial Code financing statements and filings made to the Registrar of Companies of the United Kingdom, required by law or reasonably requested by the Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect or record such Liens to the extent, and with the priority, required by the Security Documents, shall have been filed, registered or recorded or delivered to the Agent for filing, registration or recording;

(c) the Agent shall have received stock certificates and powers in respect of any Collateral consisting of certificated Capital Stock;

(d) each Obligor shall have obtained all corporate or similar organizational consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted by it thereunder;

(e) the Obligors shall have taken all other actions required under the Security Documents or reasonably requested by the Agent to create or perfect the Liens under the Security Documents; and

(f) all Obligations shall have been unconditionally guaranteed by the Parent.

“**Commitment**” means the commitment of a Lender to make a Loan pursuant to Section 2.01(a),

“**Commitments**” means such commitments of all Lenders in the aggregate. The amount of each Lender’s Commitment as of the date hereof is set forth on Appendix A-1 hereto.

“**Company**” has the meaning specified in the recitals to this Agreement.

“**Company Audit Certificate**” means a certificate substantially in the form of Exhibit A-2.

“**Compensation Period**” has the meaning specified in Section 2.10(b)(ii).

**“Compliance Certificate”** means a certificate substantially in the form of Exhibit A-1.

**“Conforming Changes”** means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 3.04 and other technical, administrative or operational matters) that the Agent, in consultation with the Borrower Representative, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent, in consultation with the Borrower Representative, determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**“Consolidated Net Worth”** means, as of any date of determination, the consolidated stockholders’ equity of the Parent and its Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP.

**“Contingent Obligation”** means, without duplication, any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the debt, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection or indemnities under contracts entered into in the ordinary course of business and not in respect of Indebtedness), or guarantees the payment of dividends or other distributions upon the shares of any other Person. The amount of any Contingent Obligation of any Person shall (subject to any limitation set forth therein) be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

**“Contractual Obligation”** means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

**“Conversion/Continuation Notice”** means a Conversion/Continuation Notice substantially in the form of Exhibit C-2.

**“Credit Extension”** means the making, conversion or continuation of a Loan.

**“Debtor Relief Laws”** means the Bankruptcy Code, and all other similar applicable liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, arrangement, receivership, insolvency, reorganization, winding up or similar debtor relief laws (including corporate statutes) of the United States, Canada or other applicable jurisdictions (including, without limitation, the Bankruptcy and Insolvency Act (Canada) and the Companies’ Creditors Arrangement Act (Canada)), in each case, from time to time in effect and affecting the rights of creditors generally.

**“Default”** means any event or circumstance that constitutes an Event of Default or that, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

**“Defaulting Lender”** means, subject to Section 2.12(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder or (ii) pay to the Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower Representative or the Agent in writing that it does not intend to comply with its funding obligations hereunder, or has

made a public statement to that effect, (c) has failed, within two Business Days after written request by the Agent or the Borrower Representative (or such later date as the Agent or the Borrower Representative, as applicable, shall agree), to confirm in writing to the Agent or the Borrower Representative that it will comply with its prospective funding obligations hereunder, or (d) the Agent has received notification that such Lender or any direct or indirect parent company thereof (i) is insolvent, or is generally unable to pay its debts as they become due, or has admitted in writing its inability to pay its debts as they become due, or has made a general assignment for the benefit of its creditors, (ii) is the subject of a bankruptcy, insolvency, reorganization, liquidation or similar proceeding, or a receiver, trustee, conservator, intervenor or sequestrator or the like has been appointed for such Lender or its direct or indirect parent company, or such Lender or its direct or indirect parent company has taken any action in furtherance of or indicating its consent to or acquiescence in any such proceeding or appointment or (iii) has become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Capital Stock in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

**“Department”** means, with respect to any Insurance Subsidiary, the Governmental Authority of such Insurance Subsidiary’s jurisdiction of domicile with which such Insurance Subsidiary is required to file its Annual Statement.

**“Disposition”** means the sale, assignment, leasing as lessor (other than in the ordinary course), transfer, contribution, conveyance, issuance or other disposal of assets (including any sale and leaseback transaction and, in the case of any Borrower, the issuance or sale of its Capital Stock). The terms **“Dispose of”**, **“Disposing of”** and **“Disposed of”** shall have correlative meaning.

**“Disqualified Capital Stock”** means any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the Latest Maturity Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Capital Stock referred to in clause (a) above, in each case at any time on or prior to the date that is 91 days after the Latest Maturity Date, or (c) contains any repurchase obligation which may come into effect prior to the date that is 91 days after the Latest Maturity Date; *provided, however*, that any (x) Capital Stock that would not constitute Disqualified Capital Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such Capital Stock is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Capital Stock upon the occurrence of a change in control or an asset sale occurring prior to date that is 91 days after the Latest Maturity Date shall not constitute Disqualified Capital Stock if such Capital Stock provides that the issuer thereof will not redeem any such Capital Stock pursuant to such provisions prior to the Payment in Full of the Obligations and (y) if such Capital Stock is issued to any employee or to any employee benefit plan or other equity incentive plan for the benefit of employees of the Company or the Subsidiaries or by any such Plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by the Company or any Subsidiary in order to satisfy applicable compulsory statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

**“Dollar Equivalent”** means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any currency other than Dollars, the equivalent amount thereof in Dollars as determined by the Borrowers at such time on the basis of the Spot Rate (determined as of the applicable date of determination) for the purchase of Dollars with such currency.

**“Dollars,” “dollars”** and **“\$”** each mean lawful money of the United States.

**“EEA Financial Institution”** shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any

entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** shall mean 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.

**“Eligible Assignee”** means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; (d) a commercial bank, insurance company, investment or mutual fund or other entity that is an “accredited investor” (as defined in Regulation D under the Securities Act) and which extends credit or buys loans in the ordinary course of business and (e) any other Person (other than a natural person or the Parent or any of its Subsidiaries or Affiliates), in each case of clauses (d) and (e) approved by (i) the Agent and (ii) unless an Event of Default under Section 8.01(a), 8.01(f) or 8.01(g) has occurred and is continuing, the Borrower Representative (each such approval not to be unreasonably withheld); *provided* that the Borrower Representative shall be deemed to have approved an assignee unless it shall object thereto by written notice to the Agent within ten (10) Business Days after having received notice thereof.

**“Environment”** means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and natural resources such as wetlands, flora and fauna.

**“Environmental Claims”** means all written claims, complaints, notices or inquiries, by any Governmental Authority or other Person alleging potential liability or obligation under or noncompliance with any Environmental Law, or for release or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief or other type of relief, resulting from or based upon the presence, placement, or Release (including intentional or unintentional, negligent or non-negligent, sudden or non-sudden or accidental or non-accidental placement, spills, leaks, discharges, emissions or releases) of any Hazardous Material at, in, to, under or from property, whether or not owned, leased or operated by the Parent or any of its Subsidiaries, excluding, in any case, liabilities or claims arising under any insurance contract or policy, reinsurance agreement or retrocession agreement relating to any of the foregoing where the Parent or any of its Subsidiaries is the insurer.

**“Environmental Laws”** means all Requirements of Law relating to pollution or protection of the Environment, the release of any materials into the Environment, hazardous substances or wastes, air emissions, discharges to waste or public systems, or the protection of human health and safety.

**“Environmental Liability”** means any liability, contingent or otherwise (including any liability for damages, costs of remediation, fines, penalties or indemnities), resulting from or based upon (a) any violation of Environmental Law, (b) the generation, use, handling, transportation, storage or treatment of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Equity Issuance”** means the issuance of any shares of Capital Stock, equity securities or equity-linked securities (other than the issuance or exercise of any warrants or similar equity securities issued in connection with the sale of AAC) by the Parent, a Borrower or a Pledged Entity (other than (i) issuances in connection with executive compensation and/or employee benefits or incentive programs, (ii) any issuance resulting from the conversion of any convertible debt instrument that does not result in Net Proceeds received by the Parent, the Borrowers or the Pledged Entities, (iii) issuances to the Parent or any Subsidiary of the Parent or (iv) issuances of Capital Stock of the Parent in connection with any put options or call options set out in a shareholders’ agreement in respect of any joint venture in which an Obligor has an interest).

**“ERISA”** means the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder.

**“ERISA Affiliate”** means any trade or business (whether or not incorporated) under common control with any Obligor within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

**“ERISA Event”** means (a) a Reportable Event with respect to a Single Employer Pension Plan; (b) with respect to any Single Employer Pension Plan, the failure to satisfy the minimum funding standard under Sections 412 or 430 of the Code and Sections 302 or 303 of ERISA, whether or not waived, the failure to make by its due date a required installment under Section 430(j) of the Code or Section 303 of ERISA with respect to any Single Employer Pension Plan or the failure to make a required contribution to a Multiemployer Plan; (c) a withdrawal by any Obligor or any ERISA Affiliate from a Single Employer Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (d) a complete or partial withdrawal by any Obligor or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Single Employer Pension Plan or Multiemployer Plan; (f) the occurrence of an event or condition set forth in Section 4042 of ERISA that would reasonably be expected to cause the PBGC to terminate, or appoint a trustee to administer, any Single Employer Pension Plan or Multiemployer Plan; (g) the imposition of any liability under Title IV of ERISA, other than for the payment of plan contributions or PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Obligor or any ERISA Affiliate; (h) a Multiemployer Plan is determined to be in “critical” or “endangered” status under Section 432 of the Code or Section 305 of ERISA, or, with respect to any Single Employer Pension Plan, a determination that it is “at risk” under Section 430 of the Code or Section 303 of ERISA; (i) the imposition of a Lien under Section 430(k) of the Code or Section 303(k) or 4068 of ERISA upon the property of any Obligor or any ERISA Affiliate; or (j) a contribution required to be made with respect to a Foreign Pension Plan has not been timely made, or any Obligor or any Subsidiary of an Obligor has incurred liabilities pursuant to one or more Foreign Pension Plans; or an Obligor or any Subsidiary of an Obligor has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Plan.

**“Erroneous Payment”** has the meaning assigned to it in Section 9.14(a).

**“Erroneous Payment Deficiency Assignment”** has the meaning assigned to it in Section 9.14(d)(i).

**“Erroneous Payment Impacted Class”** has the meaning assigned to it in Section 9.14(d)(i).

**“Erroneous Payment Return Deficiency”** has the meaning assigned to it in Section 9.14(d)(i).

**“Erroneous Payment Subrogation Rights”** has the meaning assigned to it in Section 9.14(e).

**“EU Bail-In Legislation Schedule”** shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**“Everspan”** has the meaning specified in the recitals to this Agreement

**“Event of Default”** has the meaning specified in Section 8.01.

**“Exchange Act”** means the Securities Exchange Act of 1934 and the regulations promulgated thereunder.

**“Excluded Debt”** means (i) Indebtedness among the Parent, the Borrowers and any of their Subsidiaries, (ii) working capital or overdraft facilities as in effect from time to time in the ordinary course of business, and any trade, vendor or customer finance-related financing in the ordinary course of business, (iii) Purchase Money Debt incurred in the ordinary course of business, (iv) Capitalized Lease



Liabilities incurred in the ordinary course of business and Indebtedness incurred to finance the acquisition, construction or improvement of assets in the ordinary course of business, (v) [reserved], (vi) Indebtedness to refinance, renew, reprice, repay or defease (collectively, a “**refinancing**”) any indebtedness existing on June 4, 2024 and that has a maturity date on or prior to June 4, 2025; *provided* that such refinancing does not increase the aggregate principal or committed amount thereof (except for the capitalization of accrued interest, amounts in respect of original issue discount and fees and expenses reasonably incurred in connection with such refinancing) and (vii) commitments related to the foregoing clauses (i) through (vi).

“**Excluded Taxes**” means, with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Obligor under any Loan Document, (a) Taxes imposed on or measured by net income (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local or foreign law), franchise Taxes and branch profits Taxes, in each case, imposed by a jurisdiction (or any political subdivision thereof) as a result of the recipient being organized, having an office or being engaged in business (other than a business arising (or being deemed to arise) solely as a result of the Loan Documents or the transactions and activities contemplated by the Loan Documents) in such jurisdiction, (b) in the case of a Lender (other than an assignee pursuant to a request by the Borrower Representative under Section 11.14) or any other recipient, any Other Connection Tax or United States Federal withholding Tax that is imposed on amounts payable to or for the account of such recipient under any laws in effect at the time such recipient becomes a party hereto (or, if such recipient is an intermediary, partnership or other flow-through entity for U.S. tax purposes, the date on which the relevant beneficiary, partner or member of such recipient becomes a beneficiary, partner or member thereof, if later) (or such Lender designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrowers with respect to such Tax pursuant to Section 3.01(a), (c) any Tax that is attributable to such recipient’s failure to comply with Section 3.01(e) and (d) any withholding Tax that is imposed pursuant to FATCA.

“**Exposure**” means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Loans of such Lender; *provided* that at any time prior to the making of the Loans, the Exposure of any Lender shall be equal to such Lender’s Commitment.

“**FATCA**” means current Sections 1471 through 1474 of the Code and any amended or successor version that is substantively comparable and not materially more onerous to comply with (including any Treasury regulations or other official administrative guidance promulgated thereunder), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“**Federal Funds Effective Rate**” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Effective Rate for such day shall be the average (rounded upward, if necessary, to a whole multiple of 1/100 of 1.00%) charged to the Agent on such day for such Agent (or if no such rate is available, the rate per annum calculated by the Federal Reserve Bank of New York based on such day’s Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate); *provided* that if the Federal Funds Effective Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**Fee Letter**” means the Fee Letter, dated June 4, 2024, by and among Cirrata V, the Agent and the Arranger.

“**Financial Covenant**” means the covenant set forth in Section 7.09.

**“Fiscal Quarter”** means any fiscal quarter of a Fiscal Year.

**“Fiscal Year”** means any period of twelve consecutive calendar months ending on December 31.

**“Foreign Lender”** means any Lender that is not a U.S. Person within the meaning of Section 7701(a)(30) of the Code.

**“Foreign Pension Plan”** means any plan, fund (including, without limitation, any superannuation fund) or other similar program established, contributed to (regardless of whether through direct contributions or through employee withholding) or maintained outside the U.S. by an Obligor or any Subsidiary thereof primarily for the benefit of employees of any Obligor or any Subsidiary thereof residing outside of the U.S., which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made in connection with retirement, and which plan is not subject to ERISA or the Code.

**“Foreign Subsidiary”** means any Subsidiary that is not organized or incorporated in the United States, any State thereof or the District of Columbia.

**“FRB”** means the Board of Governors of the Federal Reserve System and any Governmental Authority succeeding to any of its principal functions.

**“Fund”** means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

**“GAAP”** means generally accepted accounting principles in the U.S. in effect and applicable to the accounting period in respect of which reference to GAAP is being made, subject to the provisions of Section 1.03.

**“Global Note”** means a global note substantially in the form of Exhibit G.

**“Governmental Authority”** means any nation or government, any state, provincial, territorial or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial, taxing or regulatory functions of or pertaining to government, including any board of insurance, insurance department or insurance commissioner.

**“Guarantee”** means the guaranty of the Guarantor set forth in Article 10.

**“Guaranteed Obligations”** has the meaning specified in Section 10.01.

**“Guarantor”** means the Parent.

**“Hazardous Material”** means: (a) any “hazardous substance,” as defined by CERCLA or a term of similar import in any other applicable Environmental Law; (b) any “hazardous waste,” as defined by the Resource Conservation and Recovery Act or a term of similar import in any other applicable Environmental Law; (c) petroleum and any petroleum product; or (d) any other pollutant, contaminant, chemical, material, waste or substance in any form that is subject to regulation or, as to which, liability or standards of conduct can be imposed under any Environmental Law.

**“IFRS”** means international accounting standards within the meaning of the IAS Regulation 1606/2002, as in effect from time to time (subject to the provisions of Section 1.03), to the extent applicable to the relevant financial statements.

**“Immaterial Subsidiary”** means any Subsidiary of the Parent that is not a Significant Subsidiary (as defined under the Securities Act) of the Parent.

**“Indebtedness”** means, with respect to any Person, without duplication: (a) all indebtedness of such Person for borrowed money or in respect of loans or advances; (b) all indebtedness of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all indebtedness in respect of letters of credit, whether or not drawn, and bankers’ acceptances and letters of guaranty issued for the account or upon the application or request of such Person; (d) all Capitalized Lease Liabilities of such

Person; (e) the liabilities (if any) of such Person in respect of Swap Contracts as determined by reference to the Swap Termination Value thereof; (f) all obligations of such Person to pay the deferred purchase price of property or services that are included as liabilities in accordance with GAAP (other than accrued compensation and expenses incurred and trade accounts payable in each case in the ordinary course of business) and all obligations secured by a Lien on property owned or being purchased by such Person, but only to the extent of the lesser of the obligations secured or the value of the property to which such Lien is attached (including obligations arising under conditional sales or other title retention agreements); (g) any obligations of a partnership of the kind referred to in clauses (a) through (f) above or clause (h) below in which such Person is a general partner (unless the partnership agreement in respect thereof provides that such general partners is not liable in respect of such obligations); and (h) all Contingent Obligations of such Person in connection with Indebtedness or obligations of others of the kinds referred to in clauses (a) through (g) above. Notwithstanding anything to the contrary, “Indebtedness” shall not include (1) liabilities in respect of unearned premiums on Policies, (2) obligations owed to payroll service providers in respect of advances made to or on behalf of the Parent or its Subsidiaries or to employees of the Parent or its Subsidiaries in the ordinary course of business, (3) obligations under intercompany tax and expense-sharing arrangements or (4) obligations under Policies and Reinsurance Agreements.

“**Indemnified Liabilities**” has the meaning specified in Section 11.05.

“**Indemnified Person**” has the meaning specified in Section 11.05.

“**Indemnified Taxes**” means all Taxes (including for the avoidance of doubt, a deduction or withholding for or on account of Tax from a payment of interest made under this Agreement imposed by the United Kingdom) other than Excluded Taxes.

“**Information Restrictions**” has the meaning specified in Section 6.02(c).

“**Initial Lender**” means UBS AG, Stamford Branch.

“**Insolvency Proceeding**” means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, conservation, rehabilitation, receivership, dissolution, winding-up, arrangement or relief of debtors or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in any case, undertaken under any Debtor Relief Law.

“**Insurance Subsidiary**” has the meaning specified in Section 2.06(h).

“**Interest Payment Date**” means (a) with respect to any Base Rate Loan, the last day of each calendar quarter and (b) with respect to any SOFR Loan, the last day of each Interest Period applicable to the Credit Extension of which such Loan is a part; *provided* that if any Interest Period for a SOFR Loan exceeds three months, the date that falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date (but in each case, subject to the definition of “**Interest Period**”).

“**Interest Period**” means, with respect to any SOFR Loan, the period beginning on the date of the applicable Credit Extension and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower Representative may elect; *provided* that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date; and

(iv) no tenor that has been removed from this definition pursuant to Section 3.08(d) shall be available for specification in such election.

For purposes hereof, the date of a Credit Extension initially shall be the date on which such Credit Extension is made and thereafter shall be the effective date of the most recent continuation of such Credit Extension.

**“Interest Rate Determination Date”** means, with respect to any Interest Period, the date that is two Business Days prior to the first day of such Interest Period.

**“Interest Type”** means, when used with respect to any Loan, whether the rate of interest on such Loan is determined by reference to Term SOFR or the Base Rate.

**“Investment”** means any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase (including purchases financed with equity) of any Capital Stock, bonds, notes, obligations, debentures or other debt securities of, or any other investment in, any Person, in each case excluding, for the avoidance of doubt, (i) intercompany tax sharing agreements and (ii) advances to current or former employees, officers, directors, members of management, managers, agents, consultants or independent contractors of the Parent or its Subsidiaries for fees, commissions, moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, but shall be reduced by the amount equal to any returns in respect of such Investment received by the investor thereof in the same form as the original Investment (or in cash). Notwithstanding anything to the contrary, “Investment” shall not include Policies or Reinsurance Agreements.

**“IRS”** means the U.S. Internal Revenue Service or any Governmental Authority succeeding to any of its principal functions under the Code.

**“Latest Maturity Date”** means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time.

**“Lenders”** has the meaning specified in the introduction to this Agreement and includes any other Person that shall have become a party hereto pursuant to an Assignment and Assumption in accordance with Section 11.07, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

**“Lending Office”** means, as to any Lender, the office or offices of such Lender specified as its “Lending Office” on Schedule 11.02 or in its administrative questionnaire delivered to the Agent, or such other office or offices or office of a third party or sub-agent, as appropriate, as such Lender may from time to time notify the Borrower Representative and the Agent.

**“Lien”** means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property, in each case, in the nature of security (including those created by, arising under or evidenced by, any conditional sale or other title retention agreement, the interest of a lessor under a capital lease or any financing lease having substantially the same economic effect as any of the foregoing), but not including the interest of a lessor under an operating lease or a licensor under a license that does not otherwise secure an obligation.

**“Liquidity”** means, as of any date of determination, the amount of unrestricted cash and cash equivalent balances of the Parent and Cirrata Group, collectively, as of such date, determined in accordance with GAAP.

**“Loan”** means a loan made by a Lender to the Borrowers pursuant to Section 2.01(a).

**“Loan Documents”** means this Agreement and all amendments, restatements, amendment and restatements, supplements, extensions, replacements, refinancings, renewals, increases or other modifications of, and joinders to, this Agreement that are deemed pursuant to their terms to be Loan Documents for purposes hereof, all Notes and the Security Documents.

“**Loan Notice**” means a notice of Credit Extension substantially in the form of Exhibit C-1.

“**Major Event of Default**” means an Event of Default under Section 8.01(a) (solely with respect to non-payment of principal and interest; provided that (notwithstanding any grace period referred to in Section 8.01(a)) such non-payment subsists for more than 5 Business Days and other than where such non-payment is caused by administrative error or delay or technical error or delay in the transmission of funds or a market disruption event), 8.01(b) (solely with respect to any Major Representation being untrue or incorrect in any material respect when made or deemed made (or in any respect if already qualified by materiality)), 8.01(c) (solely with respect to a breach of Section 6.04, 7.01, 7.02, 7.03, 7.05, 7.06, 7.07, or 7.08 by a Borrower or a breach of Section 6.04 or 7.02 by the Parent), 8.01(f), 8.01(g) or 8.01(k).

“**Major Representation**” means any representation or warranty made by an Obligor pursuant to Section 5.01, 5.02(a), 5.04 or 5.18 (as each such representation or warranty relates to an Obligor only).

“**Margin Stock**” means “margin stock” as such term is defined in Regulation T, U or X of the FRB.

“**Material Adverse Effect**” means any event, change or condition that, in the aggregate, has had or would reasonably be expected to have (i) a material adverse effect on the consolidated business, assets, financial condition or results of operations of the Parent and its Subsidiaries, taken as a whole, (ii) a material adverse effect on the ability of the Borrowers and the Guarantor, taken as a whole, to perform their material payment obligations under the Loan Documents, or (iii) a material adverse effect on the rights and remedies of the Agent and the Lenders under the Loan Documents.

“**Maturity Date**” means ~~July~~ the earlier of (a) December 31, 2025 and (b) the date that is the three month anniversary of the termination of the Aurora Sale Agreement.

“**Moody’s**” means Moody’s Investors Service, Inc. and its successors and assigns.

“**Multiemployer Plan**” means a “multiemployer plan,” within the meaning of Section 4001(a)(3) of ERISA and subject to Title IV of ERISA to which any Obligor or any ERISA Affiliate makes, is making or is obligated to make contributions or, during the preceding six calendar years, has made, or been obligated to make, contributions.

“**NAIC**” means the National Association of Insurance Commissioners or any successor thereto, or in the absence of the National Association of Insurance Commissioners or such successor, any other association, agency or other organization performing advisory, coordination or other like functions among insurance departments, insurance commissioners and similar Governmental Authorities of the various states of the United States toward the promotion of uniformity in the practices of such Governmental Authorities.

“**Net Proceeds**” means:

(a) with respect to any Asset Sale, an amount equal to the aggregate amount of cash and Cash Equivalents received in respect of such Asset Sale *minus* the sum of (i) all fees, costs and expenses (including legal fees, notarial fees, accountants’ fees, investment banking fees, survey costs and title insurance premiums) paid or reasonably estimated to be payable by the Parent, any Borrower or any Pledged Entity, as applicable, in connection with such Asset Sale or deducted from the proceeds of such Disposition, (ii) the amount of income tax or other Taxes paid or reasonably estimated to be payable in connection with such Asset Sale (after taking into account any available tax credits, exemptions or deductions and any tax sharing arrangements), (iii) the amount of all payments by the Parent, any Borrower or any Pledged Entity, as applicable, in respect of indebtedness which is secured (other than indebtedness secured on a *pari passu* or junior lien basis to the Loans) by the property sold pursuant to, or which is subject to a mandatory prepayment as a result of, such Asset Sale, and (iv) purchase price adjustments paid or reasonably expected to be payable in connection with such Asset Sale or Disposition and the aggregate amount of reserves taken by the Parent or any of its Subsidiaries against contingent indemnification obligations reasonably estimated to be payable in connection therewith, in each case as reasonably determined by the Parent (*provided* that the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such

liability) shall be deemed to be cash proceeds of such Asset Sale occurring on the date of such reduction); and

(b) with respect to any incurrence of Indebtedness or any Equity Issuance, the proceeds thereof in the form of cash and Cash Equivalents *minus* the costs and expenses paid or reasonably estimated to be payable by the Parent, any Borrower or any Pledged Entity, as applicable, in connection therewith (including legal fees, notarial fees, accountants' fees, investment banking fees, underwriting discounts and commissions, taxes and other customary fees and expenses incurred in connection therewith) or deducted from the proceeds of such incurrence.

**"Non-Consenting Lender"** means a Lender that does not consent to an amendment or waiver pursuant to Section 11.01 that requires the consent of all or all affected Lenders in order to become effective and as to which Lenders holding more than 50% of the Loans have consented.

**"Non-Defaulting Lender"** means, at any time, each Lender that is not a Defaulting Lender at such time.

**"Note"** means a promissory note in the form of Exhibit B.

**"Obligations"** means all advances to, and debts, liabilities, obligations, covenants and duties of, any Obligor arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Obligor of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Obligors under the Loan Documents include the obligation to pay principal, interest, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by any Obligor under any Loan Document.

**"Obligors"** means the Borrowers and the Guarantor.

**"OFAC"** means the Office of Foreign Assets Control of the U.S. Department of Treasury.

**"Organization Documents"** means (i) with respect to any corporation, the certificate or articles of incorporation, the bylaws, any certificate of designation or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation, (ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and all applicable resolutions or consents of the governing body (or any committee thereof) of such limited liability company and (iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and all applicable resolutions or consents of the governing body (or any committee thereof) or in the case of clauses (i), (ii), and (iii) as they relate to any Foreign Subsidiary, the equivalent or comparable constituent documents with respect to any Foreign Subsidiary.

**"Other Connection Taxes"** means, with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Obligor under any Loan Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced any Loan Document).

**"Other Taxes"** means any present or future recording, stamp, filing, intangible, court or documentary Taxes that arise from any payment made under this Agreement or any other Loan Document or from the execution, delivery, performance, enforcement or registration of this Agreement or any other Loan Document.

**“Parent”** has the meaning specified in the introduction to this Agreement.

**“Participant”** has the meaning specified in Section 11.07(e).

**“Participant Register”** has the meaning specified in Section 11.07(e).

**“Patriot Act”** has the meaning specified in Section 11.17.

**“Payment in Full”** means all of the Obligations (other than contingent indemnification obligations for which no claim has been asserted) have been paid in full in cash. **“Paid in Full”** shall have a correlative meaning.

**“PBGC”** means the Pension Benefit Guaranty Corporation or any Governmental Authority succeeding to any of its principal functions under ERISA.

**“Pension Plan”** means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA that any Obligor or any ERISA Affiliate sponsors or maintains, or to which it makes, is making or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA), has made contributions, at any time during the immediately preceding five plan years.

**“Periodic Term SOFR Determination Day”** has the meaning specified in the definition of “Term SOFR”.

**“Permitted Encumbrance”** means:

- (c) Liens imposed by law for Taxes that are not required to be paid pursuant to Section 6.06;
- (d) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than sixty (60) days or are being contested in compliance with Section 6.06;
- (e) pledges and deposits made in the ordinary course of business in compliance with, or to secure payment of obligations under, pension plans, insurance, workers’ compensation, unemployment insurance, governmental benefits and other social security laws or regulations or to secure letters of credit, bank guarantees, bankers’ acceptances or similar instruments issued or created in respect thereof;
- (f) pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, statutory obligations, surety and appeal bonds, letters of intent, purchase agreements, government contracts, expropriations, performance bonds and other obligations of a like nature, in each case in the ordinary course of business or to secure letters of credit, bank guarantees, bankers’ acceptances or similar instruments issued or created in respect thereof;
- (g) judgment Liens in respect of judgments or securing appeal or other surety bonds relating to such judgements that do not constitute an Event of Default under clause (i) of Section 8.01;
- (h) easements, defects in title, zoning, land use and building laws restrictions, rights-of-way, covenants, restrictions and similar encumbrances on real property imposed by law, recorded in the land records or arising in the ordinary course of business (including the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein) that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Parent or any Subsidiary;
- (i) any (i) interest or title of a lessor or sublessor under any lease or sublease not prohibited by this Agreement, (ii) Lien or restriction that the interest or title of such lessor or sublessor may be subject to, or (iii) subordination of the interest of the lessee or sublessee under such lease or sublease to any Lien or restriction referred to in the preceding clause (ii);

(j) Liens arising from filing UCC or UK Companies House financing statements relating solely to (i) leases not prohibited by this Agreement and (ii) consignments and/or bailments;

(k) Liens, including customary rights of set-off, revocation, refund or chargebacks under deposit or brokerage account agreements or under the Uniform Commercial Code, insurance law or common law or other applicable law of banks or other financial institutions where the Parent or any of its Subsidiaries maintains accounts) in the ordinary course of business;

(l) licenses (with respect to intellectual property and other property), leases or subleases granted to third parties and not adversely interfering in any material respect with the ordinary conduct of the business of the Parent or any of its Subsidiaries;

(m) any Lien consisting of the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any lease, license, agreement, franchise, grant or permit of any of the Obligors or their Subsidiaries, to terminate any such lease, agreement, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof; and

(n) Liens of attorneys retained by the Parent or any of its Subsidiaries on a contingency fee basis;

*provided* that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness for borrowed money.

“**Permitted Swap Obligations**” means all obligations (contingent or otherwise) of Parent or any Subsidiary existing or arising under Swap Contracts; *provided* that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments or assets held by such Person, or changes in the value of securities issued by such Person in conjunction with a securities repurchase program not otherwise prohibited hereunder, and not for purposes of speculation or taking a “market view”.

“**Person**” means an individual, partnership, corporation, limited liability company, unlimited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority or other entity of whatever nature.

“**Plan**” means an employee benefit plan (as defined in Section 3(3) of ERISA) subject to ERISA that any Obligor or any ERISA Affiliate sponsors or maintains or to which any Obligor or any ERISA Affiliate makes, is making or is obligated to make, contributions, and includes any Pension Plan.

“**Platform**” has the meaning specified in Section 6.02.

“**Pledged Collateral**” means all property pledged or granted as collateral pursuant to the U.S. Pledge Agreement and the UK Share Pledge.

“**Pledged Entity**” means (a) Everspan and (b) the Company.

“**Policies**” means all insurance policies (including mortgage insurance, life insurance and long-term care policies), financial guarantees, separate account liabilities, annuity contracts, guaranteed interest contracts and funding agreements (including riders to any such policies or contracts, certificates issued with respect to group life insurance or annuity contracts and any insurance contracts issued in connection with retirement plans or arrangements) and assumption certificates issued or to be issued (or filed pending current review by applicable Governmental Authorities) by any Insurance Company.

“**Prime Rate**” means the rate of interest, if any, quoted for such day in The Wall Street Journal (or such other publication of national standing reasonably agreed by the Borrower Representative and the Agent) as the “U.S. Prime Rate”.

“**Pro Rata Share**” means, with respect to any Lender, the percentage obtained by dividing (a) the Exposure of that Lender by (b) the aggregate Exposure of all Lenders.



**“Process Agent”** has the meaning specified in Section 11.15(e).

**“PTE”** means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

**“Public Lender”** has the meaning specified in Section 6.02.

**“Purchase Money Debt”** means Indebtedness incurred by a Person in connection with the purchase, lease, completion, construction, repair, replacement, improvement or installation of assets by such Person, in which assets the seller, lessor or financier thereof has taken or retained a Lien; *provided* that (x) any such Lien attaches to such assets concurrently with or within 270 days after the purchase thereof by such Person and (y) at the time of incurrence of such Indebtedness, the aggregate principal amount of such Indebtedness shall not exceed the costs of the assets so purchased *plus* fees and expenses reasonably related thereto.

**“Refinance”** means, with respect to any Indebtedness, to refinance, refund, renew, replace, exchange or extend such Indebtedness. The term **“Refinancing”** shall have a correlative meaning.

**“Refinancing Indebtedness”** means with respect to Indebtedness (**“Refinanced Debt”**), any Refinancing of such Indebtedness; *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Debt *plus* an amount equal to unpaid accrued interest and premium thereon (including any make-whole or other prepayment premium) *plus* other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such Refinancing *plus* an amount equal to any existing commitments unutilized thereunder *plus* any amount otherwise permitted to be incurred pursuant to Section 7.01 (it being understood that any such Indebtedness otherwise permitted to be incurred shall constitute Indebtedness under the relevant provision of Section 7.01 pursuant to which it shall be incurred and not Refinancing Indebtedness), (b) such Refinancing Indebtedness shall have a final maturity date equal to or later than the final maturity date of, and a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Refinanced Debt, (c) such Refinancing Indebtedness shall be incurred (or guaranteed only) by (i) the Person or Persons who are the obligors on the Refinanced Debt and (ii) any Person that would otherwise be permitted to incur such Indebtedness pursuant to Section 7.01 and (d) (i) such Refinanced Debt shall be repaid, defeased or satisfied and discharged, and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, substantially concurrently with (or in any event within 90 days of) the incurrence of such Refinancing Indebtedness or (ii) proceeds from such Refinancing Indebtedness in an amount sufficient to repay such Refinanced Debt, together with accrued interest, fees and premiums (if any) in connection therewith, shall have been received and held for such purpose.

**“Register”** has the meaning specified in Section 11.07(d).

**“Regulated Insurance Company”** has the meaning specified in Section 2.06(h).

**“Reinsurance Agreements”** means any agreement, contract, treaty, certificate or other arrangement by which any Insurance Subsidiary agrees to cede to, or assume from, another insurer all or part of the liability assumed or assets held by it under one or more insurance, annuity, reinsurance or retrocession policies, agreements, contracts, treaties, certificates or similar arrangements. Reinsurance Agreements shall include, but not be limited to, any agreement, contract, treaty, certificate or other arrangement that is treated as such by the applicable Department.

**“Related Parties”** means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

**“Release”** means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, members, representatives, injection, migration or leaching into or through the Environment.

**“Reportable Event”** means any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

**“Required Lenders”** means, as of any date of determination, one or more Lenders having or holding Exposure constituting more than 50% of the aggregate Exposure of all Lenders; *provided* that the amount of Exposure shall be determined with respect to any Defaulting Lender by disregarding the Exposure of such Defaulting Lender.

**“Requirement of Law”** means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or legally binding upon the Person or any of its property or to which the 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, chief operating officer, director of treasury, treasurer or assistant treasurer of an Obligor. Any document delivered under any Loan Document that is signed by a Responsible Officer of an Obligor shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Obligor and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Obligor. Unless otherwise specified, “Responsible Officer” means a Responsible Officer of the Borrower Representative.

**“Restricted Payments”** has the meaning set forth in Section 7.06.

**“S&P”** means Standard & Poor’s Ratings Group, Inc. and its successors and assigns.

**“Sanctioned Country”** means a country or territory which is at any time subject to comprehensive Sanctions broadly prohibiting all dealings with that country or territory.

**“Sanctioned Person”** means any Person that is, or is owned 50% or more (individually or in the aggregate, directly or indirectly) or controlled by Persons that are: (a) the subject or target of Sanctions or (b) located, organized or resident in a Sanctioned Country.

**“Sanctions”** means economic or financial sanctions or trade embargoes imposed, administered, or enforced by the United States government (including, without limitation, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) and the U.S. Department of State), the United Nations Security Council, the European Union, the United Kingdom (including His Majesty’s Treasury), or the Canadian government

**“SAP”** means, with respect to any Insurance Subsidiary, the statutory accounting practices prescribed or permitted by the insurance commissioner (or other similar authority) in the domiciliary jurisdiction of such Insurance Subsidiary for the preparation of annual statutory financial statements and other financial reports by insurance companies of the same type as such Insurance Subsidiary that are applicable to the circumstances as of the date of filing of such statement or report.

**“SEC”** means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

**“Secured Obligations”** has the meaning set forth in the U.S. Pledge Agreement.

**“Secured Parties”** has the meaning set forth in the U.S. Pledge Agreement.

**“Securities Act”** means the Securities Act of 1933 and the regulations promulgated thereunder.

**“Security Documents”** means the U.S. Pledge Agreement, the UK Share Pledge and each other security agreement, instrument or document executed and delivered pursuant thereto or pursuant to the Collateral and Guarantee Requirement to secure any of the Obligations.

**“Sellers”** has the meaning specified in the recitals to this Agreement.

**“Single Employer Pension Plan”** means a Pension Plan, other than a Multiemployer Plan.

**“SOFR”** means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

**“SOFR Administrator”** means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**“SOFR Loan”** means a Loan that bears interest at a rate based on Term SOFR, other than pursuant to clause (c) of the definition of “Base Rate”.

**“Specified Stock Buybacks”** has the meaning set forth in Section 7.06(g).

**“Spot Rate”** means, on any date with respect to any currency, the rate at which such currency may be exchanged into any other currency, as set forth on such date on the 11:00 am Bloomberg FX Fixing Page for such currency (or any successor page thereto). In the event that such rate does not appear on such page or any successor page, the Spot Rate shall be the rate determined by the Borrowers to be the rate quoted by the person acting in such capacity as the spot rate for the exchange of one currency into another currency for purposes of the Parent’s financial statements on the date two Business Days prior to the date as of which the foreign exchange computation is made or if such rate cannot be computed as of such date such other date as the Agent and the Borrowers shall reasonably determine is appropriate under the circumstances.

**“Subsidiary”** of a Person means any corporation, partnership, limited liability company, unlimited liability company, limited liability partnership, joint venture, trust, association or other unincorporated organization of which or in which such Person and such Person’s Subsidiaries own directly or indirectly more than 50% of (a) the combined voting power of all classes of stock having general voting power under ordinary circumstances to elect a majority of the board of directors, if it is a corporation, (b) the voting or managing interests (which shall mean the general partner in the case of a partnership), if it is a partnership, joint venture or similar entity, (c) the beneficial interest, if it is a trust, association or other unincorporated organization or (d) the membership interest, if it is a limited liability company. Unless otherwise specified, **“Subsidiary”** means a Subsidiary of the Parent.

**“Swap Contract”** means any agreement relating to any transaction (whether or not arising under a master agreement) that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, futures contract, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option, credit derivative transaction, replication transaction or any other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and any master agreement relating to or governing any or all of the foregoing.

**“Swap Termination Value”** means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the Borrowers based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include any Lender).

**“Tax Status Certificate”** has the meaning set forth in Section 3.01(e).

**“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 Loan Facility”** means the Loans and the Commitments hereunder.

**“Term SOFR”** means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **“Periodic Term SOFR Determination Day”**) that is two (2) U.S. Government Securities Business Days prior to the first day of

such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**Base Rate Term SOFR Determination Day**”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate SOFR Determination Day;

*provided, further*, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than 0.00%, then Term SOFR shall be deemed to be 0.00%

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**Threshold Amount**” means \$10,000,000.

“**Transaction Liens**” means the Liens granted by the Obligors under the Security Documents.

“**Transactions**” means the (a) execution and delivery of the Loan Documents to be entered into on the Closing Date, (b) borrowing of the Loans hereunder on the Closing Date, (c) consummation of the Beat Acquisition and the other related transactions contemplated by the Acquisition Agreement, (d) consummation of the Cash Contributions and (e) payment of fees and expenses incurred in connection with the foregoing.

“**UK GAAP**” means generally accepted accounting principles in the United Kingdom as in effect from time to time, subject to the provisions of Section 1.03.

“**UK Financial Institution**” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person 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.

“**UK Share Pledge**” means the Equitable Charge over Shares, dated as of August 1, 2024, among Cirrata V, Cirrata UK and the Agent.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“Unfunded Pension Liability”** means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 430 of the Code for the applicable plan year.

**“Uniform Commercial Code”** means the Uniform Commercial Code as in effect from time to time in the State of New York; *provided* that, if perfection or the effect of perfection or non-perfection or the priority of any Transaction Lien on any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

**“United States”** and **“U.S.”** each means the United States of America.

**“U.S. Government Securities Business Day”** means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

**“U.S. Pledge Agreement”** means the Pledge Agreement, dated as of August 1, 2024, by and between the Parent and the Agent.

**“Voting Stock”** of any Person means Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock or other relevant equity interest has voting power by reason of any contingency) to vote in the election of the board of directors or similar governing body of such Person.

**“Weighted Average Life to Maturity”** means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

**“Wholly-Owned Subsidiary”** means any Person in which all of the Capital Stock (other than directors’ and national citizen qualifying shares or similar *de minimis* holdings by another Person, in each case, as required by law) is owned, beneficially and of record, by the Parent, or by one or more of the other Wholly-Owned Subsidiaries, or both.

**“Write-Down and Conversion Powers”** shall mean, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.02. *Other Interpretive Provisions.*

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words **“hereof,” “herein,” “hereunder”** and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term “**documents**” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(i) The term “**including**” is not limiting and means “including without limitation.”

(ii) In the computation of periods of time from a specified date to a later specified date, the word “**from**” means “from and including,” the words “**to**” and “**until**” each mean “to but excluding” and the word “**through**” means “to and including.”

(d) Unless otherwise expressly provided herein or the context requires otherwise, (i) any definition of or reference to any document (including this Agreement and the other Loan Documents), shall be construed as referring to such document as from time to time amended, restated, amended and restated, supplemented, extended, replaced, refinanced, renewed, assigned, assumed, increased or otherwise modified (subject to any restrictions on such amendments, restatements, amendment and restatements, supplements, extensions, replacements, refinancings, renewals, increases or other modifications set forth herein), (ii) any definition of or references to any statute, rule or regulation are to be construed as including all statutes, rules, regulations, rulings, statutory and regulatory provisions or official interpretations promulgated or issued thereunder, consolidating, amending, or replacing, supplementing, interpreting or otherwise modifying (including by succession of comparable successor laws) the statute, rule or regulation, (iii) any reference herein to a Person shall be construed to include such Person’s permitted successors and assigns (subject to any restrictions set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all relevant functions thereof, and (iv) the words “**property**” and “**assets**” 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, securities, accounts and contract rights.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among, and have been reviewed by counsel to, the Agent, the Borrowers and the other parties, and are the products of all parties. Accordingly, they shall not be construed against any party merely because of such party’s involvement in their preparation.

#### Section 1.03. *Accounting Principles.*

(a) Unless the context otherwise clearly requires (including as set forth in the definition of Capitalized Lease Obligations), all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, SAP or UK GAAP, as applicable, as in effect from time to time. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Parent and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 *Financial Instruments* and FASB ASC 470-20 *Debt with Conversion and Other Options* on financial liabilities shall be disregarded.

(b) [Reserved].

(c) If, at any time after the date of this Agreement, any change is made to UK GAAP, GAAP or SAP, the interpretation thereof, or the Parent or the Borrowers’ accounting practices, in any case that would affect the determination of compliance with the covenants set forth in this Agreement, the Borrower Representative shall notify the Agent of the change and, at the option of the Borrower Representative or upon the written request of the Required Lenders, the Borrowers and the Agent shall negotiate in good faith to amend such covenant, subject to the approval of the Required Lenders but without the requirement of any amendment fee, to eliminate or adjust for the effect of the implementation of such change in UK GAAP, GAAP, SAP or accounting practices; *provided* that, until such time that such amendment has become effective or such notice has been withdrawn by the Borrower

Representative, such provision of UK GAAP, GAAP, SAP or such accounting policy shall be interpreted without giving effect to any such change, interpretation or accounting practice, other than with respect to preparation of financial statements pursuant to Section 6.01(a) and (b).

(d) If the Borrower Representative notifies the Agent that it (or the Parent or its applicable parent company) is required to report under IFRS or has elected to do so through an early adoption policy or otherwise, “GAAP” shall mean international financial reporting standards pursuant to IFRS (*provided* that after such conversion, the Borrower Representative cannot elect to report under GAAP).

Section 1.04. *Times of Day.*

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.05. *Timing of Payment or Performance; Compliance with this Agreement.*

(a) When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day.

(b) For purposes of determining the permissibility of any action, change, transaction or event that by the terms of the Loan Documents requires a calculation of any financial test, such financial test shall be calculated at the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be, and no Default or Event of Default shall be deemed to have occurred solely as a result of a change in such financial test occurring after the time such action is taken, such change is made, such transaction is consummated or such event occurs, as the case may be.

(c) For purposes of determining compliance at any time with Sections 7.01, 7.02, 7.03, 7.04, 7.06, 7.07, 7.08 and 7.10, in the event that any Indebtedness, Liens, Disposition, Affiliate transaction, merger, consolidation, amalgamation, or other transactions restricted by Section 7.05, Restricted Payment, Investment, Acquisition, payment of Indebtedness or contractual restriction, as applicable, meets the criteria of more than one of the categories of transactions or items permitted pursuant to any clause of Section 7.01, 7.02, 7.03, 7.04, 7.06, 7.07, 7.08 or 7.10, as applicable, the Borrowers, in their sole discretion, from time to time, may classify or reclassify such transaction or item (or portion thereof) under one or more of such clauses of such Section and will only be required to include the amount and type of such transaction (or portion thereof) in any one category. It is understood and agreed that any Indebtedness, Lien, Disposition, Affiliate transaction, merger, consolidation, amalgamation, or other transactions restricted by Section 7.05, Restricted Payment, Investment, Acquisition, payment of Indebtedness or contractual restriction need not be permitted solely by reference to one clause of Section 7.01, 7.02, 7.03, 7.04, 7.06, 7.07, 7.08 or 7.10, respectively, but may instead be permitted in part under any combination thereof.

Section 1.06. *Certifications.*

All certifications to be made hereunder by an officer or representative of any Obligor shall be made by such a Person in his or her capacity solely as an officer or a representative of such Obligor, on such Obligor’s behalf and not in such Person’s individual capacity

Section 1.07. *Currency.*

Notwithstanding anything to the contrary in this Agreement, for purposes of any determination under Article 6, Article 7 (other than the Financial Covenant) or Article 8 with respect to the amount of any Indebtedness, Liens, Disposition, Affiliate transaction, merger, consolidation, amalgamation, Restricted Payment, Investment, Acquisition, payment of Indebtedness or contractual restriction or other transaction, event or circumstance, or any determination under any other provision of this Agreement, (any of the foregoing, a “**specified transaction**”) in a currency other than Dollars, (i) the Dollar Equivalent amount of a specified transaction in a currency other than Dollars shall be calculated based on

the rate of exchange quoted by the Bloomberg Foreign Exchange Rates & World Currencies Page (or any successor page thereto, or in the event such rate does not appear on any Bloomberg Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Agent and the Borrowers) for such currency, as in effect at 11:00 a.m. (New York time) on the date of such specified transaction (which, in the case of any Restricted Payment, shall be deemed to be the date of the declaration thereof and, in the case of the incurrence of Indebtedness, shall be deemed to be on the date first committed); *provided*, that if any Indebtedness is incurred (and, if applicable, associated Lien granted) to refinance or replace other Indebtedness denominated in a currency other than Dollar, and such refinancing or replacement 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 or replacement, such Dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing or replacement Indebtedness (and, if applicable, associated Lien granted) does not exceed an amount sufficient to repay the principal amount of such Indebtedness being refinanced or replaced, except by an amount equal to (x) unpaid accrued interest and premiums (including tender premiums) thereon plus other reasonable and customary fees and expenses (including upfront fees and original issue discount) incurred in connection with such refinancing or replacement, (y) any existing commitments unutilized thereunder and (z) additional amounts permitted to be incurred under Section 7.01 and (ii) for the avoidance of doubt, no Default or Event of Default shall be deemed to have occurred solely as a result of a change in the rates of currency exchange occurring after the time of any specified transaction so long as such specified transaction was permitted at the time incurred, made, acquired, committed, entered or declared as set forth in clause (i).

Section 1.08. *Appointment of Borrower Representative.*

Each Obligor hereby irrevocably designates and appoints Cirrata V as the Borrower Representative, to serve as its representative and agent hereunder to act on its behalf for the purposes of issuing Loan Notices and certificates, giving instructions with respect to the disbursement of the proceeds of the Loans, selecting interest rate options, giving and receiving all other notices and consents hereunder or under any of the other Loan Documents and taking all other actions (including in respect of compliance with covenants and amendments to the Loan Documents) on behalf of any Obligor or Obligors under the Loan Documents, in each case, without notice to any Borrower or any other Obligor. Cirrata V hereby accepts such appointment as Borrower Representative. The Agent and each Lender may regard any notice or other communication pursuant to any Loan Document from the Borrower Representative as a notice or communication from all Obligors, and may give any notice or communication required or permitted to be given to any Obligor or Obligors hereunder to the Borrower Representative on behalf of such Obligor or Obligors. Each Obligor agrees that each notice, election, representation and warranty, covenant, agreement and undertaking made on its behalf by the Borrower Representative shall be deemed for all purposes to have been made by such Obligor and shall be binding upon and enforceable against such Obligor to the same extent as if the same had been made directly by such Obligor.

Article 2  
The Credits

Section 2.01. *Term Loans.*

(a) Loan Commitments. Subject to the terms and conditions hereof, each Lender with a Commitment severally agrees to make, on the Closing Date, a Loan to one or more of the Borrowers in an amount equal to such Lender's Commitment.

The Borrowers may make only one borrowing under the Commitments, which shall be on the Closing Date. Amounts borrowed under this Section 2.01(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Section 2.05(b) and Section 2.06, all amounts owed hereunder with respect to



the Loans shall be paid in full no later than the Maturity Date. Each Commitment shall terminate immediately and without further action on the Closing Date, after giving effect to the funding of such Commitment on such date.

(b) Borrowing Mechanics.

(i) The Borrower Representative shall deliver to the Agent a fully executed Loan Notice no later than (x) 3:00 p.m. on the date that is one (1) Business Day prior to the Closing Date with respect to Base Rate Loans and (y) 3:00 p.m. on the date that is one (1) Business Day prior to the Closing Date with respect to SOFR Loans (or such shorter period as may be acceptable to the Agent) which Loan Notice may be conditioned upon the substantially simultaneous consummation of the Beat Acquisition. Promptly upon receipt by the Agent of such Loan Notice, the Agent shall notify each Lender of the proposed Credit Extension.

(ii) Each Lender shall make its Loan available to the Agent not later than 10:00 a.m. on the Closing Date, by wire transfer of same day funds in Dollars, at the Agent's Office designated by the Agent. Upon satisfaction or waiver of the conditions precedent specified herein, the Agent shall make the proceeds of the Loans available to the Borrowers on the Closing Date not later than 3:00 p.m. by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by the Agent from Lenders to be credited to the account of the applicable Borrower at the Agent's Office or to such other account or accounts (i.e., such Loan proceeds may be allocated across several accounts) as may be designated in writing to the Agent by the Borrower Representative.

Section 2.02. *Pro Rata Shares.*

All Loans shall be made by the Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder.

Section 2.03. *Conversion and Continuation of Loans.*

(a) Except as otherwise provided herein, (i) each conversion of Loans from one Interest Type to the other, and each continuation of SOFR Loans shall be made upon the Borrower's irrevocable written notice to the Agent in the form of a Conversion/Continuation Notice, appropriately completed and signed by a Responsible Officer of the Borrower Representative, (ii) such Conversion/Continuation Notice must be received by the Agent not later than 11:00 a.m. three (3) Business Days prior to the requested date of any conversion to or continuation of SOFR Loans and (iii) a SOFR Loan may be continued or converted only on the last day of an Interest Period for such SOFR Loan. The Agent shall determine the interest rate that shall apply to any converted or continued SOFR Loans pursuant to Section 2.07(b).

(b) Each Conversion/Continuation Notice shall specify (i) whether the Borrower Representative is requesting a conversion of Loans from one Interest Type to the other, or a continuation of SOFR Loans, (ii) the requested date of the conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be converted or continued, (iv) the Interest Type of Loans to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto (each such Interest Period shall comply with the provisions of the definition of "**Interest Period**").

(c) Notwithstanding any contrary provision hereof, if (i) an Event of Default of the type described in Section 8.01(a), (f) or (g) has occurred and is continuing, unless the Required Lenders otherwise consent or (ii) any other Event of Default has occurred and is continuing and the Required Lenders have requested, each Loan will be converted into a Base Rate Loan at the end of the Interest Period applicable thereto.

Section 2.04. *Notes; Loan Accounts.*

(a) Each Loan made by each Lender shall be evidenced by one or more loan accounts or records maintained by such Lender and by the Agent in the ordinary course of business. The loan accounts or records maintained by the Agent and each Lender shall be prima facie evidence in the absence of manifest error of the amount of the Loans made by the Lenders to the Borrowers and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. To the extent any such accounts are inconsistent with the Register, the Register shall govern absent manifest error.

(b) Upon the request of any Lender made through the Agent, instead of or in addition to loan accounts, the Loans made by each Lender may be evidenced by one or more Notes. Each Lender shall endorse on the schedules annexed to its Note the date, amount and maturity of each Loan deemed made by it and the amount of each payment of principal made by the Borrowers with respect thereto. Each such Lender is irrevocably authorized by the Borrowers to so endorse its Note and each Lender's record shall be conclusive absent manifest error; *provided* that the failure of a Lender to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Borrowers hereunder or under any such Note to such Lender.

Section 2.05. *Repayment of Loans.*

(a) The Loans, together with all other amounts owed hereunder with respect thereto, shall be Paid In Full no later than the Maturity Date.

(b) The Borrower shall be required to repay \$10,000,000 of the principal amount of the Loans on October 31, 2025, in addition to any mandatory prepayment required under Section 2.06(d). The repayment of the Loans pursuant to this Section 2.05(b) shall be allocated among the Loans on a pro rata basis.

Section 2.06. *Optional and Mandatory Prepayments.*

(a) *Optional Prepayments.* The Borrowers will have the right at any time to prepay any Credit Extension in whole or in part, in minimum amounts of \$1,000,000 or any multiple of \$500,000 in excess thereof, without premium or penalty except as set forth in Section 3.04, if and as applicable.

(b) *[Reserved].*

(c) *[Reserved].*

(d) *Mandatory Prepayments.* The Borrowers shall be required to make mandatory prepayments as set forth in subclauses (i), (ii) and (iii).

(i) *Indebtedness.*

(A) Within one Business Day after any Net Proceeds are received by the Parent, any Borrower or Everspan in respect of the incurrence of any Indebtedness for borrowed money (other than any Excluded Debt) by the Parent, any Borrower or Everspan, in any case in an aggregate principal amount in excess of \$2,500,000, the Borrowers shall prepay Loans in an aggregate amount equal to such Net Proceeds so received.

(B) Within one Business Day after any Net Proceeds are received by the Company in respect of the incurrence by the Company of (w) any indebtedness for borrowed money, (x) Capitalized Lease Liabilities, (y) Purchase Money Debt or (z) indebtedness evidenced by bonds, debentures, notes or similar instruments, in each case incurred by the Company in an aggregate principal amount in excess of £20,000,000 (other than that certain £4,000,000 Overdraft Facility dated as of February 20, 2020 by

and among the Company and Barclays Bank PLC), the Borrowers shall prepay 100% of outstanding Loans; provided that the Borrowers shall not be required to so prepay the outstanding Loans if the Company incurs any of the foregoing types of indebtedness owing to the Parent or its Subsidiaries so long as, on or prior to the date prepayment is due, the holder of such Indebtedness has granted to the Agent, for the benefit of the Lenders, a perfected first-priority security interest in such Indebtedness as collateral security for the Payment in Full of the Obligations.

(ii) *Asset Sales.* Within five Business Days after any Net Proceeds in excess of \$5,000,000 are received by the Parent, any Borrower or Everspan in respect of any Asset Sale, the Borrowers shall prepay the Loans in an aggregate amount equal to such Net Proceeds so received.

(iii) *Equity Issuances.* Within one Business Day after any Net Proceeds are received by the Parent, any Borrower or Everspan in respect of any Equity Issuance, the Borrowers shall prepay the Loans in an aggregate amount equal to such Net Proceeds so received.

(e) *Application of Prepayments.* Any prepayment of any Loan pursuant to Section 2.06(a) and Section 2.06(d) shall be allocated among the Loans on a pro rata basis.

(f) *Notice of Prepayments.* The Borrower Representative shall notify the Agent in writing of any prepayment of any Loans pursuant to Section 2.06(a) and Section 2.06(d), (i) in the case of a SOFR Loan, not later than three (3) Business Days before the date of prepayment and (ii) in the case of a Base Rate Loan, not later than 11:00 a.m. on the prepayment date. Each such notice shall be irrevocable (other than to the extent provided in connection with other transactions including the refinancing of any of the Obligations) and shall specify the prepayment date, the principal amount of each Credit Extension or portion thereof to be prepaid.

(g) *Application of Prepayments of Loans to Base Rate Loans and SOFR Loans.* Any prepayment of Loans shall be applied first to Base Rate Loans to the full extent thereof before application to SOFR Loans, in each case in a manner which minimizes the amount of any payments required to be made by the Borrowers pursuant to Section 3.04.

(h) Notwithstanding any other provisions of this Section 2.06 to the contrary, any prepayment of any Loans required to be made pursuant to Section 2.06(d) shall not be required (i) in the case of any such Net Proceeds funded into escrow, until such Net Proceeds are released from escrow and (ii) if such prepayment is prohibited under applicable law or regulation (including regulations of any insurance commission or similar Governmental Authority located in the jurisdiction in which any of the Parent or any of its Subsidiaries that is authorized or admitted to carry on or otherwise transact in selling, issuing or underwriting insurance or reinsurance (each such subsidiary, a “**Regulated Insurance Company**” and, together with their respective subsidiaries, collectively, the “**Insurance Subsidiaries**” and each an “**Insurance Subsidiary**”) is domiciled, regarding financial assistance, corporate benefit, restrictions on upstreaming of cash intra-group and the fiduciary and statutory duties of the directors of the relevant subsidiaries); *provided that*, to the extent applicable, the Parent, the Borrowers and Everspan have used commercially reasonable efforts to obtain approvals from any applicable insurance commission or similar governmental authority to upstream the Net Proceeds subject to mandatory prepayment and such prepayment shall be excused only for so long as such approvals are pending or have been denied. The non-application of any such Net Proceeds as a result of the foregoing provisions will not constitute a Default or an Event of Default and such amounts, in the case of the events described in clause (ii) of the preceding sentence only, shall be available for working capital purposes of the Parent and its Subsidiaries.

#### Section 2.07. *Interest.*

(a) Except as otherwise set forth herein, the Loans shall bear interest on the unpaid principal amount thereof from the date made until the date of repayment (whether by acceleration or otherwise) thereof as follows:

- (i) if a Base Rate Loan, at the Base Rate *plus* the Applicable Margin; or
- (ii) if a SOFR Loan, at Term SOFR *plus* the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan, and the Interest Period with respect to any SOFR Loan, shall be selected by the Borrower Representative and notified to the Agent and Lenders pursuant to the applicable Loan Notice or Conversion/Continuation Notice, as the case may be.

(c) In connection with SOFR Loans there shall be no more than five (5) Interest Periods outstanding at any time. In the event the Borrower Representative fails to specify between a Base Rate Loan or a SOFR Loan in the applicable Loan Notice or Conversion/Continuation Notice, such Loan shall be made as or, if outstanding as a SOFR Loan will be automatically continued on the last day of the then-current Interest Period for such Loan as, a SOFR Loan (or if outstanding as a Base Rate Loan will remain as a Base Rate Loan). In the event the Borrower Representative fails to specify an Interest Period for any SOFR Loan in the applicable Loan Notice or Conversion/Continuation Notice (or fails to deliver a Conversion/Continuation Notice within the time limits provided in Section 2.03(a)), the Borrower Representative shall be deemed to have selected an Interest Period of one month. As soon as practicable after 10:00 a.m. on each Interest Rate Determination Date, the Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the SOFR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to the Borrower Representative and each Lender. At any time that Base Rate Loans are outstanding, the Agent shall notify the Borrower Representative and the Lenders of any change in the Prime Rate used in determining the Base Rate promptly following the public announcement of such change.

(d) *[Reserved]*.

(e) *[Reserved]*.

(f) Notwithstanding the foregoing, upon the occurrence of any Event of Default pursuant to Section 8.01(a), for so long as such Event of Default shall be continuing, all overdue principal and interest payable on each Loan shall, without further notice, bear interest, after as well as before judgment to the extent permitted by law, at a rate *per annum* equal to 2.00% *plus* the rate otherwise applicable to such Loan as provided in the preceding subsections of this Section. In addition, if any fee or other amount (other than principal or interest on any Loan) payable by the Borrowers pursuant to any Loan Document is not paid when due, whether upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment to the extent permitted by law, at a rate *per annum* equal to 2.00% *plus* the rate otherwise applicable to Base Rate Loans as provided in the preceding subsections of this Section; *provided* that no amount of interest in excess of that provided for under paragraph (a) of this Section shall accrue or be payable pursuant to this Section 2.07(f) to a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(g) Interest on each Loan shall be paid in arrears on each Interest Payment Date for such Loan; *provided* that (i) interest accrued pursuant to Section 2.07(f) shall be payable on demand of the Agent, (ii) upon any repayment or prepayment of any Loan, interest accrued on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) upon any conversion of a SOFR Loan before the end of the current Interest Period therefor, interest accrued on such Loan shall be payable on the effective date of such conversion.

(h) Anything herein to the contrary notwithstanding, the obligations of the Borrowers to any Lender hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder to the extent (but only to the extent) that contracting for or receiving such payment by such Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, and in such event the Borrowers shall pay such Lender interest at the highest rate permitted by applicable law until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrowers shall pay to the Agent an amount equal to the difference between the amount of interest paid and the amount of interest which

would have been paid if the highest rate of interest that may be lawfully contracted for, charged or received had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and the Borrowers to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Borrowers.

Section 2.08. *Fees.*

(a) The Borrowers shall pay the following duration fees to the Agent, for the account of each Lender, on the following dates:

(i) on February 1, 2025, an amount equal to 1.00% of the aggregate principal amount of such Lender's Loans outstanding on such date;

(ii) on May 1, 2025, an amount equal to 1.00% of the aggregate principal amount of such Lender's Loans outstanding on such date; and

(iii) on November 3, 2025, an amount equal to 1.00% of the aggregate principal amount of such Lender's Loans outstanding on such date.

(b) In addition to any of the foregoing fees, the Borrowers agree to pay (or cause to be paid) to the Agent (or the other Persons entitled thereto) such other fees in the amounts and at the times separately agreed upon in writing, including those set forth in the Fee Letter.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Agent (or the other Persons entitled thereto). Fees owing and paid hereunder shall be fully earned when paid and shall not be refundable under any circumstances.

Section 2.09. *Computation of Fees and Interest.*

(a) All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) Each determination of an interest rate by the Agent shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. The Agent will, at the request of the Borrower Representative or any Lender, deliver to the Borrower Representative or such Lender, as the case may be, a statement showing the quotations used by the Agent in determining any interest rate and the resulting interest rate.

Section 2.10. *Payments Generally.*

(a) Except as otherwise expressly provided in any Loan Document, all payments to be made by the Borrowers under the Loan Documents shall be made without condition or deduction for any defense, set-off, recoupment or counterclaim. Except as otherwise expressly provided in any Loan Document, all payments to be made by the Borrowers under any Loan Document shall be made to the Agent for the account of the Lenders at the Agent's Office, and shall be made in dollars and in immediately available funds, no later than 3:00 p.m. on the date specified in such Loan Document. The Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Agent later than 3:00 p.m. shall be deemed to have been received on the following Business Day for purposes of any applicable interest or fee calculation.

(b) Unless any Borrower or any Lender has notified the Agent, prior to the date any payment is required to be made by it to the Agent hereunder, that the Borrowers or such Lender, as the case may be, will not make such payment, the Agent may assume that the Borrowers or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Agent in immediately available funds, then:

(i) if the Borrowers failed to make such payment, each Lender shall forthwith on demand repay to the Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Agent to such Lender to the date such amount is repaid to the Agent in immediately available funds at the Federal Funds Effective Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Agent the amount thereof in immediately available funds, together with interest thereon for the period from the date such amount was made available by the Agent to the Borrowers to the date such amount is recovered by the Agent (the “**Compensation Period**”) at the customary rate set by the Agent for the correction of errors among banks for three (3) Business Days and thereafter at the Base Rate. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender’s Loan included in the applicable Credit Extension. If such Lender does not pay such amount forthwith upon the Agent’s demand therefor, the Agent may make a demand therefor upon the Borrower Representative, and the Borrowers shall pay such amount to the Agent, together with interest thereon for the Compensation Period at a rate *per annum* equal to the applicable rate for Base Rate Loans to the applicable Credit Extension. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitments or to prejudice any rights that the Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Agent to any Lender or Borrower with respect to any amount owing under this subsection (c) shall be conclusive, absent manifest error.

(c) If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article 2, and such funds are not made available to the Borrowers by the Agent because the conditions to the extension of Loans set forth in Article 4 are not satisfied or waived in accordance with the terms hereof, the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan.

(e) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

Section 2.11. *Sharing of Payments by Lenders.*

(a) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment (i) on account of any Obligations due and payable hereunder and under the other Loan Documents at such time resulting in such Lender receiving payment in excess of its ratable share (calculated according to the proportion of (x) the amount of such Obligations due and payable to such Lender at such time to (y) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (ii) of or on account of any of Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (calculated according to the proportion of (x) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (y) the aggregate amount of Obligations owing (but not due and

payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time, then in each case, such Lender shall (A) notify the Agent of such fact, and (B) purchase (for cash at face value) participations in the Obligations of the other Lenders due and payable or owing, as the case may be, or make such other adjustments as shall be equitable, so that the benefit of such excess payments shall be shared by all such Lenders; *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.11(a) shall not be construed to apply to (I) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement or (II) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

(b) Each Obligor consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Obligor rights of setoff and counterclaim (subject to Section 11.09) with respect to such participation as fully as if such Lender were a direct creditor of such Obligor in the amount of such participation.

#### Section 2.12. *Defaulting Lenders.*

(a) Defaulting Lender Waterfall. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law, any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 8 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 11.09 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, as the Borrower Representative may request (so long as no Default or Event of Default shall have occurred and be continuing), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement; *third*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fourth*, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans, and (y) such Loans were made at a time when the conditions set forth in Section 4.01 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the applicable Commitments. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.12(a) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(b) Defaulting Lender Cure. If the Borrowers and the Agent agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon, as of the effective date specified in such notice, and subject to any conditions set forth therein, such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the applicable Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and *provided, further*, that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from

Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender.

Article 3  
Taxes, Yield Protection And Illegality

Section 3.01. *Taxes.*

(a) Payments Free of Indemnified Taxes and Other Taxes. Any and all payments by or on account of any obligation of any Obligor hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Indemnified Taxes or Other Taxes, *provided* that if any applicable withholding agent shall be required by applicable law to deduct or withhold any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the amount so payable by the applicable Obligor shall be increased as necessary so that after all such deductions or withholdings have been made (including deductions applicable to additional amounts payable under this Section) the Agent or Lender, as the case may be, receives an amount equal to the amount it would have received had no such deductions or withholdings been made, (ii) the applicable withholding agent shall make such deductions or withholdings and (iii) the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Borrowers. Without duplication of Section 3.01(a), the Borrowers shall indemnify the Agent and each Lender, on or before the date that is thirty (30) days after written demand therefor, for the full amount of any Indemnified Taxes in respect of payments by or on account of any obligation or any Obligor under any Loan Document or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable under this Section) that are imposed on or payable by the Agent or such Lender, as the case may be, and reasonable expenses arising therefrom, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability delivered to the Borrower Representative by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrowers reasonably believe that there is an appropriate basis to pursue a refund of any Indemnified Tax or Other Tax indemnified by the Borrowers under this Section 3.01(c), or for which any Obligor has paid additional amounts under Section 3.01, the Agent or the Lender (as applicable) shall, upon the Borrower Representative's written request and at the Borrowers' expense, pursue such refund; *provided* that the Agent or any Lender shall not be obligated to pursue any such refund if the Agent or such Lender reasonably determines in good faith that it would be materially disadvantaged or prejudiced, or subject to any out-of-pocket unreimbursed cost or expense, by pursuing such refund. Any refund described in the preceding sentence that is received by the Agent or any Lender shall be payable to the Borrowers to the extent provided in Section 3.01(f).

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Obligor to a Governmental Authority, the Borrower Representative shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) Status of Lenders.

(i) Each Lender shall deliver to the Borrower Representative and to the Agent, and the Agent shall deliver to the Borrower Representative, whenever reasonably requested by the Borrower Representative or the Agent, such properly completed and executed documentation prescribed by applicable laws and such other reasonably requested information as will permit the Borrowers or the Agent, as the case may be, (A) to determine whether or not payments made hereunder or under any other Loan Document are subject to Taxes, (B) to determine, if applicable, the required rate of withholding or deduction and (C) to establish the Agent's or such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to the Agent or such Lender pursuant to any Loan Document



or otherwise to establish the Agent's or such Lender's status for withholding tax purposes in an applicable jurisdiction. If any form, certification or other documentation provided by the Agent or a Lender pursuant to this Section 3.01(e) (including any of the specific documentation described below) expires or becomes obsolete or inaccurate in any respect, the Agent or such Lender, as the case may be, shall promptly notify the Borrower Representative and the Agent in writing and shall promptly update or otherwise correct the affected documentation or promptly notify the Borrower Representative and the Agent in writing that the Agent or such Lender is not legally eligible to do so. 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 3.01(e)(ii)(A), (ii)(B), (ii)(D) and (ii)(E) below) shall not be required if in the Agent's or Lender's reasonable good faith judgment such completion, execution or submission would subject the Agent or such Lender to any out-of-pocket unreimbursed cost or expense or would materially prejudice the legal or commercial position of the Agent or such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower Representative and the Agent duly completed and executed originals of IRS Form W-9 or such other documentation or information prescribed by applicable laws or reasonably requested by the Borrower Representative or the Agent (in such number of signed originals as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon request of the Borrower Representative or the Agent) as will enable the Borrowers or the Agent, as the case may be, to determine whether or not such Lender is subject to U.S. federal backup withholding or information reporting requirements;

(B) each Foreign Lender that is entitled under the Code or any applicable treaty to an exemption from or reduction of U.S. federal withholding tax with respect to any payments hereunder or under any other Loan Document shall deliver to the Borrower Representative and the Agent (in such number of signed originals as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower Representative or the Agent), duly completed and executed originals of whichever of the following is applicable:

(1) IRS Form W-8BEN-E (or any successor thereto) claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(2) IRS Form W-8ECI (or any successor thereto) claiming that payments under this Agreement or any other Loan Documents (as applicable) constitute income that is effectively connected with such Foreign Lender's conduct of a trade or business in the United States,

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Sections 881(c) of the Code (the "**Portfolio Interest Exemption**"), (x) a certificate, substantially in the form of Exhibit F-1, F-2, F-3 or F-4, as applicable (a "**Tax Status Certificate**"), to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrowers or Parent, within the meaning of Section 881(c)(3)(B) of the Code or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and that no payments to be received are effectively connected with a U.S. trade or business and (y) IRS Form W-8BEN-E (or any successor thereto), or

(4) where such Lender is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), IRS Form W- 8IMY (or any successor thereto) and all required

supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the Portfolio Interest Exemption, a Tax Status Certificate of such beneficial owner(s); *provided* that, if the Foreign Lender is a partnership and not a participating Lender, the Tax Status Certificate from the beneficial owner(s) may be provided by the Foreign Lender on behalf of the beneficial owner(s));

(C) any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in United States federal withholding tax together with such supplementary documentation as may be prescribed by applicable Laws to permit the Borrowers or the Agent to determine the withholding or deduction required to be made;

(D) each Lender shall deliver to the Borrower Representative and the Agent (in such number of duly completed and executed originals as shall be requested by the recipient), at such time or times reasonably requested by the Borrower Representative or the Agent, such documentation prescribed by applicable law or reasonably requested by the Borrower Representative or the Agent (1) to comply with the Borrowers' and/or the Agent's obligations under FATCA, (2) to determine that such Lender has complied with such Lender's obligations under FATCA and/or (3) to determine the amount to deduct and withhold from any payment under this Agreement or the other Loan Documents pursuant to FATCA. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement;

(E) the Agent shall deliver to the Borrower Representative on or prior to the date on which it becomes the Agent under this Agreement (and from time to time thereafter upon request of the Borrower Representative):

(1) duly completed and executed originals of IRS Form W-8ECI with respect to any amounts payable to the Agent for its own account, and

(2) duly completed and executed originals of IRS Form W-8IMY with respect to any amounts payable to the Agent for the account of others, certifying that it is a "U.S. branch" and that all of the payments it receives for the account of others are not effectively connected with the conduct of its trade or business within the United States and that it is using such form as evidence of its agreement with the Borrowers to be treated as a U.S. person with respect to such payments (and the Borrowers and the Agent agree to so treat the Agent as a U.S. person with respect to such payments as contemplated by Section 1.1441-1(b)(2)(iv)(A) of the United States Treasury Regulations).

Notwithstanding anything to the contrary in this Section 3.01(e), no Lender shall be required to deliver any documentation that it is not legally eligible to provide.

(f) Treatment of Certain Refunds. If the Agent or any Lender determines, in its good faith discretion, that it has received a refund (whether received in cash or applied as an offset against other Taxes due) of any Indemnified Taxes or Other Taxes as to which it has been indemnified by an Obligor or with respect to which an Obligor has paid additional amounts pursuant to this Section, it shall promptly pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by an Obligor under this Section 3.01 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender (including any Taxes), as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrowers, upon the request of the Agent or such Lender, agree to repay the amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority (other than any penalties arising from the gross negligence or willful misconduct of the Agent or the Lender)) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (f), in no event will the Lender or the Agent, as the case may be, be required to pay any amount to the Borrowers pursuant to

this subsection (f) the payment of which would place the relevant Lender or the Agent in a less favorable net after-Tax position than such Lender or the Agent would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Agent, or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrowers or any other Person.

(g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the 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 any Loan Document.

(h) Defined Terms. For purposes of this Section 3.01, the term "applicable law" includes FATCA.

Section 3.02. *Illegality*.

(a) If any Lender reasonably and in good faith determines that the introduction of any Requirement of Law, or any change in any Requirement of Law or in the interpretation or administration of any Requirement of Law, after the Closing Date, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make SOFR Loans, then, on notice thereof by the Lender to the Borrower Representative through the Agent, any obligation of such Lender to make SOFR Loans shall be suspended until such Lender notifies the Agent and the Borrower Representative that the circumstances giving rise to such determination no longer exist (which such Lender agrees to do promptly when such circumstances cease to exist).

(b) If a Lender reasonably and in good faith determines that it is unlawful for such Lender to maintain any SOFR Loan after the Closing Date in the circumstances set forth in Section 3.02(a), the Borrowers shall, upon its receipt of written notice of such fact and demand from such Lender (with a copy to the Agent), convert such SOFR Loans of that Lender then outstanding on the last day of the Interest Period thereof, if the Lender may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such SOFR Loan and in the case of any conversion other than on the last day of such Interest Period thereof, pay amounts required by Section 3.04.

(c) If the obligation of any Lender to make or maintain SOFR Loans has been so terminated or suspended, the Borrower Representative may elect, by giving notice to the Lender through the Agent, that all Loans which would otherwise be made or maintained by the Lender as SOFR Loans shall instead be Base Rate Loans.

(d) Before giving any notice to the Agent under this Section 3.02, the affected Lender shall designate a different Lending Office with respect to its SOFR Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Lender, be illegal or otherwise materially disadvantageous to the Lender.

Section 3.03. *Increased Costs and Reduction of Return*.

(a) If any Lender reasonably and in good faith determines that, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance by that Lender with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in each case after the Closing Date, there shall be any increase in the cost including Taxes (other than (i) Excluded Taxes and (ii) Indemnified Taxes and Other Taxes that are covered by Section 3.01) to such Lender of agreeing to make or making, funding or maintaining any SOFR Loans, then the Borrowers shall be liable for, and shall from time to time, on or before the date that is thirty (30) days after written demand (with a copy of such demand to be sent to the Agent), pay to the Agent for the account of such Lender, additional amounts as are sufficient to compensate such Lender for such increased costs; *provided* that such Lender shall only be entitled to seek such additional amounts if such Lender is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities (as certified by such Lender in the certificate delivered under Section 3.06); *provided, further*, that the Borrowers shall not be required to compensate a Lender for any

such increases in capital for any period more than 180 days prior to the date such Lender delivers such demand; *provided, further* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a change in the law under clause (a)(i) above, regardless of the date enacted, adopted or issued.

(b) If any Lender reasonably and in good faith shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by the Lender (or its Lending Office) or any corporation controlling the Lender with any Capital Adequacy Regulation, in each case after the Closing Date, affects or would affect the amount of capital required or expected to be maintained by the Lender or any corporation controlling the Lender and (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy and such Lender's desired return on capital) determines that the amount of such capital is increased as a consequence of its Commitment or Loans under this Agreement, then, on or before the date that is thirty (30) days after written demand by such Lender to the Borrowers through the Agent, the Borrowers shall pay to the Lender, from time to time as specified by the Lender, additional amounts sufficient to compensate the Lender for such increase; *provided* that such Lender shall only be entitled to seek such additional amounts if such Lender is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities (as certified by such Lender in the certificate delivered under Section 3.06); *provided, further*, that the Borrowers shall not be required to compensate a Lender for any such increases in capital for any period more than 180 days prior to the date such Lender delivers such demand.

#### Section 3.04. *Funding Losses.*

The Borrowers shall reimburse each Lender for any reasonable loss (other than loss of profits and the Applicable Margin) or expense which such Lender has actually incurred:

(a) if for any reason (other than a default by such Lender) a Credit Extension of any SOFR Loan does not occur on a date specified therefor in a Loan Notice, or a conversion to or continuation of any SOFR Loan does not occur on a date specified therefor in a Conversion/Continuation Notice;

(b) if any prepayment or other principal payment of, or any conversion of, any of its SOFR Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or

(c) if any prepayment of any of its SOFR Loans is not made on any date specified in a notice of prepayment given by the Borrower Representative.

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its SOFR Loans or from fees payable to terminate the deposits from which such funds were obtained, but excluding any administrative fee or other amount chargeable by such Lender for the calculation of such loss. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 3.04 shall be delivered to the Borrower Representative and shall be conclusive absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

#### Section 3.05. *Inability to Determine Rates.*

Subject to Section 3.08, if, on or prior to the first day of any Interest Period for any SOFR Loan:

(a) the Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof; or

(b) the Required Lenders determine that for any reason in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Agent,

the Agent will promptly so notify the Borrower Representative and each Lender.

Upon notice thereof by the Agent to the Borrower Representative, any obligation of the Lenders to make SOFR Loans, and any right of the Borrower Representative to continue SOFR Loans or to convert Base Rate Loans to SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Agent (with respect to clause (b), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower Representative may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower Representative will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrowers shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 3.04. Subject to Section 3.08, if the Agent determines (which determination shall be conclusive and binding absent manifest error) that “Term SOFR” cannot be determined pursuant to the definition thereof on any given day, the interest rate on Base Rate Loans shall be determined by the Agent without reference to clause (c) of the definition of “Base Rate” until the Agent revokes such determination

#### Section 3.06. *Certificates of Lenders.*

Any Lender claiming reimbursement or compensation under this Article 3 shall deliver to the Borrower Representative (with a copy to the Agent) a certificate setting forth in reasonable detail the amount payable to the Lender hereunder (including the certifications required in Sections 3.03(a) and (b)) and such certificate shall be conclusive and binding on the Borrowers in the absence of demonstrable error. Such certificate shall set forth in reasonable detail the methodology used in determining the amount payable to the Lender.

#### Section 3.07. *Substitution of Lenders; Mitigation.*

If the Borrowers receive notice from any Lender of a claim for compensation under Section 3.01 or Section 3.03 or a claim pursuant to Section 3.02 or the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, then such Lender shall (at the request of the Borrower Representative) take such steps as may be reasonably available to it to mitigate the effects of the event giving rise to such claim or payment (provided that such Lender shall not be required to take any step that, in its reasonable judgment, would be materially disadvantageous to its business or operations or would require it to incur additional costs (unless the Borrowers agree to reimburse such Lender for the reasonable incremental out-of-pocket costs thereof)) and, if such Lender is unable to mitigate such effects to the Borrower Representative’s reasonable satisfaction, the Borrower Representative may upon notice to such Lender and the Agent (i) replace such Lender by causing such Lender to assign its Loans (with the assignment fee to be paid by the Borrowers in such instance) pursuant to Section 11.07(b) to one or more other Lenders or Eligible Assignees identified by the Borrower Representative or (ii) notwithstanding Section 2.11, terminate the applicable Commitments of such Lender and repay all Obligations of the Borrowers owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; *provided*

that each such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it under the Loan Documents from the applicable assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts). Any Lender being replaced shall execute and deliver an Assignment and Assumption with respect to such Lender's outstanding Loans; *provided* that if such Lender does not comply with this Section 3.07 within one Business Day after the Borrower Representative's request, compliance with this Section 3.07 shall not be required to effect such assignment.

Section 3.08. *Benchmark Replacement Setting.*

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Agent and the Borrowers may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the Agent has posted such proposed amendment to all affected Lenders and the Borrowers so long as the Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.08(a)(i) will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Agent will promptly notify the Borrower Representative and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Borrower Representative of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.08(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.08, 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 3.08.

(d) Unavailability of Tenor of Benchmark. 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 Reference 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 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 not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) 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 not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon the Borrower Representative’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower Representative may revoke any pending request for a SOFR borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower Representative will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

#### Section 3.09. *Survival*.

The agreements and obligations of the Borrowers in Section 3.01, Section 3.03 and Section 3.04 shall survive the termination of this Agreement and the payment of all other Obligations subject to the limitations set forth in such Sections.

### Article 4 Conditions Precedent

#### Section 4.01. *Conditions to Closing*.

The obligation of each Lender to make a Loan on the Closing Date is subject to satisfaction of the following conditions precedent at or substantially simultaneously with the making of such Loan:

(a) The Agent shall have received each of the following, each of which shall be originals or facsimiles or PDFs delivered by electronic mail (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Obligor, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Agent:

- (i) executed counterparts of this Agreement, the U.S. Pledge Agreement and the UK Share Pledge; and
  - (ii) a Note executed by the Borrowers in favor of each Lender that has requested a Note at least three (3) Business Days prior to the Closing Date.
- (b) The Agent shall have received the following personal property collateral requirements:
- (i) proper financing statements in form appropriate for filing, duly prepared for filing under the Uniform Commercial Code, covering the Collateral described in the U.S. Pledge Agreement;
  - (ii) evidence of the completion of, or of arrangements reasonably satisfactory to the Agent for the completion of, all other actions, recordings and filings of or with respect to the U.S. Pledge Agreement and the UK Share Pledge that the Agent may deem reasonably necessary in order to perfect the Liens created thereby; and
  - (iii) evidence that all other action that the Agent may reasonably deem necessary in order to perfect the Liens created under the U.S. Pledge Agreement and the UK Share Pledge has been taken or that arrangements reasonably satisfactory to the Agent for the completion thereof have been made.

(c) The Agent shall have received:

(i) in respect of the Parent, Cirrata Group and Cirrata V:

(A) a copy of the articles or certificate of incorporation or equivalent document of each Obligor as in effect on the Closing Date, certified by the Secretary of State (or similar applicable Government Authority) of its jurisdiction of incorporation or organization as of a recent date;

(B) a copy of the bylaws, operating agreement, or equivalent document of each Obligor as in effect on the Closing Date, certified by the Secretary or Assistant Secretary of such Obligor as of the Closing Date;

(C) copies of the resolutions of the board of directors, authorized subcommittee thereof, or other equivalent body of each Obligor authorizing the execution, delivery and performance of the Loan Documents to which such Obligor is a party, certified as of the Closing Date by the Secretary or an Assistant Secretary of such Obligor (or in the case of a limited liability company, of its manager);

(D) a certificate of the Secretary or Assistant Secretary of each Obligor (or in the case of a limited liability company, of its manager) certifying the names and true signatures of the officers of such Obligor authorized to execute, deliver and perform, as applicable, this Agreement and all other Loan Documents to be delivered by such Obligor hereunder;

(E) a certificate of good standing or equivalent document for each Obligor from the Secretary of State (or similar, applicable Governmental Authority) of its jurisdiction of incorporation or organization as of a recent date; and

(ii) in respect of Cirrata UK:

(A) a copy of the constitutional documents (certificate of incorporation, most recent articles of association, memorandum of association and change of name certificates);

(B) a copy of a resolution of the board of directors;

(C) a specimen signature of each person authorized by the board resolutions above in relation to the Loan Documents and related documents;

(D) a copy of a resolution signed by all the holders of the issued shares approving the terms of and the transactions contemplated by the Loan Documents;

(E) a certificate of an authorized signatory or director of Cirrata UK;

(F) confirming that borrowing, guaranteeing or securing the Obligations would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded; and

(G) certifying that each copy document relating to it specified in this section V is correct, complete and in full force and effect and has not been amended or superseded as at the date no earlier than the date of this Agreement.

(d) The Acquisition Agreement shall not have been amended or waived, and no consents shall have been given with respect thereto, in any material respect, by the Parent or its Subsidiaries in a manner materially adverse to the interests of the Lenders without the consent in writing (such consent not to be unreasonably withheld, conditioned or delayed) by the Lenders (it being understood and agreed that (i) any amendment, waiver or consent that results in any increase in the consideration for the Beat Acquisition shall not be deemed to be materially adverse to the interests of the Lenders so long as such increase in consideration is not funded with additional indebtedness for borrowed money and (ii) any amendment, waiver or consent that results in any decrease in the consideration for the Beat Acquisition



shall not be deemed to be materially adverse to the interests of the Lenders so long as (a) any such decrease is (x) pursuant to a purchase price adjustment under the Acquisition Agreement, (y) no greater than 10% of the total amount of consideration required to consummate the Beat Acquisition set forth in the Acquisition Agreement (as in effect on the date hereof) or (z) applied (A) first to reduce the Cash and Equity Amount to 40% of the Funded Capitalization and (B) after giving effect to the application of the reduction of the amount of consideration in clause (A) above, as follows: (1) 60% to reduce the commitments under the Term Loan Facility and (2) 40% to reduce the Cash and Equity Amount).

(e) The Agent shall have received a customary written opinion, reasonably acceptable to the Agent in form and substance, (addressed to the Agent and the Lenders and dated the Closing Date) from each of (i) Debevoise & Plimpton LLP, New York counsel for the Obligors and (ii) Potter Anderson & Corroon LLP, Delaware counsel for the Obligors.

(f) The Agent shall have received evidence that all fees required to be paid on the Closing Date pursuant to the Fee Letter will, upon the borrowing of the Loans, be paid (which amounts may be offset against the proceeds of the Loans); *provided* that this condition shall be deemed to have been satisfied by the inclusion of such payments in a Loan Notice.

(g) The Agent shall have received a certificate signed by a Responsible Officer, dated as of the Closing Date, confirming that (i) all of the closing conditions under the Acquisition Agreement have been satisfied (save for payment of the purchase price and any other step that is to be or can only be satisfied on the Closing Date) or waived and (ii) the Cash Contribution Requirement shall have been satisfied.

(h) So long as requested by the Agent in writing at least ten (10) business days prior to the Closing Date, the Agent shall have received, at least three (3) Business Days prior to the Closing Date, all documentation with respect to the Borrowers (after giving effect to the Transactions) that is required by regulatory authorities under applicable "know your customer" and anti-terrorism, sanctions, and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

(i) No Major Event of Default shall have occurred and be continuing on such date or immediately after giving effect to the proposed Credit Extension on the Closing Date.

(j) The Agent shall have received a Loan Notice in accordance with the requirements hereof.

#### Section 4.02. *Determinations Under Section 4.01.*

For purposes of determining compliance with the conditions specified in Section 4.01, each of the Lenders shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by, or acceptable or satisfactory to, the Lenders unless an officer of the Agent responsible for the Transactions shall have received notice from such Lender prior to the Closing Date specifying its objection thereto and, in the case of any Lender, such Lender shall not have made available to the Agent on the Closing Date such Lender's Pro Rata Share of the borrowing to be made on such date.

### Article 5 Representations and Warranties

Each Obligor represents and warrants to the Agent and each Lender that:

#### Section 5.01. *Corporate Existence and Power.*

The Parent and each of its Subsidiaries:

(a) is duly organized, validly existing and, to the extent relevant, in good standing (or its equivalent) under the laws of, and as applicable in, the jurisdiction of its incorporation or organization;

(b) has the requisite corporate (or other organizational) power and authority and all governmental licenses, authorizations, consents and approvals to own its assets and carry on its business;

(c) is duly qualified and in good standing under the laws of, and as applicable in, each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification; and

(d) is in compliance with all Requirements of Law, except such Requirements of Law, or decrees as are being contested in good faith by appropriate proceedings;

except, in each case referred to in clauses (a) (other than with respect to the existence of the Borrowers or the Parent), (b), (c) and (d), to the extent that the failure to do so, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.02. *Corporate Authorization; No Contravention.*

The Transactions to be entered into by each Obligor are within its corporate or other organizational powers. The Transactions (including the execution, delivery and performance by each Obligor of each Loan Document to which it is a party) have been duly authorized by all necessary corporate or other organizational action of each Obligor, and do not and will not:

(a) contravene the terms of any of such Obligor's Organization Documents;

(b) conflict with or result in any breach or contravention of, or result in or require the creation of any Lien (other than the Transaction Liens) under, any document evidencing any material Contractual Obligation to which such Obligor is a party, except to the extent that such conflicts, in the aggregate, would not reasonably be expected to have a Material Adverse Effect; or

(c) violate any Requirement of Law or any order, injunction, writ or decree of any Governmental Authority to which such Obligor or its property is subject, except to the extent that such violations, in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

Section 5.03. *Governmental Authorization.*

No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Obligor of each Loan Document to which it is a party or the granting of any Liens by any Obligor pursuant to the Loan Documents, except (i) such as have been obtained and are in full force and effect, (ii) filings necessary to perfect the Transaction Liens, (iii) such as may be required in accordance with applicable securities Laws in connection with realization on the Pledged Collateral and (iv) those the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

Section 5.04. *Binding Effect.*

Each Loan Document that has been delivered by an Obligor has been duly executed and delivered by each Obligor party thereto and constitutes a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, regardless of whether considered in a proceeding in equity or at law.

Section 5.05. *Litigation.*

Except as set forth on Schedule 5.05 or as otherwise disclosed by the Parent in an SEC filing on or prior to the Closing Date, there are no actions, suits, proceedings, claims or disputes pending, or, to the knowledge of any Borrower, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, against the Parent or any of its Subsidiaries or any of their respective properties that: (a) on the Closing Date, affects or pertains to this Agreement or any other Loan Document or (b)

there is reasonable likelihood of an adverse determination with respect to any Obligor and that, if adversely determined, individually or in the aggregate would reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document.

Section 5.06. *Employee Benefit Plans.*

(a) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state law except to the extent that such non-compliance would not reasonably be expected to have a Material Adverse Effect. Except for occurrences or circumstances that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect: (i) no ERISA Event has occurred or is reasonably expected to occur; (ii) no Single Employer Pension Plan has any Unfunded Pension Liability that would reasonably be expected to have a Material Adverse Effect; (iii) no Obligor or any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred that, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA with respect to a Multiemployer Plan; and (iv) no Obligor or any ERISA Affiliate has knowingly engaged in a transaction that would reasonably be expected to be subject to Section 4069 or 4212(c) of ERISA.

(b) Each Foreign Pension Plan is in compliance in form and operation with its terms and with applicable Requirements of Law, except where any failure to comply, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(c) Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, neither the Parent nor any Subsidiary:

(i) is or has at any time been an "employer" (as defined for the purposes of sections 38 to 51 of the Pensions Act 2004 (UK)) of an "occupational pension scheme" which is not a "money purchase scheme" (both terms as defined in the Pensions Act 1993 (UK)); or

(ii) is or has within the past six years been "connected" with or an "associate" (as those terms are used in sections 38 and 43 of the Pensions Act 2004 (UK)) of such an "employer".

Section 5.07. *Margin Regulations.*

(a) Neither the Parent nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) None of the proceeds of the Loans will be used to acquire Margin Stock.

(c) None of the transactions contemplated by this Agreement (including the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Exchange Act, or regulations issued pursuant thereto, or Regulation T, U or X of the FRB.

Section 5.08. *Title to Properties.*

The Parent or one or more of its Subsidiaries have good legal title in fee simple or valid leasehold interests in, all real property that is material to the ordinary conduct of their respective businesses, except for any failure to have such good title and any defects in title or interests as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.09. *Taxes.*

The Parent and each of its Subsidiaries has timely filed all federal Tax and other Tax returns and reports required to be filed, and has paid all federal Tax and other Taxes levied or imposed upon it or its properties, income or assets that have become due and payable (including in its capacity as a withholding agent), except those (i) that are not more than 30 days overdue, (ii) that are being contested in good faith

by appropriate proceedings and for which adequate reserves have been provided in accordance with, as applicable, SAP, GAAP or UK GAAP or (iii) where the failure to make such filing or payment would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. As of the date hereof, Cirrata UK is treated as a corporation for U.S. federal income tax purposes.

Section 5.10. *Financial Condition.*

(a) The Parent has heretofore furnished to the Agent (x) its consolidated balance sheet and statements of total comprehensive income, stockholders equity and cash flows as of and for the fiscal year ended December 31, 2023 reported on by KPMG LLP, independent public accountants and (y) its unaudited consolidated balance sheet and related statements of total comprehensive income, stockholders' equity and cash flows as of the end of and for the fiscal quarter ended March 31, 2024. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent and its Subsidiaries as of such dates and for such periods in accordance with GAAP (subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (y) of the foregoing sentence).

(b) Since the Closing Date, there has been no Material Adverse Effect.

Section 5.11. *Environmental Matters.*

(a) All real properties owned or leased by the Parent or any of its Subsidiaries as of the Closing Date have been, and continue to be, owned, leased or operated by the Parent and its Subsidiaries in compliance with all Environmental Laws, except where failure to so comply would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(b) There are no pending or, to the knowledge of any Borrower, threatened (in writing), Environmental Claims against the Parent or any of its Subsidiaries, except for such Environmental Claims that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) The Parent and each of its Subsidiaries have been issued and are in compliance with all permits, certificates, approvals, licenses and other authorizations required under any Environmental Law to own, lease and operate their property or to conduct their businesses except where failure to obtain or comply with the foregoing would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(d) There are no Environmental Liabilities, and there is no existing condition, situation or set of circumstances that would reasonably be expected to result in any Environmental Liability, of the Parent or any of its Subsidiaries that, individually or in the aggregate, would be reasonably expected to have a Material Adverse Effect.

Section 5.12. *Investment Company Act.*

Neither the Parent or the Borrowers nor any of their respective Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 5.13. *Subsidiaries.*

(a) The Capital Stock of each of the Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except (i) as set forth on Schedule 5.14(a) and (ii) any options, warrants, calls, rights, commitments or other agreements in favor of the Parent and its Subsidiaries, as of the date hereof, there is no existing option, warrant, call, right, commitment or other agreement to which any of the Subsidiaries of the Parent is a party requiring, and there is no Capital Stock of any Subsidiary of the Parent outstanding which upon conversion or exchange would require, the issuance by any such Subsidiary of any additional Capital Stock of such Subsidiary or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, any Capital Stock of such Subsidiary, except equity compensation plans and other employee incentive schemes maintained for the benefit of officers, directors, employees and consultants of the Parent and its Subsidiaries.

(b) Schedule 5.14(b) sets forth, in all material respects, the name of, and the ownership interest of the Parent (or the applicable Subsidiary) in, each of its Subsidiaries and identifies the type of entity of each such Subsidiary, in each case as of the Closing Date (after giving effect to the Transactions).

Section 5.14. *Intellectual Property.*

Except as could not reasonably be expected to have a Material Adverse Effect, the Parent and each of its Subsidiaries owns or possesses the right to use all patents, patent rights, technology, trademarks, service marks, trade names, copyrights, trade secrets, domain names, software, database rights and other intellectual property rights used in the business of such Person.

Section 5.15. *Full Disclosure.*

(i) All written information (other than financial projections, budgets, estimates and information of a general economic or industry nature) provided to the Arranger directly by or on behalf of the Parent or its Subsidiaries in connection with the Transactions was, as of the Closing Date and when taken as a whole (after giving effect to all supplements thereto), correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made and (ii) the financial projections relating to the Parent or its Subsidiaries provided by the Parent to the Arranger directly by or on behalf of the Parent or its Subsidiaries in connection with the Transactions were prepared in good faith based upon assumptions that were believed by the preparer thereof to be reasonable at the time such financial projections were furnished to the Arranger and in light of the circumstances for which they were prepared, it being understood and agreed that financial projections are as to future events, are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Parent's control, that no assurance can be given that any particular projection will be realized, that financial projections are not a guarantee of financial performance and that actual results may differ significantly from financial projections and such differences may be material.

Section 5.16. *Solvency.*

Immediately after giving effect to the Transactions to occur on the Closing Date, (a) the fair value of the assets of the Parent and its Subsidiaries, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (b) the Parent and its Subsidiaries, taken as a whole, do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay such debts and liabilities as they mature; and (c) the Parent and its Subsidiaries, taken as a whole, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is conducted on the Closing Date. The amount of contingent liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Section 5.17. *Security Interests.*

On the Closing Date, the Security Documents will create valid security interests in the Collateral to the extent set forth therein. At all times thereafter, the Security Documents will create valid and perfected security interests in the Collateral from time to time covered or purportedly covered thereby to the extent a security interest in such Collateral may be perfected by filing a financing statement under the Uniform Commercial Code or by establishing control in favor of the Agent.

Section 5.18. *Compliance with Laws.*

Each of the Parent and its Subsidiaries is in compliance with the requirements of all laws (including Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 5.19. *Sanctions Laws and Regulations.*

(a) The Obligors have instituted and maintained policies and procedures reasonably designed to promote and achieve compliance by the Parent, its Subsidiaries and their respective directors, officers, employees, and agents with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Person.

(b) None of the Parent, its Subsidiaries or their respective directors or officers, or to the knowledge of a Responsible Officer, their respective employees or agents acting in any capacity in connection with this Agreement (i) is a Sanctioned Person; or (ii) has or is engaged in any dealings or transactions (1) with any Sanctioned Person, (2) in or involving any Sanctioned Country, or (3) otherwise in violation of Sanctions (except, in the case of (1) and (2), to the extent permissible under the relevant Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Parent, Subsidiary director, employee or agent).

Section 5.20. *Use of Proceeds.*

The Borrowers will use the proceeds of the Loans only for the purposes set forth in Section 6.10.

Article 6  
Affirmative Covenants

Until all principal of and interest on each Loan and all fees and other amounts payable hereunder have been paid in full (other than unmatured, surviving contingent indemnification obligations not yet due and payable) and all Commitments have been terminated, each Obligor covenants and agrees with the Lenders that:

Section 6.01. *Financial Statements.*

The Borrowers shall deliver to the Agent, for further distribution to each Lender:

(a) (i) within one hundred twenty (120) days after the end of each Fiscal Year of the Parent, the Parent's audited consolidated balance sheet and related statements of total comprehensive income, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, as audited by KPMG LLP or another independent accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit (except for qualifications pertaining to debt maturities occurring within 12 months of such audit or anticipated or actual breach of financial covenants)) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP and (ii) within one hundred eighty (180) days after the end of each Fiscal Year of the Company, to the extent such financial statements are prepared in the ordinary course of business, the Company's audited consolidated balance sheet and related statements of total comprehensive income, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, as audited by Ernst & Young LLP or by an independent accounting firm of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit (except for qualifications pertaining to debt maturities occurring within 12 months of such audit or a breach or anticipated breach of financial covenants)) to the effect that

such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Company and its consolidated Subsidiaries on a consolidated basis in accordance with UK GAAP; and

(b) within sixty (60) days after the end of each of the first three Fiscal Quarters of each Fiscal Year of the Parent, commencing with the first Fiscal Quarter ending after the Closing Date, (i) the Parent's unaudited consolidated balance sheet and related statements of total comprehensive income, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer of the Parent as presenting fairly in all material respects the financial condition and results of operations of the Parent and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP, subject to normal year-end audit adjustments and the absence of footnotes and (ii) management-prepared unaudited financial statements for the Company in accordance with the Company's existing practices and (iii) management-prepared unaudited financial statements for Cirrata Group in accordance with Cirrata Group's existing practices.

Section 6.02. *Certificates; Other Information.*

The Borrowers shall furnish to the Agent, for further distribution to each Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a)(i) and Section 6.01(b)(i), a Compliance Certificate executed by a Responsible Officer (i) certifying as to whether a Default exists and, if a Default exists, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations with respect to Section 7.09 and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 5.11(a) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(b) concurrently with the delivery of the financial statements referred to in Section 6.01(a)(ii), a Company Audit Certificate executed by a Responsible Officer; and

(c) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Parent, the Borrowers or any Subsidiary of the Parent, or compliance with the terms of this Agreement, as the Agent may reasonably request, in each case to the extent (i) not prohibited by (x) applicable law or (y) the provisions of any confidentiality agreement or other agreement, document or instrument binding upon the Parent, the Borrowers or such Subsidiary or (ii) such information (x) is not subject to attorney client or similar privilege or does not constitute attorney work product or (y) does not constitute trade secrets or proprietary information of the Parent and its subsidiaries and/or any customers or suppliers of the foregoing (clause (i) and (ii), collectively, the "**Information Restrictions**").

Section 6.03. *Notices.*

The Borrowers shall promptly notify the Agent:

(a) of the occurrence of any Event of Default;

(b) of (i) any dispute, litigation, investigation, proceeding or suspension between the Parent or any Subsidiary and any Governmental Authority or (ii) the commencement of, or any material development in, any litigation (including any governmental proceeding or arbitration proceeding), tax audit or investigative proceeding, claim, lawsuit, and/or investigation against or involving the Parent or any of its Subsidiaries or any of its or their businesses or operations, including pursuant to any applicable Environmental Laws, in each case that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect; and

(c) of the occurrence of any of the following events that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect:

(i) an ERISA Event; or

(ii) the establishment of or commencement of contributions to any Plan subject to Title IV of ERISA or Section 412 of the Code by any Obligor or any ERISA Affiliate; or

(iii) the adoption of any amendment to a Plan subject to Title IV of ERISA or Section 412 of the Code that is sponsored or contributed to by any Obligor or any ERISA Affiliate, if such amendment would be reasonably be expected to result in a material increase in contributions or Unfunded Pension Liability.

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action the Parent or any affected Subsidiary proposes to take with respect thereto and at what time.

Documents required to be delivered pursuant to Section 6.01, Section 6.02 or Section 6.03 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower Representative posts such documents or provides a link thereto on a website on the Internet at the website address listed on Schedule 11.02; (ii) on which such documents are posted on the Borrowers' behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent) or (iii) on which such documents are made publicly available at www.sec.gov. Except for Compliance Certificates, the Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrowers with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrowers hereby acknowledge that (a) the Agent will make available information and projections (collectively, "**Borrower Materials**") to the Lenders by posting the Borrower Materials on IntraLinks or another similar secure electronic system (the "**Platform**") and (b) certain of the Lenders may be "public-side" Lenders (*i. e.*, Lenders that do not wish to receive material non-public information with respect to the Parent, its Subsidiaries or their respective securities) (each, a "**Public Lender**"). The Borrowers hereby agree that (w) they will clearly identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Parent, its Subsidiaries or their respective securities for purposes of United States federal and other applicable securities laws, it being understood that such Borrower Materials are subject to Section 11.08; (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Lender"; and (z) the Agent shall treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Lender."

#### Section 6.04. *Preservation of Corporate Existence, Etc.*

The Obligors shall, and shall cause each Subsidiary to (except to the extent not limited by Section 7.03 or Section 7.05):

(a) preserve and maintain in full force and effect its existence and, to the extent relevant, good standing under the laws of its state or jurisdiction of incorporation or organization, as applicable except (other than with respect to the existence of the Borrowers or the Parent) where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and



(b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business, except, in the case of this clause (b), where such failure to preserve and maintain would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.05. *Insurance.*

The Obligors shall, and shall cause each Subsidiary to, maintain with financially sound and reputable independent insurers insurance against losses or damage of the kinds customarily insured against by Persons engaged in the same or similar businesses, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Parent and its Subsidiaries) as are customarily carried under similar circumstances by such other Persons, except where such failure to maintain such insurance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.06. *Payment of Tax Obligations.*

The Obligors shall, and shall cause each Subsidiary to, pay and discharge as the same shall become due and payable, all Tax liabilities imposed upon it or its properties or assets, except those (a) that are not more than 30 days overdue, (b) are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with SAP, GAAP or UK GAAP (as applicable) or (c) the failure of which to pay would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Cirrata UK will be treated as a corporation for U.S. federal income tax purposes.

Section 6.07. *Compliance with Laws.*

The Obligors shall, and shall cause each Subsidiary to, comply with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business (including the Federal Fair Labor Standards Act, the Patriot Act and all applicable Environmental Laws), except (a) for such noncompliance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (b) as may be contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP, SAP or UK GAAP (as applicable).

Section 6.08. *Compliance with ERISA.*

The Obligors shall, and shall cause each Subsidiary thereof to, (a) maintain each Plan and Foreign Pension Plan sponsored by a Obligor or a Subsidiary thereof in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal, state, or non-U.S. law; and (b) make all required contributions to any Pension Plan and Foreign Pension Plan, except where such failure to maintain as set forth in (a) or to make contributions as set forth in (b) would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

Section 6.09. *Inspection of Property and Books and Records.*

The Obligors shall, and shall cause each Subsidiary to, maintain proper books of record and account, in which full, true and correct entries in all material respects shall be made of all financial transactions and matters involving the assets and business of such Obligor and such Subsidiary to permit the preparation of such Persons' financial statements required by Section 6.01 in accordance with GAAP, SAP or UK GAAP, as applicable. Not more than once per Fiscal Year, the Obligors shall permit representatives and independent contractors of the Agent or its designees to visit and inspect any of their respective properties at which their principal books and records are kept, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective senior management, and independent

public accountants, all at such reasonable times during normal business hours, upon reasonable advance notice to the Borrower Representative; *provided* that (i) members of senior management will be notified and permitted to be present during any such meetings; (ii) when an Event of Default exists the Agent or any Lender (through coordination with and accompanying the Agent) may do any of the foregoing as often as requested at any time during normal business hours and upon reasonable advance notice; (iii) the Borrowers shall not be required to reimburse the costs of more than one such visit per Fiscal Year, except during the existence of an Event of Default and (iv) notwithstanding anything to the contrary contained herein, this Section 6.09 shall be subject to the Information Restrictions.

Section 6.10. *Use of Proceeds.*

The proceeds of the Loans shall be used (a) to finance a portion of the Transactions and (b) to pay fees and expenses incurred in connection with the Transactions.

Section 6.11. *Further Assurances.*

(a) Each Obligor will, and will cause each other Obligor to, at the request of the Agent, execute and deliver any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any applicable law to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the Borrowers' expense in accordance with Section 11.04. The Obligors will provide to the Agent, from time to time upon reasonable request, evidence reasonably satisfactory to the Agent as to the perfection and priority of the Transaction Liens created or intended to be created by the Security Documents.

(b) With respect to any property acquired after the Closing Date by any Obligor that is intended to be subject to the Lien created by any of the Security Documents but is not so subject, promptly (and in any event within 30 days after the acquisition thereof (or such later date acceptable to the Agent in its discretion)) (i) execute and deliver to the Agent such amendments or supplements to the relevant Security Documents or such other documents as the Agent shall reasonably deem necessary or advisable to grant to the Agent, for the benefit of the Secured Parties, a Lien on such property subject to no Liens other than Liens permitted or not prohibited by this Agreement, and (ii) take all actions reasonably necessary to cause such Lien to be duly perfected to the extent required by such Security Document in accordance with all applicable Requirements of Law, including, but not limited to, the filing of financing statements in such jurisdictions as may be reasonably requested by the Agent, at the Borrowers' expense in accordance with Section 11.04. The Borrowers shall otherwise take such actions and execute and/or deliver to the Agent such documents as the Agent shall reasonably require to confirm the validity, perfection and priority of the Lien of the Security Documents on such after-acquired properties, including actions described in Section 6.11(a), all at the Borrower's expense in accordance with Section 11.04.

Section 6.12. *Conduct of Business.*

Each Obligor shall, and shall cause its Subsidiaries to, only engage in the material lines of business engaged in by such Person on the Closing Date (or, as applicable, at the time of the acquisition or creation of such Subsidiary) and any business similar, related, incidental, complementary or ancillary thereto or a reasonable expansion, development, or extension thereof.

Section 6.13. *Fiscal Year.* Each Obligor shall, and shall cause its Subsidiaries to, keep its Fiscal Year-end as December 31, unless consented to in writing by the Agent.

Section 6.14. *Maintenance of Properties.*

The Obligors will, and will cause each of their Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty or condemnation excepted, all material properties used or useful in the business of such Obligor and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements

thereof, except where such failure would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

Section 6.15. *Sanctions Laws and Regulations.*

(a) The Obligors shall not, and shall ensure that none of their Subsidiaries will, directly or indirectly use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, anyone acting on behalf of a government or department, agency, or instrumentality of a government, any officer or employee of a company or business owned in whole or part by a government, or anyone else acting in an official capacity, in order to obtain, retain, or direct business, or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or any similar legislation applicable to such Persons; (ii) to fund, finance or facilitate any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country (except to the extent permissible under the relevant Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Person); (iii) in any other manner that will result in the violation of any Sanctions; or (iv) in any other manner that could reasonably be expected to result in any Person becoming a Sanctioned Person.

(b) The Obligors shall not, and shall ensure that none of their Subsidiaries will, use funds or assets obtained directly or indirectly from transactions in violation of Sanctions, to pay or repay any amount owing to the Lenders under this Agreement.

(c) The Obligors shall, and shall ensure that their Subsidiaries will, maintain policies and procedures reasonably designed to promote and achieve compliance with Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws applicable to such Persons.

Article 7  
Negative Covenants

Until all principal of and interest on each Loan and all fees and other amounts payable hereunder have been paid in full (other than unmatured, contingent, surviving indemnification obligations not yet due and payable) and all Commitments have been terminated, the Obligors covenant and agree with the Lenders that:

Section 7.01. *Limitation on Indebtedness and Disqualified Capital Stock.*

The Obligors shall not incur, issue or at any time be liable with respect to any Indebtedness or Disqualified Capital Stock, except:

- (a) Indebtedness under the Loan Documents;
- (b) Indebtedness consisting of (A) the financing of insurance premiums payable by the Parent or any Borrower or (B) take-or-pay obligations, in each case in the ordinary course of business;
- (c) Indebtedness incurred by the Parent or any Borrower in respect of letters of credit, bank guarantees, bankers' acceptances or similar instruments issued or created in the ordinary course of business, including in respect of real-estate leases, workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other reimbursement-type obligations regarding workers compensation claims;
- (d) Permitted Swap Obligations;
- (e) Indebtedness (i) existing on the date hereof and, in the case of Indebtedness with an outstanding principal amount in excess of \$10,000,000, which are listed in Schedule 7.01, and (ii) Refinancing Indebtedness in respect thereof;

(f) (i) Capitalized Lease Liabilities and Purchase Money Debt in an aggregate principal amount not to exceed at any time outstanding \$10,000,000 and (ii) Refinancing Indebtedness in respect thereof (but disregarding the requirements of clauses (b) through (d) of the definition thereof);

(g) Indebtedness owed by the Parent or any Borrower to the Parent, any Borrower or any Subsidiary; *provided* that all such Indebtedness owed by an Obligor to a Subsidiary that is not an Obligor shall be unsecured and subordinated to the Obligations pursuant to the Global Note.

(h) Indebtedness in respect of surety and other similar bonds in the ordinary course of business;

(i) other Indebtedness in an aggregate principal amount not to exceed at any time outstanding \$10,000,000;

(j) Indebtedness constituting (i) indemnification obligations, obligations in respect of purchase price or other similar adjustments or obligations under deferred compensation or other similar arrangements incurred in connection with an Acquisition, any other Investment or any Disposition, in each case permitted under this Agreement and (ii) settlement obligations in connection with Specified Stock Buybacks;

(k) Contingent Obligations of any Person in respect of Indebtedness otherwise permitted to be incurred under this Section 7.01;

(l) Indebtedness consisting of the deferred purchase price of equity interests (or option or warrants or similar instruments) of any future, present or former employee, officer, director, manager or consultant of the Parent or any Subsidiary (or any direct or indirect parent thereof) issued (whether in the form of notes or otherwise) for the purchase or redemption thereof pursuant to the terms of any compensation plan or employment contract;

(m) Cash Management Obligations incurred in the ordinary course of business;

(n) obligations of the Parent or any Borrower to maintain the capital or solvency of any of its Subsidiaries in accordance with the requirements of or under any agreement with any Governmental Authority;

(o) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in the clauses above; and

(p) overdraft facilities incurred in the ordinary course of business.

It is understood and agreed that any exception from this Section 7.01 that allows the incurrence or existence of Indebtedness will also permit the issuance and existence of Disqualified Capital Stock.

#### Section 7.02. *Liens.*

The Obligors shall not create, assume or suffer to exist any Lien on any property now owned or hereafter acquired by it, except for the following:

(a) Transaction Liens;

(b) Liens securing obligations in an aggregate amount not to exceed, at any time outstanding, \$10,000,000;

(c) Liens on cash, Cash Equivalents, other securities or deposits, accounts or investment property (in each case, other than Collateral) securing Permitted Swap Obligations and Liens securing Cash Management Obligations permitted by Section 7.01;

(d) Permitted Encumbrances;

(e) Liens existing on the date hereof and, to the extent such Lien is on property of the Parent or any Borrower or such Lien secures Indebtedness for borrowed money in excess of \$5,000,000, listed in

Schedule 7.02, including extensions, renewals and replacements of such Liens; *provided* that (i) such Lien shall not apply to any additional property (other than after-acquired title in or on such property and related assets and proceeds of the collateral in accordance with the document creating such Lien); it being understood that individual financings of the type permitted under Section 7.01(f) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its Affiliates and (ii) to the extent securing Indebtedness, the Indebtedness secured thereby is not increased except as otherwise permitted under Section 7.01;

(f) Liens on cash or Cash Equivalents securing letters of credit issued in an aggregate amount at any time outstanding not to exceed \$10,000,000;

(g) Liens arising in the ordinary course of business for sums being contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP, SAP or UK GAAP, or for sums not due, and in either case not involving any deposits or advances for borrowed money or the deferred purchase price of property or services;

(h) Liens securing Indebtedness permitted by Section 7.01(f); *provided* that such Liens are limited to the assets financed by the relevant Capitalized Lease Liabilities or Purchase Money Debt or any Refinancing Indebtedness in respect thereof (it being understood that individual financings of the type permitted under Section 7.01(f) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its Affiliates);

(i) [reserved];

(j) Replacements of any Liens permitted under this Section 7.02 when incurred, *provided* that (i) such Lien shall not apply to any additional property (other than after acquired title in or on such property and related assets and proceeds of the existing collateral in accordance with the document creating such Lien); it being understood that individual financings of the type permitted under Section 7.01(f) provided by any lender may be cross-collateralized to other financings of such type provided by such lender or its Affiliates and (ii) if such Lien secures Indebtedness, the Indebtedness secured thereby is not increased except as otherwise permitted under Section 7.01 or by amounts of the type described under clause (a) of the proviso to the definition of “Refinancing Indebtedness”;

(k) Liens granted by any Obligor in favor of any other Obligor;

(l) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(m) Liens attaching solely to cash earnest money deposits required to be made under the terms of any letter of intent or purchase agreement for a permitted Acquisition;

(n) Liens incurred in connection with the collection or disposition of delinquent accounts receivable in the ordinary course of business;

(o) Liens securing repayment of funds advanced to the Parent or any Subsidiary under custody agreements, securities lending arrangements, securities clearing agreements and similar arrangements entered into in the ordinary course of business;

(p) Liens in connection with any repurchase agreement, buy/sell agreement or similar agreement or instrument on assets or property transferred by the Parent or any Subsidiary, securing the obligation of the Parent or such Subsidiary to repurchase or buy such assets or property as well as its other obligations under such repurchase agreement, buy/sell agreement or similar agreement or instrument;

(q) Liens on any real property securing Indebtedness of the Parent or any Subsidiary in respect of which (i) the recourse of the holder of such Indebtedness (whether direct or indirect and whether contingent or otherwise) under the instrument creating the Lien or providing for the Indebtedness secured by the Lien is limited to such real property directly securing such Indebtedness and (ii) such holder may not under the instrument creating the Lien or providing for the Indebtedness secured by the Lien collect by levy of execution or otherwise against assets or property of the Parent or such Subsidiary (other than such real property directly securing such Indebtedness) if the Parent or such Subsidiary fails to

pay such Indebtedness when due and such holder obtains a judgment with respect thereto, except for recourse obligations that are customary in “nonrecourse” real estate transactions;

(r) Liens constituting lock-up arrangements and rights of first refusal in respect of certain Capital Stock entered into in connection with the sale or transfer of such Capital Stock;

(s) Liens arising as a result of the segregation and deposit of certain Capital Stock in connection with securities disposition plans in respect of such Capital Stock otherwise permitted hereunder (including any Specified Stock Buybacks);

(t) Liens securing or arising in connection with any Investment permitted under Section 7.07 (or any letters of credit securing or arising in connection with such Investment);

(u) Liens arising in respect of any letters of credit or guarantees granted in connection with office leases of the Parent or any of its Subsidiaries;

(v) Liens arising from pledges or deposits of cash, securities or portfolio investments made by any Insurance Subsidiary (A) as a condition to obtaining or maintaining any licenses issued to it by any Governmental Authority or (B) as otherwise required to comply with the requirement of applicable insurance laws;

(w) rights of first refusal, preemptive rights and tag, drag and similar rights, put and call rights and similar rights or encumbrances and restrictions on sale or transfer in the shareholder agreement for the Company; and

(x) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which (i) do not interfere in any material respect with the business of the Parent or any Borrower and (ii) are permitted by Section 7.03.

Notwithstanding the foregoing, in no event shall any Lien be permitted to exist on the Capital Stock of AAC.

Section 7.03. *Disposition of Assets.*

The Obligors shall not Dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable with or without recourse and Capital Stock of any Subsidiary whether newly issued or otherwise), except:

(a) (i) Dispositions of inventory and equipment in the ordinary course of business, (ii) Dispositions of cash and Cash Equivalents and (iii) Dispositions of assets obtained through foreclosure or otherwise through the exercise of remedies in respect of obligations owed by a third party to the Parent or any of its Subsidiaries or otherwise in respect of mortgage loans insured by the Parent or any of its Subsidiaries;

(b) the sale of property to the extent that such property is exchanged for credit against the purchase price of replacement property or the proceeds of such sale are reasonably promptly applied to the purchase price of such replacement property;

(c) Dispositions by the Parent or any of the Borrowers of Investments permitted under this Agreement, in each case, consistent with the investment policy of the Parent or such Borrower in effect from time to time, as the case may be;

(d) Dispositions by the Parent or any Borrower to the Parent or any Borrower;

(e) Dispositions by the Parent or the Borrowers in connection with a Specified Stock Buyback;

(f) obsolete, surplus or worn out property disposed of by the Parent or any Borrower in the ordinary course of business of the Parent and such Borrower;

- (g) transfers resulting from any casualty or condemnation or expropriation of property or assets;
- (h) licenses or sublicenses of intellectual property and general intangibles and licenses, leases or subleases of other property (A) in the ordinary course of business of the Parent and any Borrower and which do not materially interfere with the business of the Parent or any Borrower or (B) pursuant to Section 4.14 of the Aurora ~~Transaction Agreements~~ Sale Agreement;
- (i) Dispositions consisting of (A) any transaction permitted by Section 7.05 (other than Section 7.05(a)(i)), (B) the making of any Investments permitted by Section 7.07, (C) the creation, incurrence or assumption of any Lien permitted under Section 7.02, and (D) the making of any Restricted Payments permitted by Section 7.06;
- (j) issuances of Capital Stock pursuant to and in accordance with equity compensation plans or programs and other benefit and compensation plans, programs or agreements for directors, officers, employees, managers or consultants of the Parent and its Subsidiaries;
- (k) the sale, discount, forgiveness or other compromise of notes or other accounts in the ordinary course of business or in connection with collection thereof;
- (l) issuances of Capital Stock (i) by the Parent or (ii) by a Borrower to the Parent;
- (m) Dispositions not otherwise permitted hereunder; *provided* that (x) the consideration received for the applicable assets shall be in an amount at least equal to the fair market value thereof (as determined by the Borrower Representative in good faith), (y) at least 75% of the purchase price for the applicable assets shall be paid to the Parent or a Borrower (as applicable) in cash or Cash Equivalents and (z) the Net Proceeds of any such Disposition to the extent constituting an Asset Sale are applied in accordance with Section 2.06(d)(ii) to the extent required by such Section and within the time periods set forth therein;
- (n) sale and lease back transactions in respect of any property acquired after the Closing Date, and consummated within 365 days after the acquisition of such property;
- (o) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to (i) customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements or (ii) any other arrangement permitted pursuant to Section 7.07(p);
- (p) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;
- (q) Dispositions required by, or made to comply with any order of, any Governmental Authority or pursuant to any applicable Requirement of Law;
- (r) other Dispositions for consideration not in excess of \$5,000,000; and
- (s) the Disposition of AAC and its subsidiaries pursuant to the Aurora Transaction Agreements; *provided* that the Net Proceeds from any Disposition pursuant to this Section 7.03(s) are applied in accordance with Section 2.06(d)(ii) within the time limit set forth therein.

Upon consummation of a sale, transfer or other Disposition permitted under this Section 7.03, any Liens created under the Security Documents in respect of the assets Disposed of shall be automatically released and the Agent shall (to the extent applicable) deliver to the Borrower Representative, upon the Borrower Representative's request and at the Borrower Representative's expense in accordance with Section 11.04, such documentation as necessary to evidence the release of the Agent's security interests, if any, in the assets being Disposed of, including amendments or terminations of Uniform Commercial Code or UK Companies House financing statements, if any, the return of stock certificates, if any, and the release of any Subsidiary being Disposed of in its entirety from all of its obligations, if any, under the

Loan Documents; *provided* that the Borrower Representative shall have provided to the Agent such certificates evidencing compliance with the Loan Documents as the Agent shall reasonably request.

Section 7.04. *Transactions with Affiliates.*

The Obligors shall not enter into any transaction with any Affiliate of the Borrowers involving the payment or transfer of any property in excess of \$7,500,000, other than (a) transactions no less favorable in any material respect to such Obligor or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of such Obligor or such Subsidiary, (b) the Transactions, all transactions in connection therewith (including but not limited to the financing thereof), and all fees and expenses paid or payable in connection with the Transactions, (c) transactions between or among the Obligors and their Subsidiaries, (d) transactions permitted or approved by a Department, (e) any Restricted Payment permitted by Section 7.06 or any Investment or Acquisition permitted by Section 7.07, (f) arrangements for indemnification payments for directors and officers of the Obligors, (g) intercompany transactions between or among the Obligors or their Subsidiaries, that are (x) relating to the (i) provision of management services and other corporate overhead services, (ii) provision of personnel to other locations within the Parent's consolidated group on a temporary basis and (iii) provision, purchase or lease of services, cash management services, operational support, assets, equipment, data, information and technology, that, in the case of any such intercompany transaction referred to in this clause (g), are subject to reasonable reimbursement or cost-sharing arrangements (as determined in good faith by the Borrowers), which reimbursement or cost-sharing arrangements may be effected through transfers of cash or other assets or through book-entry credits or debits made on the ledgers of each involved Subsidiary; *provided* that any such intercompany transaction is either (1) entered into in the ordinary course of business or (2) otherwise entered into pursuant to the reasonable requirements of the business of the Parent or the Subsidiaries or (y) otherwise permitted pursuant to this Article 7, (h) ordinary course business transactions (other than transactions of the type described in clause (c) or (g) above) that (A) do not involve the sale, transfer or other Disposition of operations or assets and (B) do not materially and adversely affect the Lenders, (i) Indebtedness and Investments among the Obligors and their Subsidiaries to the extent permitted under Article 7, (j) employment and severance arrangements for and compensation, bonuses, stock options and stock ownership plans and indemnification arrangements and benefit plans (and the making of payments, awards or grants in cash, securities or otherwise pursuant thereto or the funding thereof) for officers, directors, employees, managers and consultants of the Parent and its Subsidiaries approved by the board of directors or equivalent body of the Parent or its Subsidiary, (k) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, directors, officers, employees, managers and consultants of the Parent and its Subsidiaries in the ordinary course of business, (l) the furnishing of services by the Parent or any Subsidiary to or for the benefit of the Parent or any other Subsidiary in the ordinary course of business and (m) intercompany transactions pursuant to the Aurora Transaction Agreements.

Section 7.05. *Fundamental Changes.*

The Obligors shall not merge, consolidate, amalgamate, or sell all or substantially all of the assets of the Obligors taken as a whole, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), except (a) in connection with (i) a Disposition otherwise permitted by Section 7.03 (other than Section 7.03(i)(A) or Section 7.03(m)), (ii) an Investment permitted by Section 7.07 or (iii) a Restricted Payment permitted by Section 7.06. Notwithstanding the foregoing, in no event shall the Obligors be permitted to reorganize in a jurisdiction outside of the United States.



Section 7.06. *Restricted Payments.*

The Obligors shall not declare or pay any dividend on (or make any payment to a related trust for the purpose of paying a dividend), 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 such Obligor (or any related trust), 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 such Obligor (collectively, “**Restricted Payments**”) (it being understood, for the avoidance of doubt, that payments by any Obligor pursuant to intercompany loans or notes, intercompany tax and expense sharing arrangements and intercompany services agreements, in each case in the ordinary course of business and consistent with past practice shall not constitute Restricted Payments), except that:

- (a) any Borrower may declare or pay dividends, distributions and make any other payments with respect to its Capital Stock to the Parent and to any other Borrower;
- (b) the Parent and the Borrowers may pay dividends solely in the form of shares of its Capital Stock (other than Disqualified Capital Stock), including through stock splits, reverse stock splits, share consolidations and similar transactions;
- (c) the Obligors may make Restricted Payments, so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate amount of Restricted Payments pursuant to this Section 7.06(c) shall not exceed \$7,500,000;
- (d) the Parent and each Borrower may make cash payments in lieu of fractional shares in connection with the exercise of warrants, options or other securities, convertible into or exchangeable for Capital Stock or arising out of stock dividends, splits, combinations or business combinations and may exchange debt securities for other debt securities provided that there is no cash payment made in connection therewith;
- (e) the Parent and each Borrower may pay (or make Restricted Payments to allow the Parent or any other direct or indirect parent thereof to pay) for the repurchase, redemption or other acquisition or retirement for value of Capital Stock of the Parent or such Borrower (or any other such direct or indirect parent thereof) from any future, present or former employee, officer, director, manager or consultant of the Parent or such Borrower (or any other direct or indirect parent thereof) or any of their respective Subsidiaries upon the death, disability, retirement or termination of employment of any such Person or pursuant to any employee or director equity plan, employee, manager or director stock option plan or any other employee or director benefit plan or any agreement (including any stock subscription or shareholder agreement) with any employee, officer, director, manager or consultant of the Parent or such Borrower (or any other direct or indirect parent thereof) or any of their respective Subsidiaries; *provided* that the aggregate amount of Restricted Payments made pursuant to this clause (e) shall not exceed an amount equal to \$20,000,000, which amount shall be increased by:
  - (i) to the extent contributed to the Parent or such Borrower, the net cash proceeds from the sale after the Closing Date of Capital Stock (other than Disqualified Capital Stock) of the Parent or such Borrower (or any other direct or indirect parent thereof), in each case to any employee, officer, director, manager or consultant of the Parent or any of the Borrowers or any direct or indirect parent thereof; plus
  - (ii) the net cash proceeds of key man life insurance policies received after the Closing Date by the Parent or the Borrowers;
- (f) the Parent and each Borrower may (i) purchase and repurchase Capital Stock issued by it upon the vesting of equity awards pursuant to the Parent and the Borrowers’ equity incentive plans or programs, (ii) make Restricted Payments in the form of equity pursuant to and in accordance with equity compensation plans or programs and other benefit and compensation plans, programs or agreements for any employee, officer, director, manager or consultant of the Parent and the Borrowers, (iii) make non-cash repurchases of its Capital Stock occurring upon exercise of stock options or warrants or the settlement or vesting of other awards if such Capital Stock represents a portion of the exercise price of

such options or warrants or similar equity incentive awards, (iv) purchase, redeem or otherwise acquire Capital Stock issued by it with the proceeds received from the substantially concurrent issue of new shares of its Capital Stock (other than Disqualified Capital Stock), (v) distribute rights pursuant to a stockholder rights plan or redeem such rights in accordance with the terms of such plan and (vi) engage in net-settled share transactions involving Capital Stock of the Parent or such Borrower in connection with the payment of withholding taxes in connection with equity compensation plans or programs and other benefit and compensation plans, programs or agreements for any employee, officer, director, manager or consultant;

(g) the Parent may conduct any repurchase or redemption of its Capital Stock in an aggregate principal amount not exceeding \$15,000,000 (a “**Specified Stock Buybacks**”); and

(h) the Parent may pay any dividend within 60 days after the date of declaration thereof; *provided* that on the date of declaration such payment shall comply with one of the exceptions to this Section 7.06 listed in clauses (a) through (g) thereof.

(i) Notwithstanding the foregoing, if an Event of Default has occurred and continuing, Cirrata V and Cirrata UK shall not be permitted to make Restricted Payments to the Parent with the proceeds of Restricted Payments from the Company (excluding, for the avoidance of doubt, payments made to the Parent in connection with any Tax payable or suffered in respect of or in consequence of such proceeds).

**Section 7.07. Investments and Acquisitions.**

The Obligors shall not make any Acquisition or hold or make any other Investment in any other Person, except:

(a) Investments in existence on the Closing Date and commitments to make Investments existing on the Closing Date and, in the case of any Investment or commitment in excess of \$10,000,000 (other than Investments in the Parent and its Subsidiaries on the Closing Date), which are listed on Schedule 7.07;

(b) Investments consisting of non-cash consideration received in connection with a Disposition not prohibited by the Loan Documents;

(c) Investments (i) constituting deposits, prepayments and other credits to suppliers in the ordinary course of business, (ii) made in connection with obtaining, maintaining or renewing client and customer contracts in the ordinary course of business, (iii) in the form of advances made to distributors, suppliers, licensors, licensee, lessors, lessees, sub-lessors and sub-lessees in the ordinary course of business, (iv) received in connection with the bankruptcy or reorganization of customers and suppliers in the ordinary course of business or as a result of the settlement, compromise, resolution of litigation, arbitration or other disputes and (v) obtained through foreclosure or otherwise through the exercise of remedies in respect of obligations owed by a third party to the Parent or any of the Borrowers or otherwise in respect of mortgage loans insured by the Parent or any of the Borrowers;

(d) (i) Investments consisting of Contingent Obligations permitted by Section 7.01, (ii), Investments consisting of Contingent Obligations in respect of obligations other than Indebtedness, or (iii) Investments consisting of Indebtedness permitted by Section 7.01 (other than Section 7.01(g));

(e) Investments that were Cash Equivalents when made;

(f) Investments by the Parent and the Borrowers in the ordinary course of business consistent with the investment policies of the Parent or such Borrower, as applicable, in effect from time to time;

(g) Investments by the Parent or any Borrower in the Parent or any Subsidiary; *provided* that the aggregate amount of Investments in Subsidiaries that are not Obligors shall not exceed at any time outstanding \$10,000,000;

(h) security deposits or pledges held or made in the ordinary course of business;

- (i) loans and advances in the ordinary course of business to employees for moving, relocation or travel purposes, in each case subject to compliance with the Requirements of Law;
- (j) Permitted Swap Obligations;
- (k) Investments not otherwise permitted hereby in an aggregate amount not to exceed at any time outstanding \$40,000,000;
- (l) any Investment required pursuant to any Requirement of Law;
- (m) [reserved];
- (n) Investments in any Subsidiary in connection with reorganizations and related activities related to tax or other corporate planning; *provided* that, after giving effect to any such reorganization and related activities, the security interest of the Agent in the Collateral is not materially impaired;
- (o) Investments pursuant to or in connection with the Transactions; and
- (p) Investments pursuant to any put options or call options set out in a shareholders' agreement in respect of any joint venture in which an Obligor has a direct or indirect interest.

Section 7.08. *Prepayment of Certain Indebtedness; Modifications of Certain Agreements.*

(a) The Obligors shall not make any payment or other distribution (whether in cash, securities or other property, and including optional prepayments and open market purchases) of or in respect of principal of any Indebtedness of the Parent or the Borrowers that is or is required to be contractually subordinated in right of payment or with respect to security to the Obligations or is unsecured (collectively, the “**Junior Financing**”), in each case in an aggregate principal amount in excess of \$5,000,000, other than (i) payment of regularly scheduled interest payments as and when due in respect thereof, (ii) the payment of principal as and when due in respect thereof, (iii) to the extent an Obligor could make a Restricted Payment under Section 7.06(c), an equal amount (with any payment pursuant to this clause (iii) being deemed to be a Restricted Payment under Section 7.06(c) and utilization of capacity thereunder), (iv) to the extent the consideration thereof consists of Capital Stock (other than Disqualified Capital Stock) of the Parent or any Borrower, (v) payment of Indebtedness owed to the Parent or any Borrowers, (vi) subject to the terms of the Global Note, payment of Indebtedness owed to any Subsidiary of the Parent that is not an Obligor and (vii) other such payments or distributions to the extent not in excess of \$5,000,000;

(b) The Obligors shall not amend or modify their respective Organization Documents, other than any amendments or modifications which are not adverse in any material respect to the interests of the Lenders without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 7.09. *Minimum Consolidated Net Worth.*

Parent will not permit the Consolidated Net Worth of Parent and its Subsidiaries as of the last day of any Fiscal Quarter, commencing with the Fiscal Quarter ending September 30, 2024, to be less than \$700,000,000.

Section 7.10. *Restrictive Agreements.*

The Obligors will not, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of such Obligor to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Borrower to pay dividends or other distributions with respect to holders of its Capital Stock or to make or repay loans or advances to the Parent or any other Borrower; *provided* that (i) the foregoing shall not apply to restrictions and conditions imposed by law or Governmental Authority, regulations or regulatory directives (including, for the avoidance of doubt, “financial requirements” imposed pursuant to agreements or other arrangements with regulatory authorities) or by any Loan Document, (ii) the

foregoing shall not apply to customary restrictions and conditions contained in agreements or other arrangements relating to the sale of assets pending such sale, provided such restrictions and conditions apply only to such assets that are to be sold and such agreement is not prohibited hereunder, (iii) the foregoing shall not apply to restrictions or conditions imposed by, or rights arising under, any Swap Agreement permitted or not restricted by this Agreement, any reinsurance agreement or retrocession agreement permitted or not restricted by this Agreement, any agreement relating to Indebtedness permitted or not restricted by this Agreement, or any transaction giving rise to a Lien permitted or not restricted by this Agreement, (iv) clause (a) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof, (v) this Section 7.10 shall not apply to (A) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements or other arrangement, including with respect to intellectual property and other agreements or other arrangements, in each case entered into in the ordinary course of business; *provided* that such provisions apply only to the assets that are the subject of such lease, sub-lease, license, sub license or other agreement or other arrangement and shall not apply to any other assets of the Parent or any Borrower, and (vi) the foregoing shall not apply to the arrangements set forth on Schedule 7.10 hereto and other agreements and arrangements, to the extent approved by the Agent for purposes of this Section 7.10, entered into by the Obligors from time to time.

Section 7.11. Minimum Liquidity.

The Parent will not permit the Liquidity of the Parent and Cirrata Group, collectively, to be less than \$30,000,000 at any time.

Article 8  
Events Of Default

Section 8.01. *Events of Default.*

Each of the following shall constitute an “**Event of Default**”:

(a) *Non-Payment.* The Borrowers fail to pay (i) when and as required to be paid herein, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, any amount of principal of any Loan, (ii) within three (3) days after the same becomes due, any interest or fee payable hereunder or under any other Loan Document or (iii) any other amount payable hereunder or under any other Loan Document when due and such failure continues for a period of five (5) days after the date upon which written notice thereof is given to the Borrower Representative by the Agent or the Required Lenders; or

(b) *Representation or Warranty.* Any representation or warranty made or deemed made by or on behalf of the Parent or any Borrower pursuant to any Loan Document or in any certificate or other document furnished by (or on behalf of) the Borrowers pursuant to any Loan Document shall prove to have been incorrect in any material respect when made or deemed made; or

(c) *Specific Defaults.* Any Obligor fails to perform or observe any term, covenant or agreement contained in any of Section 6.03(a), Section 6.04 (with respect to any Obligor’s corporate existence) or Article 7; or

(d) *Other Defaults.* The Parent or any Borrower fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document, and such default shall continue unremedied for a period of 30 days after the earlier of (i) actual knowledge by any Borrower of any such default and (ii) the date upon which written notice thereof is given to the Borrower Representative by the Agent or the Required Lenders; or

(e) *Cross-Default.* (i) The Parent or any Borrower (A) fails to make any payment in respect of any Indebtedness (other than the Obligations) having an aggregate outstanding principal amount of more than the Threshold Amount (in the aggregate for all such Indebtedness), when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) after giving effect to any applicable grace period; or (B) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness (and, in each case, such failure or event continues after the applicable grace or notice period, if any, specified in the relevant document) if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness to be declared to be due and payable prior to its stated maturity; or (ii) (w) an Event of Default (as defined in an applicable Swap Contract) occurs under any Swap Contract as to which the Parent or any Borrower is the Defaulting Party (as defined in such Swap Contract) and the Non-defaulting Party (as defined under such Swap Contract) has designated an Early Termination Date (as defined in such Swap Contract) for all outstanding transactions under such Swap Contract as a result of such Event of Default and (x) the Swap Termination Value is greater than the Threshold Amount (in the aggregate for all such Swap Contracts); *provided* that (A) any failure, event or condition described in this Section 8.01(e) shall not at any time constitute an Event of Default unless, at such time, such failure, event or condition is unremedied and not waived by the holders of such Indebtedness or Swap Contract and (B) this clause (e) shall not apply to (1) secured Indebtedness that becomes due as a result of the Disposition of the property or assets (as permitted hereunder) securing such Indebtedness or that are the subject of such Swap Contract, (2) any guarantee that is satisfied promptly upon demand, (3) any voluntary prepayment, redemption, repurchase, conversion or settlement permitted hereunder with respect to any debt security, debt instrument or Swap Contract pursuant to its terms unless such prepayment, redemption, repurchase, conversion or settlement results from a default thereunder or an event of the type that otherwise constitutes an Event of Default or (4) any payment coming due or payable as a result of a change of control not constituting an Event of Default pursuant to subsection (k) below; or

(f) *Insolvency; Voluntary Proceedings.* Any Obligor (i) generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) commences any Insolvency Proceeding with respect to itself; (iii) applies for or consents to the appointment of a receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or for a substantial and material part of its assets, or (iv) takes any action to effectuate or authorize any of the foregoing; *provided* that, for purposes of clarity, no liquidation, dissolution, reorganization or winding up of any Person (whether pursuant to a corporate or similar statute or a proceeding before a Governmental Authority or otherwise) for purposes other than a settlement or compromise for the benefit of creditors shall constitute an Event of Default to the extent permitted by Section 7.05; or

(g) *Involuntary Proceedings.* (i) Any involuntary Insolvency Proceeding is commenced or filed against the Parent or any Borrower, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of the Parent's or any Borrower's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within sixty (60) days after commencement, filing or levy; (ii) the Parent or any Borrower admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; (iii) the Parent or any Borrower acquiesces in the appointment of a receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial and material portion of its property or business; or (iv) any Borrower shall become subject to any conservation, rehabilitation or liquidation order, directive or mandate issued by any Governmental Authority; *provided* that, for purposes of clarity, no liquidation, dissolution, reorganization or winding up of any Person (whether pursuant to a corporate or similar statute or a proceeding before a Governmental Authority or otherwise) for purposes other than a settlement or compromise for the benefit of creditors shall constitute an Event of Default to the extent permitted by Section 7.05; or

(h) *Pension Plans.* Any ERISA Event has occurred that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect, or steps are taken to terminate any Multiemployer Plan and such termination would reasonably be expected to result in a Material Adverse Effect; or

(i) *Material Judgments.* One or more judgments or decrees shall be entered against the Parent or any of the Borrowers involving in the aggregate a liability (to the extent not paid or covered by insurance as to which the relevant insurance company has not denied coverage or by a creditworthy (as reasonably determined by the Borrowers) indemnitor) of the Threshold Amount or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof, or any action shall be taken by a judgment creditor to attach or levy upon a substantial and material part of the assets of any Obligor to enforce any such judgment or decree; or

(j) *Change of Control.* There occurs any Change of Control; or

(k) *Invalidity of Loan Documents.* Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations (other than contingent Obligations), ceases to be in full force and effect; or any Obligor contests in writing the validity or enforceability of any provision of any Loan Document; or any Obligor denies in writing that it has any or further liability or obligation under any material provision of any Loan Document, or purports to revoke, terminate or rescind any material provision of any Loan Document; or

(l) *Liens.* Any Lien on the material assets of the Obligor purported to be created under any Security Document shall cease to be, or shall be asserted by any Obligor in writing not to be, a valid and perfected Lien on any Collateral covered thereby, with the priority required by the applicable Security Document (except as a result of a sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents or as a result of the Agent's failure to maintain possession of any stock certificates, promissory notes or other documents or possessory collateral delivered to it under any Security Document or to file or continue any UCC or similar statements).

#### Section 8.02. *Remedies.*

If any Event of Default shall have occurred and be continuing, the Agent shall, at the request of, or may, with the consent of, the Required Lenders,

(a) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, whereupon such Loans, all interest accrued and unpaid thereon and all other amounts owing or payable hereunder or under any other Loan Document shall become immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers; and

(b) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable law;

*provided* that upon the occurrence of any event specified in Section 8.01(f) or Section 8.01(g) with respect to the Obligor (upon the expiration of the 60-day period mentioned therein, if applicable), the obligation of each Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers.

#### Section 8.03. *Rights Not Exclusive.*

The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

#### Section 8.04. *Clean-up Period*

(a) Notwithstanding anything to the contrary in this Agreement or any other provision of the Loan Documents, if there exists any matter or circumstance with respect to the Company and its

Subsidiaries that was in existence on or prior to the date the relevant acquisition of the Company was consummated (and not, for the avoidance of doubt, occurring or arising after such date) and would constitute or otherwise cause a Default or an Event of Default (any such matter or circumstance, a “**Relevant Matter**”), then during the Clean-up Period (A) such Relevant Matter shall not constitute a breach of a representation, covenant or any other term or condition of any Loan Document, and shall not constitute a Default or an Event of Default, (B) such Relevant Matter shall not cause any condition to Credit Extensions hereunder to not be satisfied (and shall not otherwise prevent the Borrower from making any borrowing under this Agreement), and (C) the Agent shall not be entitled to exercise any rights or remedies under Section 8.01 with respect to such Relevant Matter. For the avoidance of doubt, if such Relevant Matter is continuing after the expiration of the Clean-up Period, then any relevant Default or Event of Default, as applicable, shall be deemed to have occurred and be continuing as of the applicable Clean-up Expiration Date notwithstanding the above and all other rights and remedies shall be available and exercisable.

(b) Paragraph (a) above shall not apply with respect to any Relevant Matter to the extent that it:

(i) would have, or would be reasonably likely to have, a Material Adverse Effect;

(ii) has been knowingly procured by or approved by the board of directors (or equivalent body) of the Parent or the Borrower or any Subsidiary of the Parent (other than the Company or its Subsidiaries) (*provided* that knowledge of the existence Relevant Matter does not equate to procurement or approval); or

(iii) is not capable of being cured.

## Article 9 The Agent

### Section 9.01. *Appointment and Authority.*

Each of the Lenders hereby irrevocably appoints UBS AG, Stamford Branch to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article (other than as set forth in Section 9.05, Section 9.06, Section 9.09 and Section 9.10) are solely for the benefit of the Agent and the Lenders, and neither the Borrowers nor any other Obligor shall have rights as a third party beneficiary of any of such provisions.

### Section 9.02. *Rights as a Lender.*

The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Parent or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03. *Exculpatory Provisions.*

No Agent-Related Person shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, no Agent-Related Person:

- (a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that, with respect to the Agent, is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that no Agent-Related Person shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent-Related Person to liability or that is contrary to any Loan Document or applicable law; and
- (c) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, shall be liable for the failure to disclose, any information relating to the Borrowers or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent, any Agent-Related Person or any of their respective Affiliates in any capacity.

No Agent-Related Person shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent-Related Person shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.02 and 10.01) or (ii) in the absence of such Agent-Related Person's own gross negligence or willful misconduct. No Agent-Related Person shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent-Related Person by the Borrower Representative or a Lender.

No Agent-Related Person shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent-Related Person.

Section 9.04. *Reliance by the Agent.*

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.



Section 9.05. *Delegation of Duties.*

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent.

Section 9.06. *Resignation of the Agent.*

The Agent may at any time give notice of its resignation to the Lenders and the Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the consent of the Borrower Representative, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above with the consent of the Borrower Representative; *provided* that if the Agent shall notify the Borrower Representative and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as a successor Agent shall be appointed as provided for above in this Section 9.06. Upon the acceptance of a successor's appointment as the Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) the Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as the Agent.

Section 9.07. *Non-Reliance on the Agent and Other Lenders.*

Each Lender acknowledges that it has, independently and without reliance upon any Agent- Related Person or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent-Related Person or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.08. *No Other Duties, Etc.*

Anything herein to the contrary notwithstanding, the Arranger listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents.

Section 9.09. *The Agent May File Proofs of Claim.*

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Obligor, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Sections 2.07, 10.04 and 10.05) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.07, 10.04 and 10.05.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.10. *Collateral and Guaranty Matters.*

The Lenders irrevocably authorize and instruct the Agent to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been made) and the expiration or termination of all Commitments, (ii) that is transferred, sold or otherwise disposed of or to be transferred, sold or otherwise disposed of (other than to the Borrowers or the Guarantor) as part of or in connection with any transfer, sale or other disposal permitted hereunder or under any other Loan Document; or (iii) subject to Section 11.01, if approved, authorized or ratified in writing by the Required Lenders; and

Upon request by the Agent at any time, the Required Lenders will confirm in writing the Agent's authority to release its interest in particular types or items of property. In each case as specified in this Section 9.10, upon the receipt of a certificate of a Responsible Officer of the Borrower Representative certifying that such release is permitted hereunder (on which the Agent may conclusively rely without any further inquiry) the Agent will (and each of the Lenders irrevocably authorizes and directs the Agent to), at the Borrowers' expense, execute and deliver to the applicable Obligor such documents or take any action as such Obligor may reasonably request to evidence the release of such item of Collateral from the

assignment and security interest granted under the Security Documents in accordance with the terms of the Loan Documents and this Section 9.10.

Section 9.11. *Indemnification of Agent-Related Persons.*

Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Borrowers and without limiting the obligation of the Borrowers to do so), ratably according to their respective portions of the total Loans held on the date on which indemnification is sought, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; *provided* that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Agent-Related Person's own gross negligence or willful misconduct; and *provided, further*, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.11. Without limitation of the foregoing, each Lender shall reimburse each Agent-Related Person upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by such Agent-Related Person in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document or any document contemplated by or referred to herein, to the extent that such Agent-Related Person is not reimbursed for such expenses by or on behalf of the Borrowers. The undertaking in this Section 9.11 shall survive the payment of all other Obligations and the resignation of the Agent or any Agent-Related Person.

Section 9.12. *Withholding Tax.*

The Agent agrees to act as the U.S. federal withholding Tax agent with respect to all amounts payable by it under the Loan Documents. The Agent shall withhold from any payment to any Lender an amount equal to any withholding Tax required to be withheld by any applicable law. If the IRS or any Governmental Authority asserts a claim that the Agent did not properly withhold Tax from any amount paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or was not properly executed, or because such Lender failed to notify the Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective), such Lender shall indemnify and hold harmless the Agent (to the extent that the Agent has not already been reimbursed by the Borrowers and without limiting or expanding the obligation of the Borrowers to do so) for all amounts paid, directly or indirectly, by the Agent as tax or otherwise, including any penalties, additions to Tax or interest thereon, together with all expenses incurred, including legal expenses and any out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Government Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Agent under this Article 9. The agreements in this Article 9 shall survive the resignation and/or replacement of the Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Loans and the repayment, satisfaction or discharge of all obligations under this Agreement. Unless required by applicable laws, at no time shall the Agent have any obligation to file for or otherwise pursue on behalf of a Lender any refund of Taxes withheld or deducted from funds paid for the account of such Lender.

Section 9.13. *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 Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (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 such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Obligor, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

#### Section 9.14. *Erroneous Payments.*

(a) If the Agent (x) notifies a Lender or Secured Party, or any Person who has received funds on behalf of a Lender or Secured Party (any such Lender, Secured Party or other recipient, a “**Payment Recipient**”) that the Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Agent) received by such Payment Recipient from the Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent pending its return or repayment as contemplated below in this

Section 9.14 and held in trust for the benefit of the Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Agent may, in its sole discretion, specify in writing), return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Secured Party or any Person who has received funds on behalf of a Lender or Secured Party agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 9.14(b).

For the avoidance of doubt, the failure to deliver a notice to the Agent pursuant to this Section 9.14(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 9.14(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Secured Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or Secured Party under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such

unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Agent’s notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans with respect to which such Erroneous Payment was made (the “**Erroneous Payment Impacted Class**”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Loans of the Erroneous Payment Impacted Class, the “**Erroneous Payment Deficiency Assignment**”) (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance)), and is hereby (together with the Borrower Representative) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Borrower Representative or the Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement which shall survive as to such assigning Lender, (D) the Agent and the Borrowers shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment.

(ii) Subject to Section 11.07 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrowers or otherwise)), the Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Agent) and (y) may, in the sole discretion of the Agent, be reduced by any amount specified by the Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Secured Party, to the rights and interests of such Lender or Secured Party, as the case may be) under the Loan Documents with respect to such amount (the “**Erroneous Payment Subrogation Rights**”) (*provided* that the Obligors’ Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Obligor; *provided* that this Section 9.14 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrowers relative to the amount (and/

or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Agent; *provided, further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Borrowers for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 9.14 shall survive the resignation or replacement of the Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

## Article 10 Guaranty

### Section 10.01. *Guaranty of the Obligations.*

The Guarantor hereby irrevocably and unconditionally guaranties to the Agent for the ratable benefit of the Secured Parties the due and punctual payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Bankruptcy Code after any bankruptcy or insolvency petition under the Bankruptcy Code and (ii) any other Debtor Relief Laws) on the Loans made by the Lenders to the Borrowers, and all other Obligations from time to time owing to the Secured Parties by any Obligor under any Loan Document, in each case, strictly in accordance with the terms thereof (such obligations being herein collectively called the “**Guaranteed Obligations**”).

### Section 10.02. *Payment by Guarantor.*

The Guarantor hereby agrees, in furtherance of the foregoing and not in limitation of any other right which any Secured Party may have at law or in equity against any Person, that upon the failure of any Borrower to pay in full any of the Guaranteed Obligations when and as the same shall become due (after giving effect to any applicable grace periods), whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code or any other Debtor Relief Law), the Guarantor will promptly pay, or cause to be paid, in cash to the Agent for the ratable benefit of Secured Parties without any demand or notice whatsoever, an amount equal to the full unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for any Borrower becoming the subject of a case under the Bankruptcy Code or any other Debtor Relief Law, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against such Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Secured Parties as aforesaid and in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal. Any payment made in accordance with this section shall be without defense, recoupment, setoff or counterclaim, free of any restriction or condition (other than Payment in Full of the Guaranteed Obligations).

Section 10.03. *Liability of Guarantor Absolute.*

The Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and, to the extent permitted by applicable law, shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than Payment in Full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, the Guarantor agrees as follows:

- (a) this Guaranty is a guaranty of payment when due and not of collectability. This Guaranty is a primary obligation of the Guarantor and not merely a contract of surety;
- (b) the Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between any Borrower and any Secured Party with respect to the existence of such Event of Default;
- (c) the obligations of the Guarantor hereunder are independent of the obligations of any Borrower and the obligation of any other guarantor of the obligations of any Borrower;
- (d) payment by any Person of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge the Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if the Agent is awarded a judgment in any suit brought to enforce the Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release the Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit;
- (e) any payment by any Borrower or other circumstance which operates to toll any statute of limitations as to any Borrower shall operate to toll the statute of limitations as to the Guarantor;
- (f) any Secured Party, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise in any way to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may:
  - (i) renew, extend, accelerate, increase the principal amount of, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations in accordance with the terms of the underlying Loan Documents (including, without limitation, any amendment thereto, consent to departure therefrom, or waiver thereof);
  - (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations;
  - (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations;
  - (iv) in accordance with the terms of the underlying Loan Documents (including any amendment thereto, consent to departure therefrom, or waiver thereof), release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations;



(v) enforce and apply any security now or hereafter held by or for the benefit of such Secured Party in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Secured Party may have against any such security, in each case, as such Secured Party in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of the Guarantor against any Borrower or any security for the Guaranteed Obligations; and

(vi) exercise any other rights available to it under the Loan Documents;

(g) this Guaranty and the obligations of Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than Payment in Full of the Guaranteed Obligations), including the occurrence of any of the following, whether occurring before, upon or after any demand for payment hereunder, and whether or not the Guarantor shall have had notice or knowledge of any of them: (i) the asserting or enforcing of any right, power or remedy (whether arising under the Loan Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents and/or at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (iii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) of this Agreement, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or of any other guaranty or security for the Guaranteed Obligations, in each case, whether or not in accordance with the terms hereof or such Loan Document or any agreement relating to such other guaranty or security; (iv) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (v) the application of payments received from any source (other than payments received pursuant to the other Loan Documents, or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Secured Party might have elected to apply such payment to any part or all of the Guaranteed Obligations; (vi) any Secured Party's consent to the change, reorganization or termination of the corporate structure or existence of any Obligor or any of its Subsidiaries, any change in the ownership, control, name, objects, business or assets of any Obligor, any corresponding restructuring of the Guaranteed Obligations; any amalgamation or consolidation of any Obligor with any other Person or the consent thereto by any Secured Party to the extent that such actions are not permitted hereunder; (vii) any failure to perfect or continue perfection (or the release) of any Lien in any collateral which secures any of the Guaranteed Obligations; (viii) any defenses, set-offs or counterclaims which any Obligor may allege or assert against any Secured Party or any other Obligor or Person in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (ix) any limitation of status or power, disability, in capacity or other circumstance relating to any other Obligor or any other Person, including any insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, winding-up or other proceeding involving or affecting any other Obligor or any other Person; and (x) other act or thing or omission, or delay to do any

other act or thing, which may or might in any manner or to any extent vary the risk of the Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 10.04. *Waivers by Guarantor.*

The Guarantor hereby waives, to the extent permitted by applicable law, for the benefit of the Secured Parties: (a) any right to require any Secured Party, as a condition of payment or performance by the Guarantor, to (i) proceed against any Borrower, any other guarantor of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from any Borrower, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any deposit account or credit on the books of any Secured Party in favor of any Borrower or any other Person, or (iv) pursue any other remedy in the power of any Secured Party whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of any Borrower or any other Person including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of any Borrower or any other Person from any cause other than Payment in Full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Secured Party's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith, gross negligence or willful misconduct (as determined in a final and non-appealable judgment by a court of competent jurisdiction); (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of the Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting the Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Secured Party protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) except as expressly set forth herein, all notices, demands, presentments, protests, notices of protest, notices of dishonor or non-payment, notices or proof of reliance, and notices of any action or inaction, including acceptance hereof, notices of default hereunder or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to the Borrowers and notices of any of the matters referred to in Section 10.03 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 10.05. *Guarantor's Rights of Subrogation, Etc..*

Until the Guaranteed Obligations shall have been Paid in Full and all Commitments shall have terminated, the Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against any Borrower or any other guarantor of the Obligations or any of its assets in connection with this Guaranty or the performance by the Guarantor of its obligations hereunder, in each case, whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including without limitation (a) any right of subrogation, reimbursement or indemnification that the Guarantor now has or may hereafter have against any Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that any Secured Party now has or may hereafter have against any Borrower, and (c) any benefit of, and any right to participate in, any Collateral or security now or hereafter held by any Secured Party. In addition, until the Guaranteed Obligations shall have been Paid in Full and all Commitments shall have terminated, the Guarantor shall withhold exercise of any right of contribution the Guarantor may have against any other guarantor of the Guaranteed Obligations. The Guarantor

further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification the Guarantor may have against any Borrower or against any collateral or security, and any rights of contribution the Guarantor may have against any such other guarantor, shall be junior and subordinate in right of payment and security to any rights any Secured Party may have against any Borrower, to all right, title and interest any Secured Party may have in any such collateral or security, and to any right any Secured Party may have against such other guarantor. If any amount shall be paid to the Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been Paid in Full, such amount shall be held in trust for the Agent on behalf of the Secured Parties and shall forthwith be paid over to the Agent for the benefit of the Secured Parties to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

Section 10.06. *Subordination of Other Obligations.*

Any Indebtedness of any Borrower now or hereafter held by (or owing to) any the Guarantor is hereby subordinated in right of payment to the Guaranteed Obligations, and any such Indebtedness collected or received by the Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Agent on behalf of the Secured Parties and, upon notice from the Agent acting at the direction of the Required Lenders (other than upon the occurrence of any Event of Default described in Section 8.01(f) or 8.01(g) in which case no notice shall be required), shall forthwith be paid over to the Agent for the benefit of the Secured Parties to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligor Guarantor under any other provision hereof.

Section 10.07. *Continuing Guaranty.*

This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been Paid in Full and all Commitments shall have terminated. The Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations prior to the Payment in Full of the Guaranteed Obligations and the termination of the Commitments.

Section 10.08. *Authority of Guarantor or Borrowers.*

It is not necessary for any Secured Party to inquire into the capacity or powers of the Guarantor or any Borrower or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 10.09. *Financial Condition of Borrowers.*

Any Credit Extension may be made to the Borrowers or continued from time to time without notice to or authorization from the Guarantor regardless of the financial or other condition of any Borrower at the time of any such grant or continuation. No Secured Party shall have any obligation to disclose or discuss with the Guarantor its assessment of the financial condition of any Borrower. The Guarantor has adequate means to obtain information from each Borrower on a continuing basis concerning the financial condition of such Borrower and its ability to perform its obligations under the Loan Documents, and the Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrowers and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. The Guarantor hereby waives and relinquishes any duty on the part of any Secured Party to disclose any matter, fact or thing relating to the business, operations or conditions of any Borrower now known or hereafter known by any Secured Party.

Section 10.10. *Bankruptcy, Etc.*

(a) The obligations of Guarantor hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of any Borrower or by any defense which any Borrower may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) The Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of the Guarantor and the Secured Parties that the Guaranteed Obligations which are guaranteed by the Guarantor pursuant hereto should be determined without regard to any rule of law or order which may relieve any Borrower of any portion of such Guaranteed Obligations. The Guarantor will in such capacity permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay the Agent, or allow the claim of the Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by any Borrower, the obligations of the Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Secured Party as a preference, fraudulent transfer or otherwise and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

Section 10.11. *Release of Guarantor.*

The Guaranty made herein shall remain in full force and effect until the Obligations have been Paid in Full and the Commitments have been terminated, at which time the Guarantor shall be automatically released from its obligations under this Agreement and its obligations to pledge and grant any Collateral owned by it pursuant to any Security Document.

Section 10.12. *Remedies.*

The Guarantor agrees that, as between the Guarantor and the Secured Parties, the obligations of the Borrowers under this Agreement may be declared to be forthwith due and payable as provided in Section 8.01 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.01) for purposes of Section 10.01, notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrowers) shall forthwith become due and payable by the Guarantor for purposes of this Article 10.

Section 10.13. *Instrument for the Payment of Money.*

The Guarantor hereby acknowledges that the guaranty in this Article 10 constitutes an instrument for the payment of money, and consents and agrees that any Lender or the Agent, at its sole option, in the

event of a dispute by the Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

Section 10.14. *General Limitation on Guaranty Obligations.*

In any action or proceeding involving any state corporate, limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other applicable law affecting the rights of creditors generally, if the obligations of the Guarantor under Section 10.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 10.01, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by the Guarantor, any Borrower or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the liability under this Guaranty, but before giving effect to any other guarantee) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Article 11  
Miscellaneous

Section 11.01. *Amendments and Waivers.*

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers or any other Obligor therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrowers or the applicable Obligor, as the case may be, and acknowledged by the Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that no such amendment, waiver or consent shall:

- (a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender;
- (b) postpone or delay the maturity of the Loans, or any scheduled date of payment of the principal amount of the Loans, or any date for the payment of any interest, premium or fees due to the Lenders (or any of them) hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby (other than as a result of (i) waiving an Event of Default in accordance with the terms hereof, (ii) waiving default interest hereunder to the extent a waiver of the underlying default giving rise to such default interest does not require a vote of all Lenders, (iii) rescinding the acceleration of the Loans under Section 8.02 or (iv) waiving a mandatory prepayment to be made hereunder);
- (c) amend the definition of “Required Lenders” without the consent of each Lender;
- (d) [reserved];
- (e) release all or substantially all of the Collateral from the Transaction Liens or all or substantially all of the value of the Guarantee (except (i) as expressly permitted under the Loan Documents or (ii) in connection with a “credit bid” undertaken by the Agent at the direction of the Required Lenders pursuant to Section 363(k), Section 11.29(b)(2)(a)(ii) or otherwise of the Bankruptcy Code or other sale or disposition of assets in connection with an enforcement action with respect to the Collateral permitted pursuant to the Loan Documents (in which case only the consent of the Required Lenders will be needed for such release), without the written consent of each Lender;
- (f) amend this Section 11.01 without the written consent of each Lender;
- (g) change Section 2.11 or amend the definition of “Pro Rata Share” in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(h) consent to the assignment or transfer by any Borrower of any of its rights and obligations under any Loan Document without the written consent of each Lender;

(i) amend, modify, terminate or waive any provision of the Loan Documents as the same applies to the Agent or the Arranger, or any other provision hereof as the same applies to the rights or obligations of the Agent or the Arranger, in each case without the consent of the Agent or Arranger, as applicable;

*provided, further*, that any fee agreement referred to in Section 2.08 may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto.

Notwithstanding anything to the contrary in this Agreement (including, without limitation, this Section 11.01) or any other Loan Document to the contrary, (i) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except for any amendment, waiver or consent pursuant to Section 11.01(a), (b) or (c); (ii) this Agreement and the other Loan Documents may be amended, restated, amended and restated, supplemented, or otherwise modified to effect any changes contemplated by Section 3.08, including any Conforming Changes (and the Agent and the Borrowers may effect such amendments to this Agreement and the other Loan Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Agent and the Borrowers, in accordance with Section 3.08, including any technical and conforming modifications to the Loan Documents to the extent necessary); (iii) no Lender consent is required to effect any amendment or supplement to any intercreditor or subordination 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 or subordination 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 or subordination agreement as, in the good faith determination of the Agent, are required to effectuate the foregoing so long as such other changes are not materially adverse to the interests of the Lenders) (iv) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by the Borrowers and the Agent only to cure any ambiguity, omission, mistake, defect or inconsistency; and (v) guarantees, collateral documents and related documents executed by the Obligors in connection with this Agreement may be in a form reasonably determined by the Agent and may be, together with any other Loan Document, entered into, amended, restated, amended and restated, supplemented, waived or otherwise modified, without the consent of any other Person, by the applicable Obligor or Obligors and the 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 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, defects or inconsistencies or to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents; *provided* that with respect to clause (ii)(A), (iii), (iv) and (v) above, the Agent may in its discretion seek approval for such changes from the Lender and such amendment shall be deemed approved by the Lenders if the Lenders shall have received at least five (5) Business Days' prior written notice of such change and the Agent shall not have received, within five (5) Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment.

#### Section 11.02. *Notices.*

(a) Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile or electronic transmission). All such written notices shall be mailed, emailed, faxed or delivered to the applicable address, facsimile number

(*provided* that any matter transmitted by facsimile (1) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 11.02, and (2) shall be followed promptly by delivery of a hard copy original thereof) or (subject to subsection (b) below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrowers or the Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 11.02 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its administrative questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower Representative and the Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the U.S. mails, via certified mail, return receipt requested, postage prepaid; (C) if delivered by facsimile or electronic mail, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of subsection (b) below), when delivered; *provided* that notices and other communications to the Agent pursuant to Article 2 shall not be effective until actually received by such Person. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(b) Electronic Communications:

(i) Notices and other communications to the Agent and the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites, including the Platform) pursuant to procedures approved by the Agent; *provided* that the foregoing shall not apply to notices to the Agent or, any Lender pursuant to Article 2 if such Person has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(ii) The Parent and each of its Subsidiaries understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent that such losses, costs, expenses or liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or bad faith of the Agent or its Related Persons or material breach of the Loan Documents by the Agent or its Related Persons.

(iii) The Platform and any Approved Electronic Communications are provided "as is" and "as available". None of Agent-Related Persons warrant the accuracy, adequacy, or completeness of the Approved Electronic Communications or the Platform and each expressly

disclaims liability for errors or omissions in the Platform and the Approved Electronic Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects is made by Agent-Related Persons in connection with the Platform or the Approved Electronic Communications.

(iv) The Parent, each of its Subsidiaries and each Lender agrees that the Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with the Agent's customary document retention procedures and policies.

(v) Any notice of Default or Event of Default may be provided by telephone if confirmed promptly thereafter by delivery of written notice thereof.

(c) The Agent-Related Persons and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Borrower Representative.

Section 11.03. *No Waiver; Cumulative Remedies.*

No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder 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.

Section 11.04. *Costs and Expenses.*

The Borrowers agree (a) to pay or reimburse each Agent-Related Person for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated hereby or thereby are consummated) and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, which Attorney Costs shall be limited to the reasonable, documented, out-of-pocket fees and disbursements of (x) one primary counsel for Agent-Related Persons taken as a whole, (y) if reasonably necessary, (i) one firm of regulatory counsel and (ii) one firm of additional local counsel in each relevant material jurisdiction (which may be a single firm for multiple jurisdictions) and (z) in the case of an actual or potential conflict of interest, one additional regulatory counsel and one additional counsel in each applicable jurisdiction to the affected Agent-Related Person or other persons similarly situated, taken as a whole and (b) to pay or reimburse each Agent-Related Person and each Lender for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement, attempted enforcement or preservation of any rights or remedies under this Agreement (including, but not limited to this Section 11.04) or the other Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding, including in any Insolvency Proceeding or appellate proceeding), including all reasonable, documented, out-of-pocket fees and expenses of external legal counsel, which legal counsel shall be limited to the reasonable, documented, out-of-pocket fees and expenses of (x) one primary counsel for Agent-Related Persons taken as a whole, (y) if reasonably required by the Agent, (i) one additional firm of regulatory counsel and (ii) one additional firm of local counsel for Agent-Related Persons in each relevant material jurisdiction (which may be a single firm for multiple jurisdictions) and (z) in the case of an actual or potential conflict of interest, one additional firm of regulatory counsel and one additional firm of counsel in each applicable jurisdiction to the affected Agent-Related Person or other persons similarly situated, taken as a whole. The foregoing costs and expenses shall include all search, filing, recording, title insurance and appraisal charges and fees and taxes related thereto and other reasonable out-of-pocket expenses incurred by each Agent-Related Person and, to the event consented to by the Borrower Representative, the cost of



independent public accountants and other outside experts (subject to the limitations above) retained by the Agent. All amounts due under this Section 11.04 shall be payable within thirty (30) days after written demand therefor together with, backup documentation supporting such payment or reimbursement request. The agreements in this Section 11.04 shall survive the repayment of the Loans and the other Obligations.

Section 11.05. *Borrower Indemnification; Damage Waiver.*

Whether or not the transactions contemplated hereby are consummated, the Borrowers shall indemnify and hold harmless each Agent-Related Person, each Lender and their respective Related Persons involved with the Transactions (collectively the “**Indemnified Persons**”) from and against any and losses, claims, damages or liabilities and the reasonable and documented and invoiced out-of-pocket expenses (including reasonable out-of-pocket Attorney Costs but solely to the extent set forth below) of any kind or nature whatsoever that may at any time be imposed on, incurred by or asserted against any such Indemnified Person by any third party or by the Borrowers or any other Obligor in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment or Loan or the use or proposed use of the proceeds therefrom, (c) any Environmental Liability related to the Parent or any of its Subsidiaries or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnified Person is a party thereto (all the foregoing, collectively, the “**Indemnified Liabilities**”), in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnified Person; *provided* that such indemnity shall not, as to any Indemnified Person, be available to the extent that such losses, claims, damages, liabilities or expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnified Person or its Related Persons, (y) arise out of or is in connection with any claim, litigation, loss or proceeding not involving an act or omission of the Obligors and that is brought by an Indemnified Person against another Indemnified Person (other than against the Agent in its capacity as such) or (z) result from the settlement of a claim by such Indemnified Person without the Borrowers’ consent (such consent not to be unreasonably withheld, conditioned or delayed); *provided* that if there is a final judgment against an Indemnified Person in any such proceeding, the Borrowers agree to indemnify and hold harmless each Indemnified Person to the extent and in the manner set forth above; *provided, further* that such indemnity shall be limited, in the case of legal fees and expenses, to the reasonable out-of-pocket fees and expenses of (a) one firm of counsel for all Indemnified Persons, taken as a whole, and, solely in the case of a conflict of interest, one additional firm of counsel to all other Indemnified Persons, taken as a whole, and (b) if reasonably necessary, one firm of regulatory counsel and one firm of local counsel to such Persons, taken as a whole, in any relevant material jurisdiction (which may be a single firm for multiple jurisdictions) and, solely in the case of an actual or potential conflict of interest where the Indemnified Person(s) affected by such conflict retains their own counsel, one additional firm of regulatory counsel and additional firm of local counsel in such relevant material jurisdiction (which may be a single firm for multiple jurisdictions) to all other Indemnified Persons, taken as a whole. No Person party to this Agreement or its Related Persons shall be liable for any damages arising from the use by others (other than its Related Persons) of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement, nor shall any such Person have any liability for any indirect, special, punitive or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date). All amounts

due under this Section 11.05 shall be payable within thirty (30) days after written demand therefor together with backup documentation supporting such indemnification request. The agreements in this Section 11.05 shall survive the resignation of the Agent, the replacement of any Lender and the repayment, satisfaction or discharge of the Loans and all the other Obligations. This Section 11.05 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

*Section 11.06. Marshalling; Payments Set Aside.*

Neither the Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Obligor or any other Person or against or in payment of any or all of the Obligations. To the extent that the Borrowers make a payment to the Agent or the Lenders (or to the Agent, on behalf of Lenders), or any Agent or Lender enforces any security interests or exercises any right of setoff, and such payment or the proceeds of such enforcement or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred and (b) each Lender severally agrees to pay to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent.

*Section 11.07. Assignments, Successors, Participations, Etc.*

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, *provided* that the Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 11.07(b), or (ii) by way of participation in accordance with the provisions of Section 11.07(c) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (as defined below) to the extent provided in Section 11.07(c) and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) *Assignments by Lenders.* Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it (*provided, however*, that pro rata assignments shall not be required and each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any applicable Loan)); *provided* that:

(i) in the case of assignments of Loans (or any Commitment therefor), except in the case of an assignment of the entire remaining amount of the assigning Lender's Loans (or any Commitment therefor) at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Loans (or any Commitment therefor) 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 Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$1,000,000, unless each of the Agent and, so long as no Event of Default has occurred and is continuing pursuant to Section 8.01(a), (f) or (g), the Borrower Representative otherwise consents (each such consent not to be unreasonably withheld or delayed); *provided* that the Borrower Representative shall be deemed to have consented unless it shall object thereto by written notice to the Agent within ten (10) Business Days after having received notice thereof;

- (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned under the Term Loan Facility;
- (iii) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption; such Assignment and Assumption to be (A) electronically executed and delivered to the Agent via an electronic settlement system then acceptable to the Agent (or, if previously agreed with the Agent, manually), and (B) delivered together with a processing and recordation fee of \$3,500, unless waived or reduced by the Agent in its sole discretion;
- (iv) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent an administrative questionnaire, in the form prescribed by the Agent; and
- (v) the Initial Lender shall not be permitted to assign any Loans (other than to its Affiliates and Approved Funds) if, immediately after giving effect to such proposed assignment, the Initial Lender, together with its Affiliates and Approved Funds, would hold less than 51.0% of the outstanding principal amount of the Loans.

Subject to acceptance and recording thereof by the Agent pursuant to Section 11.07(d), from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, (*provided* that, with respect to circumstances in effect on the effective date of such Assignment and Assumption, an Eligible Assignee shall not be entitled to receive any greater payment under Section 3.01 than the applicable Lender would have been entitled to receive had the assignment not taken place) and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.03, 3.04, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, the Borrowers (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 11.07(e).

(c) *[Reserved]*.

(d) *Register*. The Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal and interest amounts 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 Borrowers, the 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. The Register shall be available for inspection by the Borrowers and each Lender (with respect to its own interests in the Term Loan Facility only) at any reasonable time and from time to time upon reasonable prior notice. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) *Participations*. Any Lender may at any time, without the consent of, or notice to, the Borrowers or the Agent, sell participations to any Person (other than a natural person or the Parent or any of its Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement; *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 Borrowers, the 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 or instrument pursuant to which a Lender sells such a participation shall

provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 11.01 that directly affects such Participant. Except to the extent limited by Section 11.07(f), the Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.03 and 3.04 (subject to the limitations and requirements of such Sections (including Section 3.01(e) and Section 3.01(f)) and Section 3.07, as if such Participant were a Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.07(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.11 as though it were a Lender.

Each Lender that sells a participation pursuant to this Section 11.07(e) shall, acting solely for U.S. federal income tax purposes as a non-fiduciary agent of the Borrowers, maintain a register on which it records the name and address of each participant and the principal amounts (and stated interest) of each participant's participation interest with respect to the Loans or other obligations under the Loan Documents (each, a "**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 Loans or its other obligations under this Agreement) except to the extent that the relevant parties, acting reasonably and in good faith, determine 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.

(f) *Limitations upon Participant Rights.* The Obligors shall not be obligated to make any greater payment under Section 3.01 or 3.03 than the Obligors would have been obligated to make in the absence of any participation.

(g) *Certain Pledges.* Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) *Electronic Execution of Assignments.* The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

#### Section 11.08. *Confidentiality.*

Each Agent-Related Person and each Lender shall maintain the confidentiality of all information provided to it by or on behalf of the Parent or any Subsidiary, or by the Agent on the Parent's or such Subsidiary's or Affiliate's behalf, under this Agreement or any other Loan Document, it being understood and agreed by the Borrowers that, in any event, the Agent may disclose such information to the Lenders and each Lender may make disclosures thereof to the extent such information (i) was or becomes generally available to the public other than as a result of improper disclosure by the Lender or its Related Persons or was in the Agent's or such Lender's possession (not in violation of any other provision of this Section 11.08) or (ii) was or becomes available on a non-confidential basis from a source (other than the Borrowers or any of their Related Persons) not known after due inquiry by such Person to be prohibited

from disclosing such information to such Person by a legal, contractual or fiduciary obligation; *provided* that any Lender may disclose such information (a) at the request or pursuant to any requirement of any Governmental Authority or representative thereof to which the Lender is subject (including the NAIC) or in connection with an examination of such Lender by any such authority (in which case, except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority and to the extent practicable and not prohibited by law, such Person agrees to (i) use commercially reasonable efforts to notify the Borrower Representative of the proposed disclosure in advance of such disclosure and if unable to notify the Borrower Representative in advance of such disclosure, such notice shall be delivered to the Borrower Representative promptly thereafter to the extent permitted by law and (ii) use commercially reasonable efforts to ensure that any such information so disclosed is accorded confidential treatment); (b) pursuant to subpoena or other court process; (c) when required to do so in accordance with the provisions of any applicable Requirement of Law (in which case, except with respect to any audit or examination conducted by bank accountants or any regulatory authority exercising examination or regulatory authority and to the extent practicable and not prohibited by law, such Person agrees to use commercially reasonable efforts to notify the Borrower Representative of the proposed disclosure in advance of such disclosure and if unable to notify the Borrower Representative in advance of such disclosure, such notice shall be delivered to the Borrower Representative promptly thereafter to the extent permitted by law); (d) to the extent reasonably required in connection with any litigation or proceeding involving the Obligors to which the Agent or any Lender or their respective Affiliates may be party; (e) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document; (f) to such Lender's independent auditors and other professional advisors on a confidential basis; (g) to any Participant, Lender or Eligible Assignee, actual or potential; *provided* that such Person agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder or on terms no less restrictive than those set forth in this Section 11.08; *provided, however*, that such writing may take the form of a "click-through" agreement on the part of the recipient to access such information; (h) to its Affiliates and to their respective officers, directors, employees, legal counsel, independent auditors and other advisors, or agents who need to know such information in connection with the transactions contemplated hereby and are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential; *provided*, that such Person shall be responsible for its Affiliates' and such other Persons' compliance with this subsection (h) and that such Affiliates and other Persons are not insurance companies; (i) to any other party to this Agreement; (j) to any pledgee referred to in Section 11.07(g) or any direct or indirect contractual counterparty or prospective counterparty (or such counterparty's or prospective counterparty's professional advisor) to any swap or derivative transaction relating to obligations of the Parent or any of its Subsidiaries (so long as all parties, including all counterparties and advisors agree to be bound by the provisions of this Section 11.08 or other provisions at least as restrictive as this Section 11.08); (k) to any rating agency when required by it; *provided* that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Parent or any Subsidiary received by it from the Agent or any Lender; and (l) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans. In addition, the Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agent and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents. In the case of confidential information received from the Parent or any Subsidiary after the date hereof, such information shall be treated as confidential unless clearly identified at the time of delivery as non-confidential.

Section 11.09. *Set-off.*

In addition to any rights and remedies of the Lenders provided by law, if an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender or Affiliate to or for the credit or the account of any Borrower against any and all Obligations owing to such Lender, now or hereafter existing, irrespective of whether or not the Agent or such Lender shall have made demand under this Agreement or any Loan Document and although such Obligations may be contingent or unmatured; *provided* that (a) neither any Lender nor any of its Affiliates shall be entitled to exercise any such set off with respect to any trust, tax reserve or payroll account and (b) such rights may be exercised only at the direction of the Agent or the Required Lenders. Each Lender agrees to promptly notify the Borrower Representative and the Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

Section 11.10. *Notification of Addresses, Lending Offices, Etc.*

Each Lender shall notify the Agent in writing of any changes in the address to which notices to the Lender should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

Section 11.11. *Effectiveness; Counterparts.*

This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by the Borrowers and the Agent of written notification of such execution and authorization of delivery thereof. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile transmission or other electronic transmission (e.g., “.pdf” or “.tif”) shall be effective as delivery of a manually executed counterpart hereof.

Section 11.12. *Survival of Representations and Warranties.*

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent and each Lender, regardless of any investigation made by the Agent or any Lender or on their behalf, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 11.13. *Severability.*

If any provision of any Loan Document is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of the Loan Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Lenders in order to carry out the intentions of the parties thereto as nearly as may be possible and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

Section 11.14. *Replacement of Defaulting Lenders and Non-Consenting Lenders.*

If any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice by the Borrower Representative to such Lender and the Agent, (i) replace such Lender by causing such Lender to assign its Loans (with the assignment fee to be paid by the Borrowers in such instance) pursuant to Section 11.07(b) to one or more other Lenders or Eligible Assignees identified by the Borrower Representative or (ii) notwithstanding Section 2.11, terminate the applicable Commitments of such Lender and repay all Obligations of the Borrowers owing to such Lender relating to the Loans and participations held by such Lender as of such termination date; *provided* that such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.01, 3.03 and 3.04) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts)).

With respect to clause (i) above, no action by or consent of a Defaulting Lender or a Non-Consenting Lender shall be necessary in connection with such assignment, which shall be immediately and automatically effective upon payment of such purchase price. In connection with any such assignment the Borrowers, the Agent, such Defaulting Lender or such Non-Consenting Lender and the replacement Lender shall otherwise comply with this Section 11.14; *provided* that if such Defaulting Lender or such Non-Consenting Lender does not comply with this Section 11.14 within one Business Day after the Borrowers' request, compliance with this Section 11.14 shall not be required to effect such assignment.

Section 11.15. *Governing Law; Jurisdiction; Consent to Service of Process; Process Agent; Sovereign Immunity.*

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender or the Agent may otherwise have to bring any action or proceeding relating to any Loan Document against any Obligor or its properties in the courts of any jurisdiction.

(c) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in subsection (b) of this Section 11.15. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.02. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

(e) Cirrata UK hereby irrevocably appoints the Borrower Representative (in such capacity, the “**Process Agent**”), as its agent to receive on behalf of Cirrata UK service of the summons and

complaint and any other process which may be served in any action or proceeding described above. Such service may be made by mailing or delivering a copy of such process to Cirrata UK, in care of the Process Agent at the address specified for such Process Agent, and Cirrata UK hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Cirrata UK covenants and agrees that, for so long as it shall be bound under this Agreement or any other Loan Document, it shall maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for the purposes of any legal action, suit or proceeding brought by any party in respect of this Agreement or such other Loan Document and shall keep the Agents advised of the identity and location of such agent. If for any reason there is no authorized agent for service of process in New York, Cirrata UK irrevocably consents to the service of process out of the said courts by mailing copies thereof by registered United States air mail postage prepaid to it at its address specified in Section 11.02. Nothing in this Section 11.15 shall affect the right of any Secured Party to (i) commence legal proceedings or otherwise sue Cirrata UK in the country in which it is domiciled or in any other court having jurisdiction over Cirrata UK or (ii) serve process upon Cirrata UK in any manner authorized by the laws of any such jurisdiction.

(f) Each Borrower waives any immunity (sovereign or otherwise) from jurisdiction of any court or from any legal process to which it or its properties or assets may be entitled. To the extent that any Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each Borrower irrevocably waives such immunity in respect of its obligations under the Loan Documents.

Section 11.16. *Waiver of Jury Trial.*

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

Section 11.17. *USA PATRIOT Act Notice.*

Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers 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 each Obligor, which information includes the name and address of each Obligor and other information that will allow such Lender or the Agent, as applicable, to identify each Obligor in accordance with the Patriot Act.

Section 11.18. *Entire Agreement.*

This Agreement, together with the other Loan Documents and any separate agreements with respect to fees payable to the Agent, embodies the entire agreement and understanding among the Borrowers, the Lenders and the Agent and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.



Section 11.19. *Independence of Covenants.*

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 11.20. *Obligations Several; Independent Nature of Lenders' Right.*

The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 11.21. *No Fiduciary Duty.*

The Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “**Lenders**”), may have economic interests that conflict with those of the Obligors, their stockholders and/or their affiliates. Each Obligor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and such Obligor, its stockholders or its affiliates, on the other. The Obligors acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Obligors, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Obligor, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Obligor, its stockholders or its Affiliates on other matters) or any other obligation to any Obligor except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Obligor, its management, stockholders, creditors or any other Person. Each Obligor acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Obligor agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Obligor, in connection with such transaction or the process leading thereto.

Section 11.22. *Acknowledgment 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, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and

- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 11.23. *Acknowledgment and Consent Regarding Any Supported QFCs*

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

- (b) As used in this Section 11.23, the following terms have the following meanings:

“**BHC Act Affiliate**” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Covered Entity**” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“**QFC**” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 11.24. *Lender Action.*

Each Lender (and each Secured Party by accepting the benefits of the Collateral) agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Obligor or any other obligor under any of the Loan Documents or any other document secured by the Collateral) (including the exercise of any right of set off, rights on account of any bankers’ liens or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such obligor, without the prior written consent of the Agent or Required Lenders.

Section 11.25. *Joint and Several Liability of the Borrowers.*

Notwithstanding anything to the contrary contained elsewhere in this Agreement or any other Loan Document, it is understood and agreed by the parties to this Agreement that all Obligations to repay principal of, interest on, and all other amounts with respect to, all Loans, and all other Obligations pursuant to this Agreement and each other Loan Document (including all fees, indemnities and other Obligations in connection therewith) shall constitute the joint and several obligations of each of the Borrowers. The Borrowers shall be jointly and severally liable for all Obligations regardless of which Borrower actually receives the proceeds of any Loan. In addition to the direct (and joint and several) obligations of the Borrowers with respect to Obligations as described above, each Borrower agrees that all such Obligations shall be guaranteed pursuant to and in accordance with the terms of the Guaranty, which is a continuing guaranty of payment and performance and not of collection, that its obligations under this Section 11.25 shall not be discharged until Payment in Full of the Obligations has occurred.

Section 11.26. *Judgment Currency.*

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrowers in respect of any such sum due from it to the Agent or the Lenders hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “**Judgment Currency**”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “**Agreement Currency**”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrowers in the Agreement Currency, the Borrowers agree, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrowers (or to any other Person who may be entitled thereto under applicable law)

*[SIGNATURE PAGES FOLLOW ON NEXT PAGE]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their proper and duly authorized officers as of the day and year first above written.

**CIRRATA GROUP LLC,**  
as a Borrower

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

**CIRRATA V LLC,**  
as a Borrower

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

**CIRRATA V UK LIMITED,**  
as a Borrower

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

**AMBAC FINANCIAL GROUP, INC.,**  
as the Parent

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

[Signature Page to Credit Agreement (Project Brio)]

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**UBS AG, STAMFORD BRANCH,**  
as Agent and Lender

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

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

[Signature Page to Credit Agreement (Project Brio)]

**AMBAC FINANCIAL GROUP, INC.**  
**PERFORMANCE STOCK UNIT AGREEMENT**  
**FOR LONG-TERM INCENTIVE COMPENSATION AWARD**  
**(Executive Officers with Employment Agreements)**

Effective as of July 9, 2025 (the “Grant Date”), [[FIRSTNAME]] [[LASTNAME]] (the “Participant”) has been granted an Award under the Ambac Financial Group, Inc. 2024 Incentive Compensation Plan (the “Incentive Plan”). This Agreement evidences the Award, which shall consist of a Full Value Award in the form of performance stock units (“Performance Stock Units”). In addition to the terms and conditions of the Incentive Plan and the Award shall be subject to the following terms and conditions (sometimes referred to as this “Agreement”).

1. Defined Terms. Capitalized terms used in this Agreement which are not otherwise defined herein shall have the meaning specified in the Incentive Plan.

2. Grant of Performance Stock Units. Subject to the terms of this Agreement, and the Incentive Plan, effective as of the Grant Date the Participant is hereby granted [[SHARESGRANTED]] Performance Stock Units (the “Target Performance Units”). This Award contains the right to dividend equivalents (“Dividend Equivalents”) with respect to Earned Performance Units (as defined in Section 3(a)) as described in Section 4. Each Performance Stock Unit awarded hereunder shall become earned and vested as described in Section 3 and each Earned Performance Unit (and associated Earned Dividend Equivalents thereon as described in Section 4) shall be settled in accordance with Section 5.

3. Earning, Vesting and Forfeiture of Performance Stock Units. The Performance Stock Units shall become earned and vested in accordance with the following:

(a) All Performance Stock Units shall be unearned and unvested unless and until they become earned and vested and nonforfeitable in accordance with this Section 3. The Participant shall have the ability to earn between 0% and 240% of the Target Performance Units, as determined by the Compensation Committee, based on the continuing employment of the Participant during the period beginning on January 1, 2025 and ending on the December 31, 2027 (the “Performance Period”) and satisfaction of the Performance Goals set forth in Exhibit A hereto (which is incorporated into and forms part of this Agreement). Any Performance Stock Units granted pursuant to this Agreement that become earned in accordance with this Agreement shall be referred to herein as “Earned Performance Units”. Except as provided in Section 3(b), if the Participant’s termination of employment or service with the Company (the “Termination Date”) occurs for any reason prior to the last day of the Performance Period, the Participant’s right to all Performance Stock Units (and any associated Dividend Equivalents) awarded or credited to the Participant pursuant to this Agreement shall expire and be forfeited immediately and the Participant shall have no further rights with respect to any of the Performance Stock Units (or associated Dividend Equivalents). The Earned Performance Units (and any associated Earned Dividend Equivalents) shall be settled in accordance with Section 5 hereof.

(b) Notwithstanding the provisions of Section 3(a), (x) if the Participant’s Termination Date occurs prior to the last day of the Performance Period by reason of (1) Disability (as defined in the Employment Agreement referenced in clause (4) of this subsection)), (2) Retirement (as defined in Section 3(c)), (3)

involuntary termination by the Company other than for Cause (as defined in the Employment Agreement), (4) as a result of the Company's failure to extend the term of the Employment Agreement between Ambac and the Participant, dated as of [[GRANTCODE3]] (the "Employment Agreement") pursuant to Section 2 thereof, or (5) termination by the Participant for Good Reason (as defined in the Employment Agreement), the Participant shall be entitled to receive the number of Earned Performance Units (and any associated Earned Dividend Equivalents) that the Participant would have been entitled to receive had the Termination Date not occurred prior to the end of the Performance Period based on actual satisfaction of the Performance Goals, and (y) if the Participant's Termination Date occurs prior to the last day of the Performance Period by reason of death, the beneficiaries of Participant shall be entitled to receive the number of Earned Performance Units (and any associated Earned Dividend Equivalents) that the Participant would have been entitled to receive had the Termination Date not occurred prior to the end of the Performance Period at a 100% overall payout multiple regardless of the outcome of the Performance Goals, Total Shareholder Return or Relative Total Shareholder Return (which shall be equal to the number of Target Performance Units plus any Earned Dividend Equivalents). For the avoidance of doubt, if the Participant has an employment agreement which provides that this Agreement will govern if this Agreement provides for greater vesting acceleration upon a Participant's termination of employment, then all of the provisions (including, but not limited to, terms and timing) of this Section 3(b) shall govern.

(c) For purposes of the Award evidenced by this Agreement, (i) the terms "Cause," "Disability" and "Good Reason" shall have the meanings specified in the Employment Agreement, and (ii) the Participant's Termination Date shall be considered to occur on account of "Retirement" if the Participant's Termination Date occurs on or after the date on which the following conditions have been satisfied and such Termination Date does not occur for any other reason: (x) the Participant has attained age 60; (y) the Participant has provided at least ten (10) years of service to the Company; and (z) the Participant has provided at least 90 days' prior notice of Participant's Termination Date due to retirement from the Company.

4. Dividend Equivalents. The Participant shall be credited with Dividend Equivalents, which may consist of Deferred Cash Dividend Equivalents or Dividend Equivalent Units (each as defined below), as follows:

(a) If, during the Performance Period, a dividend with respect to shares of Common Stock is paid in cash, then as of the dividend payment date, the Participant shall be credited with a right to receive a "Deferred Cash Dividend Equivalent" equal to (i) the cash dividend paid with respect to a share of Common Stock, multiplied by (ii) 240% of the Target Performance Units (the "Maximum Performance Units").

(b) If, during the Performance Period, a dividend with respect to shares of Common Stock is paid in shares of Common Stock, then as of the dividend payment date the Participant shall be credited with that number of "Dividend Equivalent Units" equal to (i) the number of shares of Common Stock distributed in the dividend with respect to a share of Common Stock, multiplied by (ii)(A) the number of Maximum Performance Units plus (B) the number of previously credited Dividend Equivalent Units with respect to such Performance Stock Units, if any, rounded down to the nearest whole number.



Dividend Equivalents shall be earned on the same basis and to the same extent that the Performance Stock Units to which they relate become Earned Performance Units. Therefore, the Participant shall only earn Dividend Equivalents with respect to Earned Performance Units and, to the extent that any Dividend Equivalents are credited to the Participant pursuant to this Section 4 and are not earned in accordance with this Agreement, they shall be forfeited and the Participant shall have no further rights with respect thereto under this Agreement or otherwise. Any Dividend Equivalents credited to the Participant pursuant to this Section 4 that become earned in accordance with this Agreement are sometimes referred to as “Earned Dividend Equivalents.”

5. Settlement. Subject to the terms and conditions of this Agreement, the Earned Performance Units (and associated Earned Dividend Equivalents) shall be settled as soon as practically possible, but not later than March 15 following the end of the Performance Period (the “Settlement Date”) subject to Special Section 409A Rules in Section 17; *provided* that in the case of death of a Participant, the Settlement Date shall be the Participant’s Termination Date. Settlement of the Earned Performance Units and Earned Dividend Equivalent Units on the Settlement Date shall be made in the form of shares of Common Stock with one share of Common Stock being issued in settlement of each Earned Performance Unit and associated Dividend Equivalent Unit (any fractional share being rounded up to the next whole unit). Settlement of Earned Deferred Cash Dividend Equivalents on the Settlement Date shall be paid in cash. Upon the settlement of any Earned Performance Unit and associated Earned Dividend Equivalent Units, such Earned Performance Unit and Earned Dividend Equivalent Units shall be cancelled. Any Performance Stock Units and associated Dividend Equivalents outstanding as of the last day of the Performance Period that do not become Earned Performance Units and associated Earned Dividend Equivalents shall be automatically cancelled as of the last day of the Performance Period.

6. Withholding. The Award and settlement thereof are subject to withholding of all applicable taxes. Such withholding obligations shall be satisfied through amounts that the Participant is otherwise to receive upon settlement.

7. Transferability. The Award is not transferable except as designated by the Participant by will or by the laws of descent and distribution.

8. Heirs and Successors. If any benefits deliverable to the Participant under this Agreement have not been delivered at the time of the Participant’s death, such rights shall be delivered to the Participant’s estate.

9. Administration. The authority to administer and interpret this Agreement shall be vested in the Compensation Committee, and the Compensation Committee shall have all the powers with respect to this Agreement as it has with respect to the Incentive Plan. Any interpretation of the Agreement by the Compensation Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

10. Adjustment of Award. In the event of a stock dividend, stock split, reverse stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, exchange of shares, sale of assets or subsidiaries, combination, or other corporate transaction that affects the Common Stock, the Compensation Committee shall, in order to preserve the benefits or prevent the enlargement of benefits of this Award, and in the manner it determines equitable in its sole discretion, (a) adjust the number and kind of shares subject to this Award and (b) make any other adjustments that the Compensation Committee determines to be equitable (which may include, without limitation, (i) replacement of this Award with other

Awards which the Compensation Committee determines have comparable value and which are based on stock of a company resulting from the transaction, and (ii) cancellation of this Award in return for cash payment of the then current value of this Award, determined as though this Award is fully vested at the time of payment).

11. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, through Ambac's stock compensation administration system or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to Ambac at its principal offices, to the Participant at the Participant's address as last known by the Company or, in either case, such other address as one party may designate in writing to the other.

12. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of New York and applicable federal law.

13. Amendments. The Board of Directors may, at any time, amend or terminate the Incentive Plan, and the Board of Directors or the Compensation Committee may amend this Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), adversely affect the rights of any Participant or beneficiary under this Agreement prior to the date such amendment or termination is adopted by the Board of Directors or the Compensation Committee, as the case may be.

14. Award Not Contract of Employment. The Award does not constitute a contract of employment or continued service, and the grant of the Award will not give the Participant the right to be retained in the employ or service of the Company, nor any right or claim to any benefit under the Incentive Plan, or this Agreement, unless such right or claim has specifically accrued under the terms of the Incentive Plan and this Agreement.

15. Severability. If a provision of this Agreement is held invalid by a court of competent jurisdiction, the remaining provisions will nonetheless be enforceable according to their terms. Further, if any provision is held to be overbroad as written, that provision shall be amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and enforced as amended.

16. Incentive Plan Governs. The Award evidenced by this Agreement is granted pursuant to the Incentive Plan, and the Performance Stock Units and this Agreement are in all respects governed by the Incentive Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited.

17. Special Section 409A Rules. To the fullest extent possible, amounts and other benefits payable under the Agreement are intended to comply with or be exempt from the provisions of section 409A of the Code. This Agreement will be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent; provided, however, that the Company does not guarantee the tax treatment of the Award. Notwithstanding any other provision of this Agreement to the contrary, if any payment or benefit hereunder is subject to section 409A of the Code, and if such payment or benefit is to be paid or provided on account of the Participant's termination of employment (or other separation from service):

- (a) and if the Participant is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the Participant's separation from service or termination of employment, such

payment or benefit shall be delayed until the first day of the seventh month following the Participant's separation from service; and

(b) the determination as to whether the Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of section 409A of the Code and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.

## EXHIBIT A

The Award evidenced by the Agreement shall be earned based on the satisfaction of the Performance Goals described in this Exhibit A (the “Performance Goals”) determined based on the rating calculated pursuant to the following table, subject to the RTSR modifier discussed below:

Rating	Payout Multiple	Insurance Distribution segment	
		Adjusted EBITDA Growth	Organic Revenue Growth
1	2.00	15.0%	12.0%
2	1.00	10.0%	8.0%
3	0.00	7.0%	5.0%

Capitalized terms shall have the meanings set forth below.

With respect to the Performance Goals, the applicable rating shall be determined as follows: (i) 70% shall be based on Adjusted EBITDA Growth; and (ii) 30% shall be based on Organic Revenue Growth. Linear interpolation between payout multiples of Adjusted EBITDA Growth, and Organic Revenue Growth, as applicable, will result in a proportionate number of the Target Performance Units (and associated Dividend Equivalents) becoming Earned Performance Units (and Earned Dividend Equivalents).

All metrics noted in this table shall be neutral to the effects of changes to US GAAP.

All determinations as to whether the Performance Goals have been satisfied will be determined by the Compensation Committee.

Notwithstanding anything in this Exhibit A to the contrary, the number of Target Performance Units (and associated Dividend Equivalents) that become Earned Performance Units (and Earned Dividend Equivalents) based on the level of achievement of the metrics set forth in table above shall be adjusted, either upwards or downwards, based on AFG’s RTSR Percentile Ranking for the Performance Period, in accordance with the table below, as determined by the Compensation Committee. If the stock performance is negative over the 3-year performance period and the RTSR is top 75th percentile or above, then the payout multiplier will be capped at 100%. For the avoidance of doubt, in no event shall the Participant earn more than 240% of the Target Performance Units after the RTSR modifier is applied.

RTSR Percentile Ranking	RTSR Modifier
75 <sup>th</sup> percentile or above	120% of overall payout multiple
Between 25 <sup>th</sup> and 75 <sup>th</sup> percentile	100% of overall payout multiple
25 <sup>th</sup> percentile or below	80% of overall payout multiple

For purposes of this Exhibit A, the following definitions shall apply:

**AFG:** Ambac Financial Group, Inc.

**Adjusted EBITDA:** Shall measure the core earnings power of AFG's Insurance Distribution segment only. For 2025, 2026 and 2027, Adjusted EBITDA metric is calculated on Adjusted EBITDA after NCI. Adjusted EBITDA shall include net income (loss) before interest, taxes, depreciation, amortization (calculated in accordance with US GAAP as in effect at beginning of the Performance Period), change in fair value of contingent consideration, including neutralizing the impact of changes in performance on incentive compensation, share-based compensation expense, acquisition and integration related expenses, severance and restructuring costs, and other non-recurring exceptional items, including costs related to raising capital. Adjusted EBITDA shall also include de-novo/start-up MGAs and programs that are past the start-up period of 3 years (including the impact of control acquisitions).

**Adjusted EBITDA Growth:** Shall be calculated by dividing 2027 Adjusted EBITDA by 2024 Adjusted EBITDA ( $^{1/3} - 1$ ).

**Organic Revenue:** Includes revenue for AFG's Insurance Distribution segment only that is based on commissions and fees for the relevant period excluding (i) the first twelve months of commissions and fees generated from acquisitions, (ii) commissions and fees from divestitures and (iii) contingent commissions such as profit commissions, and (iv) the impact of changes in foreign exchange rates. For the avoidance of doubt, new de-novo MGAs launched since the acquisition of Beat Capital are included in the measurement of Organic Revenue.

**Organic Revenue Growth:** shall measure the change in Organic Revenue period-to-period in AFG's Insurance Distribution segment. Organic Revenue Growth shall be calculated by dividing 2027 Organic Revenue by 2024 Organic Revenue ( $^{1/3} - 1$ ).

**Performance Period:** period in which the performance metrics are measured will be from 1/1/2025 to 12/31/2027.

**Peer Group:** The Russell 2000 Index.

**Relative Total Shareholder Return, or RTSR:** The percentile rank of the Company's Total Shareholder Return as compared to the Total Shareholder Returns of all members of the Russell 2000 Index at the end of the Performance Period.

**Total Shareholder Return:** With respect to each of the Common Stock and the common stock of each of the members of the Russell 2000 Index, a rate of return reflecting stock price appreciation, plus the reinvestment of dividends in additional shares of stock, from the beginning

of the Performance Period through the end of the Performance Period. For purposes of calculating Total Shareholder Return for each of AFG and the members of the Peer Group, (i) the beginning stock price will be based on the average of the twenty (20) trading days immediately prior to the first day of the Performance Period on the principal stock exchange on which the stock is then listed or admitted to trading and the ending stock price will be based on the average of the last twenty (20) trading days of the Performance Period on the principal stock exchange on which the stock is then listed or admitted to trading and (ii) reinvestment of dividends shall be assumed to be reinvested on the ex-dividend date using the closing stock price on the ex-dividend date.

**AMBAC FINANCIAL GROUP, INC.**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**FOR LONG-TERM INCENTIVE COMPENSATION AWARD**

Effective as of July 9, 2025 (the “Grant Date”), [[FIRSTNAME]] [[LASTNAME]] (the “Participant”) has been granted a Full Value Award under the Ambac Financial Group, Inc. 2024 Incentive Compensation Plan (the “Incentive Plan”) in the form of restricted stock units. In addition to the terms and conditions of the Incentive Plan, the Award shall be subject to the following terms and conditions (sometimes referred to as this “Agreement”).

1. Defined Terms. Capitalized terms used in this Agreement which are not otherwise defined herein shall have the meaning specified in the Incentive Plan.
2. Grant of Restricted Stock Units. Subject to the terms of this Agreement, and the Incentive Plan, effective as of the Grant Date the Participant is hereby granted [[SHARESGRANTED]] restricted stock units (the “Restricted Stock Units”). This Award contains the right to dividend equivalents (“Dividend Equivalents”) as described in Section 3. Each Restricted Stock Unit shall become vested as described in Section 4 and each vested Restricted Stock Unit shall be settled in accordance with Section 6.
3. Dividend Equivalents. The Participant shall be entitled to Dividend Equivalents, which may consist of Deferred Cash Dividend Equivalents or Dividend Equivalent Units (each as defined below), in accordance with the following:
  - (a) If a dividend with respect to shares of Common Stock is payable in cash, then, as of the applicable dividend payment date, the Participant shall be credited with a right to receive a “Deferred Cash Dividend Equivalents” equal to (i) the cash dividend payable with respect to a share of Common Stock, multiplied by (ii) the number of Restricted Stock Units outstanding (i.e., the number of Restricted Stock Units granted hereunder less the number of such Restricted Stock Units that have settled in accordance with Section 6 below) on the applicable dividend record date.
  - (b) If a dividend with respect to shares of Common Stock is payable in shares of Common Stock, then, as of the dividend payment date, the Participant shall be credited with that number of “Dividend Equivalent Units” equal to (i) the number of shares of Common Stock distributed in the dividend with respect to a share of Common Stock, multiplied by (ii) the number of Restricted Stock Units outstanding on the applicable dividend record date plus the number of previously credited Dividend Equivalent Units with respect to such Restricted Stock Units, if any.

Dividend Equivalents shall be subject to the same vesting provisions as the Restricted Stock Units to which they relate and shall be settled in accordance with Section 6.

4. Vesting and Forfeiture of Awards. All Restricted Stock Units and Dividend Equivalents shall be unvested unless and until they become vested and nonforfeitable in accordance with this Section 4. Subject to the Participant’s continuing service as an employee of Ambac Financial Group, Inc. (“Ambac”), or its subsidiaries, through the applicable vesting date, and the terms and conditions of this Agreement and the Incentive Plan, the Restricted Stock
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Units and associated Dividend Equivalents shall vest in three equal annual installments on July 9, 2026, July 9, 2027 and July 9, 2028. Except as provided in Section 5(a), if the Participant's termination of employment with Ambac and its subsidiaries (the "Termination Date") occurs for any reason prior to a vesting date, all Restricted Stock Units and associated Dividend Equivalent Units which are not vested upon the Participant's Termination Date shall immediately expire and shall be forfeited and the Participant shall have no further rights with respect to such Restricted Stock Units or associated Dividend Equivalents.

5. Termination of Employment.

- (a) Notwithstanding the provisions of Section 4, if the Participant's Termination Date occurs by reason of (1) Disability (as defined in the Employment Agreement referenced in clause (4) of this subsection)), (2) Retirement (as defined in Section 5(b)), (3) involuntary termination by the Company other than for Cause (as defined in the Employment Agreement), (4) as a result of the Company's failure to extend the term of the Employment Agreement between Ambac and the Participant, dated as of [[GRANTCODE3]] (the "Employment Agreement") pursuant to Section 2 thereof, (5) termination by the Participant for Good Reason (as defined in the Employment Agreement), or (6) death, all Restricted Stock Units and associated Dividend Equivalents shall vest upon the Participant's Termination Date. For the avoidance of doubt, if the Participant has an employment agreement which provides that this Agreement will govern if this Agreement provides for greater vesting acceleration upon a Participant's termination of employment, then all of the provisions (including, but not limited to, terms and timing) of this Section 5(a) shall govern.
- (b) For purposes of the Award evidenced by this Agreement, (i) the terms "Cause," "Disability" and "Good Reason" shall have the meanings specified in the Employment Agreement, and (ii) a Participant's Termination Date shall be considered to occur on account of "Retirement" if the Participant's Termination Date occurs on or after the date on which the following conditions have been satisfied and such Termination Date does not occur for any other reason: (x) the Participant has attained age 60; (y) the Participant has provided at least ten (10) years of service to the Company; and (z) the Participant has provided at least 90 days' prior notice of Participant's Termination Date due to retirement from the Company.

6. Settlement. Subject to the terms and conditions of this Agreement, Restricted Stock Units and associated Dividend Equivalents that have become vested in accordance with Section 4 or 5 shall be settled as soon as practicable after the date on which the Restricted Stock Units and associated Dividend Equivalents vest and, in any event, by no later than March 15 of the calendar year following the calendar year in which the Restricted Stock Units and associated Dividend Equivalent Units vest. Settlement of the vested Restricted Stock Units and associated Dividend Equivalent Units shall be made in the form of shares of Common Stock with one share of Common Stock being issued in settlement of each Restricted Stock Unit and associated Dividend Equivalent Unit (any fractional share being rounded up to the next whole unit). Settlement of Earned Deferred Cash Dividend Equivalents on the vesting date of the underlying Restricted Stock Units to which they relate shall be paid in cash. Upon the settlement of any vested Restricted Stock Units and Dividend Equivalent Units, such Restricted Stock Units and Dividend Equivalent Units shall be cancelled.

7. Withholding. All Awards and payments under this Agreement are subject to withholding of all applicable taxes. Such withholding obligations shall be satisfied through amounts that the Participant is otherwise to receive upon settlement.



8. Transferability. This Award is not transferable except as designated by the Participant by will or by the laws of descent and distribution.

9. Heirs and Successors. If any benefits deliverable to the Participant under this Agreement have not been delivered at the time of the Participant's death, such rights shall be delivered to the Participant's estate.

10. Administration. The authority to administer and interpret this Agreement shall be vested in the Committee, and the Committee shall have all the powers with respect to this Agreement as it has with respect to the Incentive Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

11. Adjustment of Award. In the event of a stock dividend, stock split, reverse stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, exchange of shares, sale of assets or subsidiaries, combination, or other corporate transaction that affects the Common Stock, the Committee shall, in order to preserve the benefits or prevent the enlargement of benefits of this Award, and in the manner it determines equitable in its sole discretion, (a) adjust the number and kind of shares subject to this Award and (b) make any other adjustments that the Committee determines to be equitable (which may include, without limitation, (i) replacement of this Award with other Awards which the Committee determines have comparable value and which are based on stock of a company resulting from the transaction, and (ii) cancellation of this Award in return for cash payment of the then current value of this Award, determined as though this Award is fully vested at the time of payment).

12. Notices. Any notice required or permitted under this Agreement shall be deemed given when delivered personally, through Ambac's stock compensation administration system or when deposited in a United States Post Office, postage prepaid, addressed, as appropriate, to the Company at its principal offices, to the Participant at the Participant's address as last known by the Company or, in either case, such other address as one party may designate in writing to the other.

13. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of New York and applicable federal law.

14. Amendments. The Board of Directors may, at any time, amend or terminate the Incentive Plan, and the Board of Directors or the Committee may amend this Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the affected Participant (or, if the Participant is not then living, the affected beneficiary), adversely affect the rights of any Participant or beneficiary under this Agreement prior to the date such amendment or termination is adopted by the Board of Directors or the Committee, as the case may be.

15. Award Not Contract of Employment. The Award does not constitute a contract of employment or continued service, and the grant of the Award will not give the Participant the right to be retained in the employ or service of the Company or any Subsidiary, nor any right or claim to any benefit under the Incentive Plan or this Agreement, unless such right or claim has specifically accrued under the terms of the Incentive Plan and this Agreement.

16. Severability. If a provision of this Agreement is held invalid by a court of competent jurisdiction, the remaining provisions will nonetheless be enforceable according to their terms. Further, if any provision is held to be overbroad as written, that provision shall be amended to narrow its application to the extent necessary to make the provision enforceable according to applicable law and enforced as amended.

17. Incentive Plan Governs. The Award evidenced by this Agreement is granted pursuant to the Incentive Plan, and the Restricted Stock Units, Dividend Equivalent Units and this Agreement are in all respects governed by the Incentive Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement by reference or are expressly cited.

18. Special Section 409A Rules. To the fullest extent possible, amounts and other benefits payable under the Agreement are intended to comply with or be exempt from the provisions of section 409A of the Code. This Agreement will be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent; provided, however, that the Company does not guarantee the tax treatment of the Award. Notwithstanding any other provision of this Agreement to the contrary, if any payment or benefit hereunder is subject to section 409A of the Code, and if such payment or benefit is to be paid or provided on account of the Participant's termination of employment (or other separation from service):

- (a) and if the Participant is a specified employee (within the meaning of section 409A(a)(2)(B) of the Code) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the Participant's separation from service or termination of employment, such payment or benefit shall be delayed until the first day of the seventh month following the Participant's separation from service; and
- (b) the determination as to whether the Participant has had a termination of employment (or separation from service) shall be made in accordance with the provisions of section 409A of the Code and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.

**Ambac Financial Group, Inc.**  
**Certifications**

I, Claude LeBlanc, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ambac Financial Group, Inc. (the "registrant");
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:
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2025

By: /s/ Claude LeBlanc

Claude LeBlanc  
President and Chief Executive Officer

**Ambac Financial Group, Inc.  
Certifications**

I, David Trick, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ambac Financial Group, Inc. (the "registrant");
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:
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 7, 2025

By: /s/ David Trick

David Trick  
Chief Financial Officer and Treasurer

**Certification of Chief Executive Officer and Chief Financial Officer  
Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Ambac Financial Group, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Claude LeBlanc, Chief Executive Officer of the Company, and David Trick, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Claude LeBlanc

Name: Claude LeBlanc

Title: President and Chief Executive Officer

By: /s/ David Trick

Name: David Trick

Title: Chief Financial Officer and Treasurer

Dated: August 7, 2025