

**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, 2020**  
or  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: **001-39056**



**PING IDENTITY HOLDING CORP.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware** **81-2933383**  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification Number)

**1001 17th Street, Suite 100**  
**Denver, Colorado 80202**  
(Address of Principal executive offices, including zip code)

**(303) 468-2900**  
(Registrant's telephone number, including area code)

**Securities Registered Pursuant to Section 12(b) of the Act:**

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Common Stock, \$0.001 par value per share	PING	New York Stock Exchange

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

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

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

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

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

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

On August 7, 2020, the Registrant had 80,636,450 shares of common stock, \$0.001 par value, outstanding.

**PING IDENTITY HOLDING CORP.**  
**FORM 10-Q**  
**For the Quarter Ended June 30, 2020**  
**TABLE OF CONTENTS**

	<u>Page</u>
<b>PART I. FINANCIAL INFORMATION</b>	
<b>Item 1.</b>	
<a href="#">Financial Statements (unaudited)</a>	3
<a href="#">Condensed Consolidated Balance Sheets as of June 30, 2020 and December 31, 2019</a>	3
<a href="#">Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2020 and 2019</a>	4
<a href="#">Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2020 and 2019</a>	5
<a href="#">Condensed Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended June 30, 2020 and 2019</a>	6
<a href="#">Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2020 and 2019</a>	8
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	9
<a href="#">Forward-Looking Statements</a>	28
<b>Item 2.</b>	
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	31
<b>Item 3.</b>	
<a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	50
<b>Item 4.</b>	
<a href="#">Controls and Procedures</a>	51
<b>PART II. OTHER INFORMATION</b>	
<b>Item 1.</b>	
<a href="#">Legal Proceedings</a>	52
<b>Item 1A.</b>	
<a href="#">Risk Factors</a>	52
<b>Item 2.</b>	
<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	54
<b>Item 3.</b>	
<a href="#">Defaults Upon Senior Securities</a>	54
<b>Item 4.</b>	
<a href="#">Mine Safety Disclosures</a>	54
<b>Item 5.</b>	
<a href="#">Other Information</a>	54
<b>Item 6.</b>	
<a href="#">Exhibits</a>	54
<a href="#">Signatures</a>	56

---

**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share amounts)  
(unaudited)

	June 30, 2020	December 31, 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 177,102	\$ 67,637
Accounts receivable, net of allowances of \$978 and \$873 at June 30, 2020 and December 31, 2019, respectively	58,728	67,642
Contract assets, current	69,301	70,031
Deferred commissions, current	5,355	5,814
Prepaid expenses	7,478	12,768
Other current assets	1,028	3,774
Total current assets	<u>318,992</u>	<u>227,666</u>
Noncurrent assets:		
Property and equipment, net	10,342	11,183
Goodwill	418,660	417,696
Intangible assets, net	182,623	187,868
Contract assets, noncurrent	15,400	15,979
Deferred commissions, noncurrent	7,740	7,856
Deferred income taxes, net	2,628	2,755
Operating lease right-of-use assets	13,789	—
Other noncurrent assets	1,583	1,808
Total noncurrent assets	<u>652,765</u>	<u>645,145</u>
Total assets	<u>\$ 971,757</u>	<u>\$ 872,811</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 5,038	\$ 1,118
Accrued expenses and other current liabilities	9,251	9,302
Accrued compensation	9,854	18,126
Deferred revenue, current	37,374	45,446
Operating lease liabilities, current	3,311	—
Total current liabilities	<u>64,828</u>	<u>73,992</u>
Noncurrent liabilities:		
Deferred revenue, noncurrent	2,590	2,061
Long-term debt	148,889	50,941
Deferred income taxes, net	24,347	30,571
Operating lease liabilities, noncurrent	16,083	—
Other liabilities, noncurrent	1,139	4,775
Total noncurrent liabilities	<u>193,048</u>	<u>88,348</u>
Total liabilities	<u>257,876</u>	<u>162,340</u>
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock; \$0.001 par value; 50,000,000 shares authorized at June 30, 2020 and December 31, 2019; no shares issued or outstanding at June 30, 2020 or December 31, 2019	—	—
Common stock; \$0.001 par value; 500,000,000 shares authorized at June 30, 2020 and December 31, 2019; 80,444,507 and 79,632,500 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	80	80
Additional paid-in capital	729,602	718,446
Accumulated other comprehensive loss	(1,063)	(399)
Accumulated deficit	<u>(14,738)</u>	<u>(7,656)</u>
Total stockholders' equity	<u>713,881</u>	<u>710,471</u>
Total liabilities and stockholders' equity	<u>\$ 971,757</u>	<u>\$ 872,811</u>

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

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share amounts)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Subscription	\$ 54,268	\$ 56,272	\$ 111,086	\$ 103,892
Professional services and other	4,713	6,188	9,307	9,006
Total revenue	58,981	62,460	120,393	112,898
Cost of revenue:				
Subscription (exclusive of amortization shown below)	7,509	5,652	14,618	10,833
Professional services and other (exclusive of amortization shown below)	4,226	3,675	8,239	6,916
Amortization expense	4,944	3,956	9,546	7,822
Total cost of revenue	16,679	13,283	32,403	25,571
Gross profit	42,302	49,177	87,990	87,327
Operating expenses:				
Sales and marketing	20,751	20,026	42,941	37,334
Research and development	11,411	10,857	23,625	22,311
General and administrative	11,726	8,664	23,115	15,748
Depreciation and amortization	4,233	4,153	8,482	8,274
Total operating expenses	48,121	43,700	98,163	83,667
Income (loss) from operations	(5,819)	5,477	(10,173)	3,660
Other income (expense):				
Interest expense	(724)	(4,133)	(1,230)	(8,249)
Other income (expense), net	695	234	(555)	225
Total other income (expense)	(29)	(3,899)	(1,785)	(8,024)
Income (loss) before income taxes	(5,848)	1,578	(11,958)	(4,364)
Benefit for income taxes	2,932	178	4,876	1,241
Net income (loss)	\$ (2,916)	\$ 1,756	\$ (7,082)	\$ (3,123)
Net income (loss) per share:				
Basic	\$ (0.04)	\$ 0.03	\$ (0.09)	\$ (0.05)
Diluted	\$ (0.04)	\$ 0.03	\$ (0.09)	\$ (0.05)
Weighted-average shares used in computing net income (loss) per share:				
Basic	80,169	65,018	79,956	65,012
Diluted	80,169	66,451	79,956	65,012

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

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(In thousands)**  
**(unaudited)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ (2,916)	\$ 1,756	\$ (7,082)	\$ (3,123)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	351	100	(664)	315
Total other comprehensive income (loss)	351	100	(664)	315
Comprehensive income (loss)	<u>\$ (2,565)</u>	<u>\$ 1,856</u>	<u>\$ (7,746)</u>	<u>\$ (2,808)</u>

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

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share amounts)  
(unaudited)

**Three Months Ended June 30, 2020:**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balances at March 31, 2020</b>	79,923,114	\$ 80	\$ 721,181	\$ (1,414)	\$ (11,822)	\$ 708,025
Net loss	—	—	—	—	(2,916)	(2,916)
Stock-based compensation	—	—	4,164	—	—	4,164
Exercise of stock options, net of tax withholding	512,219	—	4,257	—	—	4,257
Vesting of restricted stock	9,174	—	—	—	—	—
Foreign currency translation adjustments, net of tax	—	—	—	351	—	351
<b>Balances at June 30, 2020</b>	<u>80,444,507</u>	<u>\$ 80</u>	<u>\$ 729,602</u>	<u>\$ (1,063)</u>	<u>\$ (14,738)</u>	<u>\$ 713,881</u>

**Three Months Ended June 30, 2019:**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount				
<b>Balances at March 31, 2019</b>	65,006,128	\$ 65	\$ 517,038	\$ (572)	\$ (11,031)	\$ 505,500
Net income	—	—	—	—	1,756	1,756
Stock-based compensation	—	—	1,040	—	—	1,040
Exercise of stock options	124,668	—	978	—	—	978
Vesting of restricted stock	10,710	—	—	—	—	—
Foreign currency translation adjustments, net of tax	—	—	—	100	—	100
<b>Balances at June 30, 2019</b>	<u>65,141,506</u>	<u>\$ 65</u>	<u>\$ 519,056</u>	<u>\$ (472)</u>	<u>\$ (9,275)</u>	<u>\$ 509,374</u>

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

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share amounts)  
(unaudited)

**Six Months Ended June 30, 2020:**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balances at December 31, 2019</b>	79,632,500	\$ 80	\$ 718,446	\$ (399)	\$ (7,656)	\$ 710,471
Net loss	—	—	—	—	(7,082)	(7,082)
Stock-based compensation	—	—	6,764	—	—	6,764
Exercise of stock options, net of tax withholding	785,663	—	4,392	—	—	4,392
Vesting of restricted stock	26,344	—	—	—	—	—
Foreign currency translation adjustments, net of tax	—	—	—	(664)	—	(664)
<b>Balances at June 30, 2020</b>	<u>80,444,507</u>	<u>\$ 80</u>	<u>\$ 729,602</u>	<u>\$ (1,063)</u>	<u>\$ (14,738)</u>	<u>\$ 713,881</u>

**Six Months Ended June 30, 2019:**

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
<b>Balances at December 31, 2018</b>	65,000,816	\$ 65	\$ 515,979	\$ (787)	\$ (6,152)	\$ 509,105
Net loss	—	—	—	—	(3,123)	(3,123)
Stock-based compensation	—	—	2,099	—	—	2,099
Exercise of stock options	124,668	—	978	—	—	978
Vesting of restricted stock	16,022	—	—	—	—	—
Foreign currency translation adjustments, net of tax	—	—	—	315	—	315
<b>Balances at June 30, 2019</b>	<u>65,141,506</u>	<u>\$ 65</u>	<u>\$ 519,056</u>	<u>\$ (472)</u>	<u>\$ (9,275)</u>	<u>\$ 509,374</u>

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

**PING IDENTITY HOLDING CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands)  
(unaudited)

	Six Months Ended June 30,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net loss	\$ (7,082)	\$ (3,123)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	18,028	16,096
Stock-based compensation expense	7,402	2,099
Amortization of deferred commissions	3,761	2,760
Amortization of deferred debt issuance costs	124	424
Operating leases, net	(21)	—
Deferred taxes	(5,280)	(1,471)
Other	186	69
Changes in operating assets and liabilities:		
Accounts receivable	8,727	6,044
Contract assets	1,309	(8,169)
Deferred commissions	(3,186)	(3,629)
Prepaid expenses and other current assets	7,186	3,087
Other assets	220	225
Accounts payable	3,894	(376)
Accrued compensation	(8,724)	(4,611)
Accrued expenses and other	2,243	(1,484)
Deferred revenue	(7,543)	123
Net cash provided by operating activities	<u>21,244</u>	<u>8,064</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment and other	(1,420)	(2,330)
Capitalized software development costs	(6,749)	(4,492)
Acquisition of ShoCard, net of cash acquired of \$0	(4,703)	—
Net cash used in investing activities	<u>(12,872)</u>	<u>(6,822)</u>
<b>Cash flows from financing activities</b>		
Payment of Elastic Beam consideration and holdbacks	(424)	(1,136)
Payment of offering costs	(295)	(543)
Proceeds from stock option exercises	6,046	978
Payment for tax withholding on equity awards	(1,653)	—
Proceeds from long-term debt	97,823	—
Payment of long-term debt	—	(1,250)
Net cash provided by (used in) financing activities	<u>101,497</u>	<u>(1,951)</u>
Effect of exchange rates on cash and cash equivalents and restricted cash	<u>(406)</u>	<u>220</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	109,463	(489)
<b>Cash and cash equivalents and restricted cash</b>		
Beginning of period	68,386	84,143
End of period	<u>\$ 177,849</u>	<u>\$ 83,654</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid for interest	\$ 1,186	\$ 7,739
Cash paid for taxes	423	308
Noncash activities:		
Purchases of property and equipment, accrued but not yet paid	\$ 202	\$ 50
Accruals related to the acquisition of ShoCard	226	—
Offering costs, accrued but not yet paid	—	1,546
Lease liabilities arising from right-of-use assets	794	—
<b>Reconciliation of cash and cash equivalents and restricted cash within the consolidated balance sheets to the amounts shown in the statements of cash flows above:</b>		
Cash and cash equivalents	\$ 177,102	\$ 83,000
Restricted cash included in other noncurrent assets	747	654
Total cash and cash equivalents and restricted cash	<u>\$ 177,849</u>	<u>\$ 83,654</u>

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

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. Overview and Basis of Presentation**

**Organization and Description of Business**

Ping Identity Holding Corp. and its wholly owned subsidiaries, referred to herein as the “Company,” is headquartered in Denver, Colorado with international locations principally in Canada, the United Kingdom, France, Australia, Israel and India. The Company, doing business as Ping Identity Corporation (“Ping Identity”), provides customers, employees and partners with secure access to any service, application or application programming interface (“API”), while also managing identity and profile data at scale.

**Basis of Presentation and Principles of Consolidation**

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated. The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). All amounts are reported in U.S. dollars.

**Unaudited Interim Condensed Consolidated Financial Information**

The accompanying interim condensed consolidated balance sheet as of June 30, 2020, the condensed consolidated statements of operations, of comprehensive income (loss) and of stockholders’ equity for the three and six months ended June 30, 2020 and 2019, the condensed consolidated statements of cash flows for the six months ended June 30, 2020 and 2019 and the related footnote disclosures are unaudited. The condensed consolidated balance sheet data as of December 31, 2019 was derived from audited financial statements, but does not include all disclosures required by GAAP. Therefore, these unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2019.

These unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in management’s opinion, include all adjustments necessary to state fairly the consolidated financial position of the Company as of June 30, 2020, the results of operations for the three and six months ended June 30, 2020 and 2019 and cash flows for the six months ended June 30, 2020 and 2019. The results for the three and six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or for any future period.

**Use of Estimates**

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, establishing allowances for doubtful accounts, determining useful lives for finite-lived assets, assessing the recoverability of long-lived assets, determining the fair values of assets acquired and liabilities assumed in business combinations, determining the value of right-of-use assets and lease liabilities, accounting for income taxes and related valuation allowances against deferred tax assets, valuing stock option awards and assessing the probability of the awards meeting vesting conditions, recognizing revenue, determining the amortization period for deferred commissions and assessing the accounting treatment for commitments and contingencies. Management evaluates these estimates and assumptions on an ongoing basis and makes estimates based on historical experience

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

and various other assumptions that are believed to be reasonable. Actual results may differ from these estimates due to risks and uncertainties, including the uncertainty surrounding rapidly changing market and economic conditions due to the recent outbreak of the novel Coronavirus Disease 2019 ("COVID-19").

**2. Summary of Significant Accounting Policies**

The Company's significant accounting policies are discussed in "Note 2 — Summary of Significant Accounting Policies" to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. Except for accounting policies related to the adoption of the new leasing standard as described herein, there have been no significant changes to these policies that have had a material impact on the Company's condensed consolidated financial statements and related notes for the three and six months ended June 30, 2020. The following describes the impact of certain policies.

**Concentrations of Credit Risk**

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents on deposit at several financial institutions as well as accounts receivable. The Company deposits cash with high-credit-quality financial institutions, which, at times, may exceed federally insured amounts. The Company invests its cash equivalents in highly-rated money market funds.

As of June 30, 2020, one reseller accounted for 11% of accounts receivable, though the reseller sold to a number of customers, none of which accounted for more than 10% of accounts receivable as of June 30, 2020. As of December 31, 2019, no reseller or customer accounted for more than 10% of accounts receivable.

No reseller or customer accounted for more than 10% of total revenue during the three or six months ended June 30, 2020 or 2019.

**Revenue Recognition**

The Company recognizes revenue under Accounting Standards Codification Topic 606 ("ASC 606"), *Revenue from Contracts with Customers*. Under ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

*Disaggregation of Revenue*

The following table presents revenue by category:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Subscription term-based licenses:				
Multi-year subscription term-based licenses	\$ 21,141	\$ 28,994	\$ 45,129	\$ 52,425
1-year subscription term-based licenses	14,183	11,788	28,332	21,082
Total subscription term-based licenses	35,324	40,782	73,461	73,507
Subscription SaaS and support and maintenance	18,944	15,490	37,625	30,385
Professional services and other	4,713	6,188	9,307	9,006
Total revenue	<u>\$ 58,981</u>	<u>\$ 62,460</u>	<u>\$ 120,393</u>	<u>\$ 112,898</u>

The following table presents revenue by geographic region, which is based on the delivery address of the customer, and is summarized by geographic area:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
United States	\$ 44,626	\$ 51,474	\$ 87,655	\$ 89,705
International	14,355	10,986	32,738	23,193
Total revenue	<u>\$ 58,981</u>	<u>\$ 62,460</u>	<u>\$ 120,393</u>	<u>\$ 112,898</u>

Other than the United States, no other individual country exceeded 10% of total revenue for the three months ended June 30, 2020 and 2019 or the six months ended June 30, 2020 and 2019.

*Contract Balances*

Contract assets represent amounts for which the Company has recognized revenue, pursuant to its revenue recognition policy, for contracts that have not yet been invoiced to customers where there is a remaining performance obligation, typically for multi-year arrangements. The opening and closing balances of contract assets were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Beginning balance	\$ 85,213	\$ 70,300	\$ 86,010	\$ 67,468
Ending balance	84,701	75,637	84,701	75,637
Change	<u>\$ (512)</u>	<u>\$ 5,337</u>	<u>\$ (1,309)</u>	<u>\$ 8,169</u>

Contract liabilities consist of customer billings in advance of revenue being recognized. The opening and closing balances of contract liabilities included in deferred revenue were as follows:

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Beginning balance	\$ 38,343	\$ 37,975	\$ 47,507	\$ 35,367
Ending balance	39,964	35,490	39,964	35,490
Change	<u>\$ 1,621</u>	<u>\$ (2,485)</u>	<u>\$ (7,543)</u>	<u>\$ 123</u>

The change in deferred revenue relates primarily to invoicing customers and recognizing revenue in conjunction with the satisfaction of performance obligations. Revenue recognized during the three and six months ended June 30, 2020 and 2019 that was included in the deferred revenue balances at the beginning of the respective periods was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Deferred revenue recognized as revenue	\$ 12,247	\$ 8,765	\$ 35,215	\$ 24,301

*Remaining Performance Obligations*

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and noncancelable amounts to be invoiced. As of June 30, 2020, the Company had \$127.3 million of transaction price allocated to remaining performance obligations, of which 89% is expected to be recognized as revenue over the next 24 months, with the remainder to be recognized thereafter.

**Deferred Commissions**

The following table summarizes the account activity of deferred commissions for the three and six months ended June 30, 2020 and 2019:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Beginning balance	\$ 13,104	\$ 10,935	\$ 13,670	\$ 11,033
Additions to deferred commissions	1,650	2,331	3,186	3,629
Amortization of deferred commissions	(1,659)	(1,364)	(3,761)	(2,760)
Ending balance	<u>\$ 13,095</u>	<u>\$ 11,902</u>	<u>\$ 13,095</u>	<u>\$ 11,902</u>
Deferred commissions, current	\$ 5,355	\$ 4,505	\$ 5,355	\$ 4,505
Deferred commissions, noncurrent	7,740	7,397	7,740	7,397
Total deferred commissions	<u>\$ 13,095</u>	<u>\$ 11,902</u>	<u>\$ 13,095</u>	<u>\$ 11,902</u>

**Recent Accounting Pronouncements**

Under the Jumpstart Our Business Startups Act (the "JOBS Act"), emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. The Company elected to use the extended transition period for complying with new or revised accounting standards under the JOBS Act until it is no longer an emerging growth company or until it chooses to affirmatively and irrevocably opt out of the extended transition period. On June 30, 2020, the last day of the Company's second fiscal quarter in 2020, the market value of the Company's common stock held by non-affiliates exceeded \$700 million. Accordingly, the Company will be deemed

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

a large accelerated filer as of December 31, 2020 and can no longer take advantage of the extended timeline to comply with new or revised accounting standards applicable to public companies beginning with its Annual Report on Form 10-K for the year ending December 31, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which supersedes the guidance in topic ASC 840, *Leases* (“ASC 840”). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The FASB has also issued several ASUs to provide implementation guidance relating to ASU 2016-02, including ASU 2017-13, ASU 2018-10, ASU 2018-11, ASU 2018-20 and ASU 2019-01, all of which the Company has considered when evaluating the impact of ASU 2016-02. Collectively, the Company refers to the amendments described herein as “ASC 842.”

Effective January 1, 2020, the Company adopted ASC 842 using the modified retrospective transition approach through a cumulative-effect adjustment, which resulted in the recognition of right-of-use assets of \$14.6 million and lease liabilities of \$18.9 million. As part of applying the modified retrospective transition method, the Company elected to apply the package of transition practical expedients within the new guidance. As required by ASC 842, these expedients have been elected as a package and have been consistently applied across the Company's lease portfolio. Given this election, the Company need not reassess the following:

- whether any expired or existing contracts are or contain leases;
- the lease classification for any expired or existing leases; or
- the treatment of initial direct costs relating to any existing leases.

The Company also elected to apply the transition practical expedient to use hindsight in determining lease term and in assessing impairment of right-of-use assets. As a result of adoption of this standard and election of the transition practical expedients, the Company recognized right-of-use assets and lease liabilities for those leases classified as operating leases under ASC 840 that continued to be classified as operating leases under ASC 842 at the later of (1) the earliest period presented or (2) the applicable lease commencement date.

In applying the modified retrospective transition method to these leases, the Company measured lease liabilities at the present value of the sum of remaining minimum rental payments (as defined under ASC 840), as the leases contained no residual value guarantees. These lease liabilities have been measured using the Company's incremental borrowing rates at the later of (1) the earliest period presented or (2) the commencement date of the applicable lease. Additionally, right-of-use assets for these operating leases have been measured as the initial measurement of applicable lease liabilities adjusted for any prepaid/accrued rent and unamortized lease incentives. The adoption of ASC 842 did not have a material impact on the condensed consolidated statements of cash flows or condensed consolidated statements of operations and comprehensive loss. Expanded disclosures around the Company's lease agreements under ASC 842 are included in Note 12 of these condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (“ASU 2016-13”), which changes the impairment model for most financial assets. The new model uses a forward-looking expected loss method, which will generally result in earlier recognition of allowances for losses. In February 2020, the

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

FASB issued ASU No. 2020-02, *Financial Instruments – Credit Losses (Topic 326)*, which amends the effective date of the original pronouncement for smaller reporting companies. For public companies, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within that reporting period. For all other entities, including emerging growth companies, ASU 2016-13 and its amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. As the Company will be designated a large accelerated filer on December 31, 2020, it plans to adopt ASU 2016-13 in the fourth quarter of 2020 for the year ended December 31, 2020. The Company is currently evaluating the impact of the adoption of these pronouncements on its condensed consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”)*, which improves the disclosure requirements for fair value measurements. Effective January 1, 2020, the Company adopted ASU 2018-13. The adoption did not have a material impact on its condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (“ASU 2018-15”)*, which requires implementation costs incurred by customers in a cloud computing arrangement to be deferred over the noncancelable term of the cloud computing arrangement plus any optional renewal periods that (1) are reasonably certain to be exercised by the customer, or (2) for which exercise of the renewal option is controlled by the cloud service provider. For public companies, the effective date of this pronouncement is for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other entities, the effective date of this pronouncement is for fiscal years beginning after December 15, 2020 and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. As the Company will be designated a large accelerated filer on December 31, 2020, it plans to adopt ASU 2018-15 in the fourth quarter of 2020 for the year ended December 31, 2020. The Company is currently evaluating the impact of this pronouncement on its condensed consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU 2019-12”)*, which simplifies the accounting for income taxes, eliminates certain exceptions to the general principles in Topic 740 and clarifies certain aspects of the current guidance to improve consistent application among reporting entities. For public entities, ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, ASU 2019-12 is effective for fiscal years beginning after December 15, 2021 and interim periods within annual periods beginning after December 15, 2022. Early adoption is permitted, including adoption in any interim period for which financial statements have not yet been issued. The Company is currently evaluating the impact of ASU 2019-12 on its condensed consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848) (“ASU 2020-04”)*, which provides companies with temporary optional financial reporting alternatives to ease the potential burden in accounting for reference rate reform and includes a provision that allows companies to account for a modified contract as a continuation of an existing contract. ASU 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is currently in the process of evaluating ASU 2020-04 and its effect on its condensed consolidated financial statements.

**3. Fair Value of Financial Instruments**

For financial assets and liabilities that are measured at fair value on a recurring basis at each reporting period, the Company uses a fair value hierarchy that prioritizes the use of observable inputs and

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

minimizes the use of unobservable inputs. A financial instrument's classification within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Company invests primarily in money market funds, which are measured and recorded at fair value on a recurring basis and are classified within Level 1 of the fair value hierarchy because they are valued based on quoted market prices in active markets. The fair value of these financial instruments were as follows:

	June 30, 2020			Total
	Level 1	Level 2	Level 3	
(in thousands)				
<b>Cash and cash equivalents:</b>				
Money market funds	\$ 140,046	\$ —	\$ —	\$ 140,046
	December 31, 2019			Total
	Level 1	Level 2	Level 3	
(in thousands)				
<b>Cash and cash equivalents:</b>				
Money market funds	\$ 47,858	\$ —	\$ —	\$ 47,858

The carrying amounts of the Company's accounts receivable, accounts payable and other current liabilities approximate their fair values due to their short maturities. The carrying value of the Company's long-term debt approximates its fair value based on Level 2 inputs as the principal amounts outstanding are subject to variable interest rates that are based on market rates (see Note 7).

**4. Property and Equipment**

Property and equipment consisted of the following:

	June 30, 2020	December 31, 2019
	(in thousands)	
Computer equipment	\$ 6,088	\$ 5,729
Furniture and fixtures	3,859	3,757
Purchased computer software	785	785
Leasehold improvements	7,527	7,086
Other	448	448
Property and equipment, gross	18,707	17,805
Less: Accumulated depreciation	(8,365)	(6,622)
Property and equipment, net	\$ 10,342	\$ 11,183

Depreciation expense for the three months ended June 30, 2020 and 2019 was \$0.9 million and \$0.7 million, respectively. Depreciation expense for the six months ended June 30, 2020 and 2019 was \$1.9 million and \$1.4 million, respectively.

**5. Business Combinations**

**ShoCard, Inc. Acquisition**

On March 2, 2020, Ping Identity Corporation acquired 100% of the voting equity interest in ShoCard, Inc., a Delaware Corporation ("ShoCard"). ShoCard is a cloud-based mobile identity solution that offers identity services for verified claims. The purpose of this acquisition was to expand the Company's identity proofing solutions.

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

The total purchase price was \$5.5 million. An additional \$3.1 million and \$2.3 million of contingent compensation is payable in common stock of the Company on the first and second anniversary of the acquisition, respectively, contingent on certain individuals remaining employed as of those dates and other service conditions. As these payments are subject to the continued employment of those individuals, they will be recognized through compensation expense as incurred. See Note 10 for additional details.

The following table summarizes the preliminary allocation of the purchase price, based on the estimated fair value of the assets acquired and liabilities assumed at the acquisition date:

	<u>March 2, 2020</u> <u>(in thousands)</u>	<u>Useful Life</u>
<b>Fair value of net assets acquired</b>		
Developed technology	\$ 3,550	7 years
Goodwill	964	Indefinite
Deferred tax asset	1,005	
Other assets	11	
Total assets acquired	<u>5,530</u>	
Other liabilities	<u>(2)</u>	
Total liabilities assumed	<u>(2)</u>	
Net assets acquired	<u>\$ 5,528</u>	

Goodwill is primarily attributable to the workforce acquired and the expected synergies arising from integrating ShoCard's identity solution with the Company's existing identity solutions. None of the goodwill is deductible for tax purposes. The Company incurred \$0.1 million and \$0.6 million of acquisition-related expenses in conjunction with the ShoCard acquisition, which are included in general and administrative expenses on the condensed consolidated statement of operations for the three and six months ended June 30, 2020, respectively.

Additional information around the ShoCard acquisition, such as that related to income tax and other contingencies existing as of the acquisition date but unknown to the Company, may become known during the remainder of the measurement period, not to exceed one year from the acquisition date, which may result in changes to the amounts and allocations recorded.

#### **Elastic Beam Inc. Acquisition**

On April 5, 2018, Ping Identity Corporation acquired 100% of the voting equity interest in Elastic Beam Inc., a Delaware Corporation ("Elastic Beam"). Elastic Beam is a machine learning/artificial intelligence API behavioral security software which detects, reports and stops cyberattacks on data and applications via APIs. The purpose of this acquisition was to expand the Company's capabilities in identity security, particularly with regard to artificial intelligence.

The total purchase price was \$19.0 million, which included up-front cash consideration of \$17.4 million that was funded with existing cash resources, and \$1.6 million, of which \$1.1 million and \$0.5 million was payable on the first and second anniversary of the acquisition, respectively. During the three and six months ended June 30, 2019, the Company paid the first anniversary payment of \$1.1 million. During the three and six months ended June 30, 2020, the Company paid the second anniversary payment of \$0.5 million.

\$4.8 million and \$4.2 million of contingent compensation was payable on the first and second anniversary of the acquisition, respectively, contingent on certain individuals remaining employed as of those dates. As these payments were subject to the continued employment of those individuals, they were recognized through compensation expense as incurred. During the three and six months ended June 30, 2019, the

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

Company paid the first anniversary payment of \$4.8 million. During the three and six months ended June 30, 2020, the Company paid the second anniversary payment of \$4.2 million.

The following table summarizes the allocation of the purchase price, based on the fair value of the assets acquired and liabilities assumed at the acquisition date:

	<u>April 5, 2018</u>	<u>Useful Life</u>
	<u>(in thousands)</u>	
<b>Fair value of net assets acquired</b>		
In process research and development	\$ 3,006	Indefinite
Goodwill	15,972	Indefinite
Deferred tax asset	108	
Other assets	3	
Total assets acquired	<u>19,089</u>	
Deferred revenue	<u>(115)</u>	
Total liabilities assumed	<u>(115)</u>	
Net assets acquired	<u>\$ 18,974</u>	

Goodwill is primarily attributable to the workforce acquired and the expected synergies arising from integrating Elastic Beam's behavioral security software with the Company's existing security platform. None of the goodwill is deductible for tax purposes.

**Additional Acquisition Related Information**

The operating results of ShoCard and Elastic Beam are included in the Company's condensed consolidated statements of operations from their respective dates of acquisition. Revenue and earnings of ShoCard and Elastic Beam since their respective dates of acquisition and pro forma results of operations have not been prepared because the effect of the acquisitions were not material to the condensed consolidated statements of operations.

**6. Goodwill and Intangible Assets**

The changes in the carrying amount of the Company's goodwill balance from December 31, 2019 to June 30, 2020 were as follows:

	<u>June 30,</u>
	<u>2020</u>
	<u>(in thousands)</u>
Beginning balance	\$ 417,696
Additions to goodwill related to acquisitions	964
Ending balance	<u>\$ 418,660</u>

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

The Company's intangible assets as of June 30, 2020 were as follows:

	<b>June 30, 2020</b>		
	<b>Gross Amount</b>	<b>Accumulated Amortization</b> (in thousands)	<b>Net Carrying Value</b>
Developed technology	\$ 112,074	\$ (48,877)	\$ 63,197
Customer relationships	94,875	(29,956)	64,919
Trade names	56,683	(22,588)	34,095
Capitalized internal-use software	29,019	(9,237)	19,782
Other intangible assets	1,108	(478)	630
Total intangible assets	<u>\$ 293,759</u>	<u>\$ (111,136)</u>	<u>\$ 182,623</u>

The Company's intangible assets as of December 31, 2019 were as follows:

	<b>December 31, 2019</b>		
	<b>Gross Amount</b>	<b>Accumulated Amortization</b> (in thousands)	<b>Net Carrying Value</b>
Developed technology	\$ 107,938	\$ (42,260)	\$ 65,678
Customer relationships	94,875	(26,205)	68,670
Trade names	56,640	(19,754)	36,886
Capitalized internal-use software	21,881	(6,375)	15,506
Other intangible assets	1,077	(535)	542
Total intangible assets subject to amortization	282,411	(95,129)	187,282
In-process research and development	586	—	586
Total intangible assets	<u>\$ 282,997</u>	<u>\$ (95,129)</u>	<u>\$ 187,868</u>

The Company capitalized \$3.8 million and \$2.5 million of internal-use software costs during the three months ended June 30, 2020 and 2019, respectively, which included \$0.4 million and \$0.0 million of stock-based compensation costs, respectively. The Company capitalized \$7.1 million and \$4.5 million of internal-use software costs during the three months ended June 30, 2020 and 2019, respectively, which included \$0.4 million and \$0.0 million of stock-based compensation costs, respectively.

Amortization expense for the three months ended June 30, 2020 and 2019 was \$8.3 million and \$7.4 million, respectively. Amortization expense for the six months ended June 30, 2020 and 2019 was \$16.2 million and \$14.7 million, respectively. During the three and six months ended June 30, 2020, \$0.6 million of in-process research and development was reclassified to developed technology when ready for intended use.

As of June 30, 2020, expected amortization expense for intangible assets subject to amortization for the next five years is as follows:

<b>Year Ending December 31,</b>	<b>June 30, 2020</b> (in thousands)
2020 (remaining six months)	\$ 16,941
2021	33,118
2022	31,264
2023	28,923
2024	25,778
Thereafter	46,599
Total	<u>\$ 182,623</u>

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**7. Debt**

In January 2018, the Company entered into credit facilities with a consortium of lenders comprised of (a) a term loan with a principal amount of \$250.0 million (the "2018 Term Loan Facility"), and (b) a revolving line of credit in a principal committed amount of \$25.0 million (the "2018 Revolving Credit Facility" and, collectively with the 2018 Term Loan Facility, the "2018 Credit Facilities"). The 2018 Term Loan Facility and 2018 Revolving Credit Facility had maturity dates of January 25, 2025 and January 25, 2023, respectively. Borrowings under the 2018 Credit Facilities were collateralized by substantially all of the assets of the Company.

There were no significant financial covenants to which the Company was required to comply in relation to the 2018 Term Loan Facility. The wholly owned indirect subsidiary, Ping Identity Corporation, as borrower under the 2018 Credit Facilities, was limited to declare dividends or make any payment on account of its capital stock to, directly or indirectly, fund a dividend or other distribution to Ping Identity Holding Corp. (the "Parent"), subject to limited exceptions, including (1) stock repurchases in an amount not to exceed the greater of \$1.5 million per year or 3.75% of consolidated EBITDA, with any unused amount being carried forward to future periods, (2) unlimited amounts subject to compliance with a 4.25 to 1.00 total leverage ratio giving pro forma effect to any distribution, (3) unlimited amounts up to 7% of the Parent's market capitalization and (4) payment of the Parent's overhead expenses.

The 2018 Term Loan Facility bore interest at the option of the Company at a rate per annum equal to (a) an adjusted LIBO rate (with a floor of 1.00% per annum) plus an applicable margin of 3.75%, payable on the last day of the applicable interest period applicable thereto ("Eurodollar" loan), or (b) the alternate base rate (with a floor of 2.00% per annum) plus an applicable margin of 2.75%, payable quarterly in arrears the last business day of each March, June, September and December. The 2018 Term Loan Facility was borrowed as a Eurodollar loan.

In December 2019, Roaring Fork Intermediate, LLC and Ping Identity Corporation, each a wholly-owned subsidiary of Ping Identity Holding Corp., and certain of their subsidiaries, entered into a credit agreement (the "2019 Credit Agreement") with the financial institutions identified therein as lenders, including Bank of America, N.A., as administrative agent, and BofA Securities, Inc. and RBC Capital Markets as joint lead arrangers. In connection therewith, the Company repaid all outstanding borrowings under the 2018 Term Loan Facility and terminated the 2018 Revolving Credit Facility. The 2019 Credit Agreement provides for a senior revolving line of credit in a principal committed amount of \$150.0 million (the "2019 Revolving Credit Facility"), with the option to request incremental term loan facilities in a minimum amount of \$10 million for each facility if certain conditions are met. The Company's obligations under the 2019 Credit Agreement are secured by substantially all of the assets of the Company, and borrowings under the 2019 Revolving Credit Facility may be used for working capital and other general corporate purposes, including for acquisitions permitted under the 2019 Credit Agreement.

The 2019 Credit Agreement contains certain customary events of default and customary representations and warranties and affirmative and negative covenants, including certain restrictions on the ability of the Company to incur additional indebtedness or guarantee indebtedness of others, to create liens on properties or assets, and to enter into certain asset and stock-based transactions. In addition, under the terms of the 2019 Credit Agreement, the Company must adhere to certain financial covenants, including (i) a senior secured net leverage ratio, which shall not be more than 3.50 to 1.00, provided that the maximum ratio shall be increased to 4.00 to 1.00 during a fiscal year in which a Material Acquisition (as defined in the 2019 Credit Agreement) has been consummated, and (ii) a consolidated interest coverage ratio, which shall not be less than 3.50 to 1.00. As of June 30, 2020, the Company was in compliance with all financial covenants.

The wholly owned indirect subsidiary, Ping Identity Corporation, as borrower under the 2019 Credit Agreement, is limited in its ability to declare dividends or make any payment on account of its capital

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

stock to, directly or indirectly, fund a dividend or other distribution to Ping Identity Holding Corp. (as the Parent), subject to limited exceptions, including (1) stock repurchases from current or former employees, officers or directors in an amount not to exceed \$5 million, (2) unlimited amounts subject to compliance with its financial covenants for the most recently ended four quarters as well as a 6.00 to 1.00 total net leverage ratio for the most recently ended four quarters, both after giving pro forma effect to any distribution, (3) unlimited amounts up to the greater of \$19.5 million in the aggregate or 15% of EBITDA for the most recently ended four quarters and (4) payment of certain of the Parent's overhead expenses.

The 2019 Revolving Credit Facility matures on December 12, 2024 and bears interest at the option of the Company at a rate per annum equal to either (i) a base rate, which is equal to the greater of (a) the prime rate, (b) the federal funds effective rate plus 0.5% and (c) the adjusted LIBO rate for a one month interest period plus 1%, or (ii) the adjusted LIBO rate equal to the LIBO rate for the interest period multiplied by the statutory reserve rate, plus in the case of each of clauses (i) and (ii), the Applicable Rate (as defined in the 2019 Credit Agreement), which ranges from (i) 0.25% to 1.0% per annum for base rate loans and (ii) 1.25% to 2.0% per annum for LIBO rate loans, in each case, depending on the senior secured net leverage ratio. The Company will also pay a commitment fee during the term of the 2019 Credit Agreement ranging from 0.20% to 0.35% of the average daily amount of the available amount to be borrowed under the 2019 Credit Agreement per annum, based on the senior secured net leverage ratio.

Any borrowing under the 2019 Credit Agreement may be repaid, in whole or in part, at any time and from time to time without premium or penalty other than customary breakage costs, and any amounts repaid may be reborrowed. No mandatory prepayments will be required other than when borrowings and letter of credit usage exceed the aggregate commitment of all lenders.

The Company recognized \$0.7 million and \$3.9 million in interest expense for the three months ended June 30, 2020 and 2019, respectively. For the six months ended June 30, 2020 and 2019, the Company recognized \$1.1 million and \$7.8 million in interest expense, respectively.

As of June 30, 2020 and December 31, 2019, the Company's outstanding long-term debt balance was \$148.9 million and \$50.9 million, respectively (net of debt issuance costs of \$1.1 million and \$1.2 million, respectively). Debt issuance costs are a direct deduction from the long-term debt liability and are amortized into interest expense over the contractual term of the borrowings using the effective interest method. During the three months ended June 30, 2020 and 2019, the Company amortized \$0.1 million and \$0.2 million of debt issuance costs, respectively. During the six months ended June 30, 2020 and 2019, the Company amortized \$0.1 million and \$0.4 million of debt issuance costs, respectively.

Future principal payments on outstanding borrowings as of June 30, 2020 are as follows:

<u>Year Ending December 31,</u>	<u>June 30, 2020</u>
	<u>(in thousands)</u>
2020 (remaining six months)	\$ —
2021	—
2022	—
2023	—
2024	150,000
Thereafter	—
Total	<u>\$ 150,000</u>

#### 8. Income Taxes

For the three months ended June 30, 2020 and 2019, the Company recorded \$2.9 million and \$0.2 million as its benefit for income taxes, respectively. For the six months ended June 30, 2020 and 2019,

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

the Company recorded \$4.9 million and \$1.2 million as its benefit for income taxes, respectively. The key components of the Company's benefit for income taxes primarily consist of state and federal income taxes, foreign income taxes and research and development ("R&D") credits. The Company's quarterly tax benefit calculation is subject to variation due to several factors, including variability in loss before income taxes, the mix of jurisdictions to which such loss relates, changes in how the Company conducts business and tax law developments. The increase in the tax benefit for the three and six months ended June 30, 2020 as compared to the three and six months ended June 30, 2019 also relates to a larger benefit for stock-based compensation and an increase in R&D credits recorded in the three and six months ended June 30, 2020 as compared to the three and six months ended June 30, 2019.

**9. Stockholders' Equity**

On June 30, 2016, the Board of Directors and stockholders approved the Second Amended and Restated Certificate of Incorporation authorizing the Company to issue up to 85,000,000 shares of common stock and 34,000,000 shares of preferred stock, each with a par value of \$0.001 per share. On September 5, 2019, the Company's Board of Directors and stockholders approved the Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 85,000,000 shares to 500,000,000 shares and to increase the number of authorized shares of preferred stock from 34,000,000 shares to 50,000,000 shares. The par value of the common and preferred stock remained at \$0.001 per share.

**Common stock**

The Company's Third Amended and Restated Certificate of Incorporation, which the Board of Directors approved on September 18, 2019 and the stockholders approved on September 23, 2019, authorizes issuance of up to 500,000,000 shares of common stock with a par value of \$0.001 per share. The common stock confers upon its holders the right to vote on all matters to be voted on by the stockholders of the Company (with each share representing one vote) and to ratably participate in any distribution of dividends or payments in the event of liquidation or dissolution on a per share basis. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of holders of any preferred stock that may be issued in the future.

**Preferred stock**

The Company's Third Amended and Restated Certificate of Incorporation authorizes, without stockholder approval but subject to any limitations prescribed by law, the issuance of up to an aggregate of 50,000,000 shares of preferred stock (in one or more series or classes), to create additional series or classes of preferred stock and to establish the number of shares to be included in such series or class. The Board of Directors is also authorized to increase or decrease the number of shares of any series or class subsequent to the issuance of shares of that series or class. Each series will have such rights, preferences and limitations, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences as determined by the Board of Directors. As of June 30, 2020 and December 31, 2019, the Company did not have any shares of preferred stock outstanding and currently has no plans to issue shares of preferred stock.

**10. Stock-Based Compensation**

On June 30, 2016, the Company established the 2016 Stock Option Plan (the "2016 Plan"). The 2016 Plan provides for grants of restricted stock units and stock options to executives, directors, consultants,

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

advisors and key employees which allow option holders to purchase stock in Ping Identity Holding Corp. The Company has 6,800,000 shares of common stock reserved for issuance under the 2016 Plan.

On September 23, 2019, the Company adopted the Ping Identity Holding Corp. Omnibus Incentive Plan (the “2019 Omnibus Incentive Plan”). The 2019 Omnibus Incentive Plan provides for grants of (i) stock options, (ii) stock appreciation rights, (iii) restricted shares, (iv) performance awards, (v) other share-based awards and (vi) other cash-based awards to eligible employees, non-employee directors and consultants of the Company. At June 30, 2020, the maximum number of shares of common stock available for issuance under the 2019 Omnibus Incentive Plan was 11,290,813 shares.

Stock-based compensation expense for all equity arrangements for the three and six months ended June 30, 2020 and 2019 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Subscription cost of revenue	\$ 174	\$ —	\$ 320	\$ —
Professional services and other cost of revenue	99	—	183	—
Sales and marketing	1,243	188	2,040	410
Research and development	1,298	218	2,186	433
General and administrative	1,731	634	2,673	1,256
Total	<u>\$ 4,545</u>	<u>\$ 1,040</u>	<u>\$ 7,402</u>	<u>\$ 2,099</u>

Stock-based compensation expense recorded to research and development in the condensed consolidated statements of operations excludes amounts that were capitalized in relation to internal-use software. Refer to Note 6 for additional details.

**Restricted Stock Units**

The Company grants RSUs that generally vest over one to four years. The weighted-average grant-date fair value of RSUs granted during the three months ended June 30, 2020 was \$20.50. No RSUs were granted during the three months ended June 30, 2019. The weighted-average grant-date fair value of RSUs granted during the six months ended June 30, 2020 and 2019 was \$20.63 and \$13.30, respectively. The total intrinsic value of RSUs vested during the three months ended June 30, 2020 and 2019 was \$0.2 million and \$0.1 million, respectively. The total intrinsic value of RSUs vested during the six months ended June 30, 2020 and 2019 was \$0.6 million and \$0.1 million, respectively. As of June 30, 2020, there was \$45.5 million of total unrecognized compensation, which will be recognized over the remaining weighted-average vesting period of 3.6 years using the straight-line method. A summary of the status of the Company’s unvested RSUs and activity for the six months ended June 30, 2020 is as follows:

	Shares	Weighted Average Grant Date Fair Value
<b>Unvested as of December 31, 2019</b>	1,415,629	\$ 16.46
Granted	1,490,722	20.63
Forfeited/canceled	(107,200)	16.51
Vested	(26,344)	18.15
<b>Unvested as of June 30, 2020</b>	<u>2,772,807</u>	<u>\$ 18.68</u>

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**Stock Options**

No stock options were granted during the three or six months ended June 30, 2020 or 2019. A summary of the Company's stock option activity and related information for the six months ended June 30, 2020 is as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
<b>Outstanding as of December 31, 2019</b>	5,945,878	\$ 9.41	7.5	\$ 88,520
Granted	—	—		
Forfeited/canceled	(332,380)	9.02		
Exercised	(960,037)	9.00		15,110
<b>Outstanding as of June 30, 2020</b>	<u>4,653,461</u>	<u>\$ 9.53</u>	<u>7.0</u>	<u>\$ 105,000</u>
<b>As of June 30, 2020:</b>				
Vested and expected to vest	2,862,426	\$ 9.55	7.0	\$ 64,516
Vested and exercisable	1,982,169	\$ 8.55	6.5	\$ 46,656

As of June 30, 2020, unamortized stock-based compensation expense related to the time-based awards was \$4.0 million and the remaining weighted-average vesting term was 2.2 years. The vesting of these time-based awards may accelerate and the stock options will become exercisable following both (i) an initial public offering ("IPO") and registration of shares of common stock of Ping Identity Holding Corp. and (ii) Vista Equity Partners ("Vista") realizing a cash return on its investment in the Company equaling or exceeding \$1.491 billion. Though the recognition of the remaining unamortized stock-based compensation expense may be accelerated, acceleration was not probable as of June 30, 2020.

For the awards subject to performance and market conditions, unrecognized stock-based compensation expense as of June 30, 2020 was \$7.9 million. The vesting conditions of these awards provide for the options to vest and become exercisable following both (i) an IPO and registration of shares of common stock of Ping Identity Holding Corp. and (ii) Vista's realized cash return on its investment in the Company equaling or exceeding \$1.491 billion. As of June 30, 2020, these awards were not considered probable of meeting vesting requirements and accordingly, no expense was recorded.

**Long-Term Incentive Plan**

Grants under the Company's long-term incentive plan ("LTIP") are expected to vest following both (i) an IPO and registration of shares of common stock of Ping Identity Holding Corp. and (ii) Vista's realized cash return on its investment in the Company equaling or exceeding \$1.491 billion. As of June 30, 2020, these awards were not considered probable of meeting the vesting requirements and accordingly, no expense was recorded during the three or six months ended June 30, 2020. During future reporting periods, if the awards are considered to be probable of meeting vesting requirements, this could result in compensation expense of at least \$18.0 million.

**Other Liability-Classified Awards**

In conjunction with the ShoCard acquisition (Note 5), the Company issued liability-classified awards to certain individuals with a stated value of \$3.1 million and \$2.3 million that vest on the first and second anniversary of the acquisition, respectively, and are subject to continuous service and other conditions. The liability-classified awards will be settled with a variable number of shares of the Company's common stock at each anniversary date based on the satisfaction of such conditions. During the three and six

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

months ended June 30, 2020, the Company recognized \$0.8 million and \$1.0 million of stock-based compensation expense, respectively, related to these awards.

**11. Related Party Transactions**

Vista is a U.S.-based investment firm that controlled the funds which owned a majority of the Company during the three and six months ended June 30, 2020 and 2019. During the three and six months ended June 30, 2020 and 2019, the Company paid for consulting services and other expenses related to services provided by Vista and Vista affiliates. The total expenses incurred by the Company for Vista were \$0.1 million and \$0.3 million for the three months ended June 30, 2020 and 2019, respectively. The total expenses incurred by the Company for Vista were \$0.3 million and \$0.6 million for the six months ended June 30, 2020 and 2019, respectively.

The Company also has revenue arrangements with Vista affiliates. The Company recognized revenue of \$0.1 million during the three months ended June 30, 2020 and 2019. The Company recognized revenue of \$0.3 million and \$0.2 million during the six months ended June 30, 2020 and 2019, respectively. The Company had \$0.1 million and \$1.1 million in accounts receivable related to these agreements at June 30, 2020 and December 31, 2019, respectively.

**12. Operating Leases**

The Company leases office spaces and a data center under noncancelable lease terms. These leases have a remaining lease term of up to six years, with a small number of office spaces that are month-to-month and accounted for as short-term leases in accordance with ASC 842-20-25-2. The Company has not recognized renewal options as part of its right-of-use assets and lease liabilities, as renewal options are not reasonably certain of exercise or occurrence as of June 30, 2020. Additionally, these leasing arrangements do not contain residual value guarantees, and there are no other restrictions or covenants in the contracts.

Some real estate leases contain lease and non-lease components. Non-lease components generally represent use-based charges for common area maintenance, taxes and utilities. The Company has elected not to separate lease and non-lease components. In addition to variable lease payments for use-based charges, some leasing arrangements contain variable lease payments that increase based on a consumer price index. Some contracts also contain lease incentives such as tenant improvement allowances and rent holidays, which are treated as a reduction of lease payments for the measurement of the lease liability.

Determination of a leasing arrangement is performed at inception. Right-of-use assets represent the Company's right to use leased assets over the term of the lease, adjusted for lease incentives such as tenant improvements. Lease liabilities represent the Company's contractual obligation to make lease payments over the lease term. Right-of-use assets and lease liabilities are determined based on the present value of future lease payments using the interest rate implicit in the loan or, if that rate cannot be readily determined, the incremental borrowing rate. Incremental borrowing rates were determined for each lease based on the Company's borrowing rate adjusted for term differences and foreign currency risk.

The following tables present components of lease cost recorded in the condensed consolidated statement of operations and supplemental information as of and for the three and six months ended June 30, 2020.

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
	(in thousands)	
<b>Lease costs:</b>		
Operating lease costs	\$ 929	\$ 1,848
Short-term lease costs	82	182
Variable lease costs	451	963
Total lease costs	<u>\$ 1,462</u>	<u>\$ 2,993</u>

	Six Months Ended June 30, 2020
	(in thousands)
<b>Other information:</b>	
Cash paid for the amounts included in the measurement of lease liabilities within operating cash flows	\$ 1,850

	June 30, 2020
<b>Weighted-average:</b>	
Remaining lease term	5.3 years
Discount rate	3.9 %

As of June 30, 2020, the maturities of remaining lease payments included in the measurement of operating leases are as follows:

Year Ending December 31,	June 30, 2020 (in thousands)
2020 (remaining six months)	\$ 2,118
2021	4,105
2022	4,026
2023	4,080
2024	3,742
Thereafter	3,607
Total lease payments	<u>21,678</u>
Less: imputed interest	<u>(2,284)</u>
Total operating lease liability	<u>\$ 19,394</u>

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, the following table summarizes the future minimum lease payments related to operating leases as of December 31, 2019 under ASC 840.

Year Ending December 31,	December 31, 2019 (in thousands)
2020	\$ 3,819
2021	3,774
2022	3,785
2023	3,839
2024	3,712
Thereafter	3,606
Total	<u>\$ 22,535</u>

Rent expense under noncancelable operating leases totaled \$0.8 million and \$1.6 million for the three and six months ended June 30, 2019, respectively.

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**13. Commitments and Contingencies**

**Letters of Credit**

As of June 30, 2020 and December 31, 2019, the Company had outstanding letters of credit under an office lease agreement that totaled \$0.7 million, which primarily guaranteed early termination fees in the event of default. The Company collateralizes the letters of credit with restricted cash balances which were classified in other noncurrent assets at June 30, 2020 and December 31, 2019.

**Purchase Commitments**

In the ordinary course of business, the Company enters into various purchase commitments primarily related to third-party cloud hosting and data services, IT operations and marketing events. Total noncancelable purchase commitments as of June 30, 2020 were approximately \$28.3 million for periods through 2022.

**Employee Benefit Plans**

The Company established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code (the "401(k) Plan") in which full-time U.S. employees are eligible to participate on the first day of the subsequent month of his or her date of employment. The 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a percentage of their annual compensation as defined in the 401(k) Plan. Employees in the United Kingdom and Canada are covered by defined contribution savings arrangements that are administered based upon the legislative and tax requirements of the respective countries.

The Company made contributions to its employee benefit plans of \$0.8 million and \$0.7 million during the three months ended June 30, 2020 and 2019, respectively. The Company made contributions to its employee benefit plans of \$1.6 million and \$1.4 million during the six months ended June 30, 2020 and 2019, respectively.

**Litigation**

From time to time, the Company may be subject to various claims, charges and litigation. The Company records a liability when it is both probable that a liability will be incurred and the amount of the loss can be reasonably estimated. The Company maintains insurance to cover certain actions and believes that resolution of such claims, charges, or litigation will not have a material impact on the Company's financial position, results of operations, or liquidity.

**PING IDENTITY HOLDING CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**14. Net Income (Loss) Per Share**

The following table provides a reconciliation of the numerator and denominator used in the Company's calculation of basic and diluted net income (loss) per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands, except per share amounts)			
<b>Numerator:</b>				
Net income (loss)	\$ (2,916)	\$ 1,756	\$ (7,082)	\$ (3,123)
<b>Denominator:</b>				
Basic shares:				
Weighted-average common stock outstanding - basic	80,169	65,018	79,956	65,012
Diluted shares:				
Weighted-average common stock outstanding - basic	80,169	65,018	79,956	65,012
Effect of potentially dilutive securities:				
RSUs	—	20	—	—
Stock options	—	1,413	—	—
Weighted-average common stock outstanding - diluted	80,169	66,451	79,956	65,012
Net income (loss) per share:				
Basic	\$ (0.04)	\$ 0.03	\$ (0.09)	\$ (0.05)
Diluted	\$ (0.04)	\$ 0.03	\$ (0.09)	\$ (0.05)

The following shares were excluded from the computation of diluted net income (loss) per share for the periods presented, as their effect would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
RSUs	2,773	—	2,773	32
Stock options	2,862	621	2,862	4,082
Other awards	168	—	168	—
Total antidilutive shares	5,803	621	5,803	4,114

## Forward-Looking Statements

In addition to historical consolidated financial information, this Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q are forward-looking statements. These statements may include words such as “anticipate”, “estimate”, “expect”, “project”, “plan”, “intend”, “believe”, “may”, “will”, “should”, “can have”, “likely” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results or our plans and objectives for future operations, growth initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that we expected. Specific factors that could cause such a difference include, but are not limited to, those set forth under Item 1A. “Risk Factors” and other important factors disclosed previously in our other filings with the Securities and Exchange Commission (“SEC”) which include, but are not limited to:

- our ability to adapt to rapid technological change, evolving industry standards and changing customer needs, requirements or preferences;
- our ability to enhance and deploy our cloud-based offerings while continuing to effectively offer our on-premise offerings;
- our ability to maintain or improve our competitive position;
- the impact of the COVID-19 outbreak;
- the impact on our business of a network or data security incident or unauthorized access to our network or data or our customers’ data;
- the effects on our business if we are unable to acquire new customers, if our customers do not renew their arrangements with us, or if we are unable to expand sales to our existing customers or develop new solutions or solution packages that achieve market acceptance;
- our ability to manage our growth effectively, execute our business plan, maintain high levels of service and customer satisfaction or adequately address competitive challenges;
- our dependence on our senior management team and other key employees;
- our ability to enhance and expand our sales and marketing capabilities;
- our ability to attract and retain highly qualified personnel to execute our growth plan;
- the risks associated with interruptions or performance problems of our technology, infrastructure and service providers;
- our dependence on Amazon Web Services cloud infrastructure services;
- the impact of data privacy concerns, evolving regulations of cloud computing, cross-border data transfer restrictions and other domestic and foreign laws and regulations;
- the impact of volatility in quarterly operating results;
- the risks associated with our revenue recognition policy and other factors may distort our financial results in any given period;
- the effects on our customer base and business if we are unable to enhance our brand cost-effectively;
- our ability to comply with anti-corruption, anti-bribery and similar laws;
- our ability to comply with governmental export and import controls and economic sanctions laws;
- our ability to comply with HIPAA;

## [Table of Contents](#)

- the potential adverse impact of legal proceedings;
- the impact of our frequently long and unpredictable sales cycle;
- our ability to identify suitable acquisition targets or otherwise successfully implement our growth strategy;
- the impact of a change in our pricing model;
- our ability to meet service level commitments under our customer contracts;
- the impact on our business and reputation if we are unable to provide high-quality customer support;
- our dependence on strategic relationships with third parties;
- the impact of adverse general and industry-specific economic and market conditions and reductions in IT and identity spending;
- the ability of our platform, solutions and solution packages to interoperate with our customers' existing or future IT infrastructures;
- our dependence on adequate research and development resources and our ability to successfully complete acquisitions;
- our dependence on the integrity and scalability of our systems and infrastructures;
- our reliance on software and services from other parties;
- the impact of real or perceived errors, failures, vulnerabilities or bugs in our solutions;
- our ability to protect our proprietary rights;
- the impact on our business if we are subject to infringement claim or a claim that results in a significant damage award;
- the risks associated with our use of open source software in our solutions, solution packages and subscriptions;
- our reliance on SaaS vendors to operate certain functions of our business;
- the risks associated with indemnity provisions in our agreements;
- the risks associated with liability claims if we breach our contracts;
- the impact of the failure by our customers to pay us in accordance with the terms of their agreements;
- our ability to expand the sales of our solutions and solution packages to customers located outside of the United States;
- the risks associated with exposure to foreign currency fluctuations;
- the impact of Brexit;
- the impact of potentially adverse tax consequences associated with our international operations;
- the impact of changes in tax laws or regulations;
- the impact of the Tax Act;
- our ability to maintain our corporate culture;
- our ability to develop and maintain proper and effective internal control over financial reporting;
- our management team's limited experience managing a public company;
- the risks associated with having operations and employees located in Israel;
- the risks associated with doing business with governmental entities;

[Table of Contents](#)

- the impact of catastrophic events on our business; and
- other factors disclosed in the section entitled “Risk Factors” and elsewhere in this Quarterly Report.

Given these factors, as well as other variables that may affect our operating results, you should not rely on forward-looking statements, assume that past financial performance will be a reliable indicator of future performance, or use historical trends to anticipate results or trends in future periods. The forward-looking statements included in this Quarterly Report on Form 10-Q relate only to events as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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

*Unless the context requires otherwise, references in this report to “Ping Identity,” the “Company,” “we,” “us” and “our” refer to Ping Identity Holding Corp. and its consolidated subsidiaries. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2019.*

### Overview

Ping Identity is the Intelligent Identity solution for the enterprise. We enable companies to achieve Zero Trust identity-defined security and more personalized, streamlined user experiences. The Ping Intelligent Identity Platform provides customers, workforce and partners with access to cloud, mobile, SaaS and on-premise applications across the hybrid enterprise. We leverage artificial intelligence (“AI”) and machine learning (“ML”) to analyze device, network, application and user behavior data to make real-time authentication and security control decisions, enhancing the user experience. Our platform is designed to detect anomalies and automatically insert additional security measures, such as multi-factor authentication, only when necessary. We built our platform to meet the requirements of the most demanding enterprises, including over half of the Fortune 100. Our platform can be deployed across cloud, hybrid and on-premise infrastructures and offers a comprehensive suite of turnkey integrations, and is able to scale to millions of identities and thousands of cloud and on-premise applications in a single deployment.

The Ping Intelligent Identity Platform can secure all primary use cases, including customer, workforce, partner and increasingly, the Internet of Things (“IoT”). For example, enterprises can use our platform to enhance their customers’ user experience by creating a single ID and login across web and mobile properties. Enterprises can also use our platform to provide their employees and commercial partners with secure, seamless access from any device to the applications, data and APIs they need to be productive.

The Ping Intelligent Identity Platform is comprised of six solutions that can be purchased individually or as a set of integrated offerings for the customer, workforce, partner or IoT use case:

- secure single sign-on (“SSO”);
- adaptive multi-factor authentication (“MFA”);
- security control for applications and APIs (“Access Security”);
- personalized and unified profile directories (“Directory”);
- data governance to control access to identity data (“Data Governance”); and
- artificial intelligence and machine learning powered API security (“API Intelligence”).

Our offerings are predominately priced based on the solution, use case and number of identities. We sell our platform through subscription-based contracts, and substantially all of our customers pay annually in advance. We sell our solutions primarily through direct sales, which are enhanced by collaboration with our channel partners, resellers, system integrators and technology partners. This includes sourcing new leads, aiding in pre-sale processes (such as proof of concepts, demos or requests for proposals) and reselling our solutions to customers. We also leverage a number of our channel partners and system integrators to provide the implementation services for some of our larger and more complex deployments, significantly increasing the time-to-value for our customers and maximizing the efficiency of our go-to-market efforts.

## Impact of COVID-19

Though the impact of rapidly changing market and economic conditions due to COVID-19 is uncertain, it continues to disrupt the business of our customers and partners and will continue to impact our business and condensed consolidated results of operations and financial condition in the future. The worldwide spread of the COVID-19 outbreak is resulting in a global slowdown of economic activity with a corresponding decrease in demand for certain goods and services, including possibly from our own customers, while also disrupting sales channels, marketing activities and supply chains for an unknown period of time. To add to the uncertainty, it is unclear when an economic recovery could start and what a recovery will look like after this unprecedented economic shutdown. We have endeavored to follow recommended actions of government and health authorities to protect our employees worldwide. While we have not incurred significant disruptions thus far from the COVID-19 pandemic, we are unable to accurately predict the extent of the impact on our business due to numerous uncertainties, including but not limited to, the severity of the disease, the duration of the outbreak, actions taken by governmental authorities, the impact to our customers and partners and other factors as described in Part II, Item 1A of this Quarterly Report on Form 10-Q. Specifically, during the second quarter of 2020, we continued to experience overall strong engagement with enterprise customers as work-from-home and increased virtual customer engagement highlighted the need for modernization of their identity security infrastructure. However, given the economic uncertainty driven by the COVID-19 pandemic, certain of these enterprise customers elected to phase-in their purchases of our solutions, resulting in smaller deal sizes and a reduction in our dollar-based net retention rate for the quarter ended June 30, 2020 as compared to the quarter ended June 30, 2019.

While we began to see the effects of the COVID-19 pandemic on our results of operations and overall financial performance for the quarter ended June 30, 2020, the total effect of the COVID-19 pandemic will not be fully reflected in our results of operations and overall financial performance until future periods and such effect is uncertain. In addition, our condensed consolidated financial statements reflect estimates and assumptions made by management that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions reflected in our condensed consolidated financial statements include, but are not limited to, establishing allowances for doubtful accounts, determining useful lives for finite-lived assets, assessing the recoverability of long-lived assets, determining the fair values of assets acquired and liabilities assumed in business combinations, determining the value of right-of-use assets and lease liabilities, accounting for income taxes and related valuation allowances against deferred tax assets, valuing stock option awards and assessing the probability of the awards meeting vesting conditions, recognizing revenue, determining the amortization period for deferred commissions and assessing the accounting treatment for commitments and contingencies. Management evaluates these estimates and assumptions on an ongoing basis and makes estimates based on historical experience and various other assumptions that are believed to be reasonable. Actual results may differ from these estimates, including as a result of the COVID-19 outbreak. We will continue to evaluate the nature and extent of the impact to our business and our condensed consolidated results of operations and financial condition.

### Key Factors Affecting our Performance

We believe that our future performance will depend on many factors, including the following:

#### ***Generate Additional Sales to Existing Customers***

As part of our land and expand strategy, a customer journey often begins with the purchase of one of our solutions for one use case. Once customers realize the value of that solution, their spend with us expands by (i) adopting another identity use case, (ii) deploying additional solutions and solution packages and/or (iii) adding more identities over time.

Our future revenue growth is dependent upon our ability to continue to expand our customers' use of our platform. Our ability to increase sales to existing customers will depend on a number of factors, including satisfaction or dissatisfaction with our solutions, competition, pricing, economic conditions and spending by

customers on our solutions. We have adopted a customer success strategy and implemented processes across our customer base to drive revenue retention and expansion.

***Increase the Size of our Customer Base***

We believe there is significant opportunity to increase market adoption of our platform by new customers. Our SSO, Access Security and Directory solutions often replace legacy and homegrown systems. We also have significant greenfield opportunities with our MFA, Data Governance, API Intelligence solutions and the IoT use case. To increase our customer base, we plan to expand our sales force and channel partner network, both domestically and internationally, enhance our marketing efforts and target new buyers. For example, we have extended our cloud-based offering to target developers, who represent a new potential buyer for us. Over time, we believe sales to developers could increase the size of our customer base.

***Maintain our Technology Differentiation and Product Leadership***

The Ping Intelligent Identity Platform is designed for large enterprises with complex, hybrid IT requirements. We have spent over a decade building a standards-based platform with turnkey integrations designed to ensure that large enterprises can easily and rapidly deploy our platform within their complex infrastructures. We intend to continue making investments in research and development to extend our platform and technology capabilities while also expanding our solutions to address new use cases.

***Invest for Growth***

We believe Identity and Access Management (“IAM”) represents a large market opportunity, and we plan to invest in order to support further growth. During 2018, we accelerated investments in our business to expand our footprint within this large and growing market. Specifically, we invested in new cloud-based offerings to broaden the Ping Intelligent Identity Platform and the scope of our solutions to cover new identity security threats, such as APIs. We also invested in deploying our platform as a single tenant cloud-based offering, managed by us, to help extend the reach of our solutions within our customers’ infrastructures, while providing them with the level of control and configuration they require. We have seen progress with these investments and expect to continue to invest in these areas. Additionally, we plan to invest in increased marketing efforts, expanding our sales force, and growing our network of channel partners, resellers, system integrators and technology partners. However, we are not expecting these investments to provide our business with meaningful increases to annual recurring revenue (“ARR”) growth in the immediate term as we expect natural purchasing cycles will affect the speed of market adoption.

***Seasonality***

Given the purchasing patterns of our enterprise customers, we typically experience seasonality in terms of when we receive orders from our customers. Our customers often time their purchases and renewals of our solutions to coincide with their fiscal year end, which is typically June 30 or December 31. Because of these purchasing patterns, a greater percentage of our annual subscription revenue from term-based licenses, the revenue from which is recognized up front at the later of delivery or commencement of the license term, has come from our second and fourth quarters than from other quarters. For the year ended December 31, 2019, 26% and 28% of our annual revenue was in our second and fourth quarter, respectively. However, due to the economic environment resulting from COVID-19, we may not see our historical trends in seasonality continue through the year ending December 31, 2020.

**Key Business Metrics**

In addition to our GAAP financial information, we review a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions.

### Annual Recurring Revenue

ARR represents the annualized value of all subscription contracts as of the end of the period. ARR mitigates fluctuations due to seasonality, contract term and the sales mix of subscriptions for term-based licenses and SaaS. ARR only includes the annualized value of subscription contracts. ARR does not have any standardized meaning and is therefore unlikely to be comparable to similarly titled measures presented by other companies. ARR should be viewed independently of revenue and deferred revenue and is not intended to be combined with or to replace either of those items. ARR is not a forecast and the active contracts at the end of a reporting period used in calculating ARR may or may not be extended or renewed by our customers.

The table below sets forth our ARR as of the end of June 30, 2020 and 2019, respectively.

	June 30,		Change	
	2020	2019	\$	%
ARR	\$ 235,232	\$ 197,990	\$ 37,242	19 %

### Dollar-Based Net Retention Rate

To further illustrate the land and expand economics of our customer relationships, we examine the rate at which our customers increase their subscriptions for our solutions. Our dollar-based net retention rate measures our ability to increase revenue across our existing customer base through expanded use of our platform, offset by customers whose subscription contracts with us are not renewed or renew at a lower amount.

We calculate our dollar-based net retention rate as of the end of a reporting period as follows:

- *Denominator.* We measure ARR as of the last day of the prior reporting period.
- *Numerator.* We measure ARR as of the last day of the current reporting period from customers with associated ARR as of the last day of the prior reporting period.

The quotient obtained from this calculation is our dollar-based net retention rate. Our dollar-based net retention rate was 111% at June 30, 2020. We believe our ability to cross-sell our new solutions to our installed base, particularly MFA and API Intelligence, will continue to support our high dollar-based net retention rate.

### Large Customers

We believe that our ability to increase the number of customers on our platform, particularly the number of customers with ARR greater than \$250,000, demonstrates our focus on the large enterprise market and our penetration within those enterprises. Increasing awareness of our platform, further developing our sales and marketing expertise and channel partner ecosystem, and continuing to build solutions that address the unique identity needs of large enterprises have increased our number of large customers across industries. We believe there are significant upsell and cross-sell opportunities within our customer base by expanding the number of use cases, adding additional identities and selling new solutions.

Our customers with ARR over \$250,000 increased from 214 at June 30, 2019 to 242 at June 30, 2020, representing a year-over-year growth rate of 13%.

### Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measures are useful in evaluating our operating performance. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. The non-GAAP financial information is presented for supplemental informational purposes only, and should not be considered a substitute for financial information

[Table of Contents](#)

presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

**Free Cash Flow**

Free Cash Flow is a supplemental measure of liquidity that is not made under GAAP and that does not represent, and should not be considered as, an alternative to cash flow from operations, as determined by GAAP. We define Free Cash Flow as net cash provided by (used in) operating activities less cash used for purchases of property and equipment and capitalized software development costs.

We use Free Cash Flow as one measure of the liquidity of our business. We believe that Free Cash Flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash generated from our core operations that, after the purchases of property and equipment and capitalized software development costs, can be used for strategic initiatives, including investing in our business and selectively pursuing acquisitions and strategic investments. We further believe that historical and future trends in Free Cash Flow, even if negative, provide useful information about the amount of cash generated (or consumed) by our operating activities that is available (or is not available) to be used for strategic initiatives. For example, if Free Cash Flow is negative, we may need to access cash reserves or other sources of capital to invest in strategic initiatives. We also believe that the use of Free Cash Flow enables us to more effectively evaluate our liquidity period-over-period and relative to our competitors.

A reconciliation of Free Cash Flow to net cash provided by operating activities, the most directly comparable GAAP measure, is as follows:

	Six Months Ended June 30,	
	2020	2019
	(in thousands)	
Net cash provided by operating activities	\$ 21,244	\$ 8,064
Less:		
Purchases of property and equipment	(1,420)	(2,330)
Capitalized software development costs	(6,749)	(4,492)
Free Cash Flow	\$ 13,075	\$ 1,242
Net cash used in investing activities	\$ (12,872)	\$ (6,822)
Net cash provided by (used in) financing activities	\$ 101,497	\$ (1,951)
Cash paid for interest	\$ 1,186	\$ 7,739

Free Cash Flow has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. For example, Free Cash Flow does not represent the total increase or decrease in our cash balance for a given period. Because of these limitations, Free Cash Flow should not be considered as a replacement for cash flow from operations, as determined by GAAP, or as a measure of our profitability. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures only for supplemental purposes.

**Non-GAAP Gross Profit**

Non-GAAP Gross Profit is a supplemental measure of operating performance that is not made under GAAP and that does not represent, and should not be considered as, an alternative to gross profit, as determined by GAAP. We define Non-GAAP Gross Profit as gross profit, adjusted for stock-based compensation expense and certain amortization expense of acquired intangible assets and software developed for internal use.

We use Non-GAAP Gross Profit to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operating plans. We believe

[Table of Contents](#)

that Non-GAAP Gross Profit is a useful measure to us and to our investors because it provides consistency and comparability with our past financial performance and between fiscal periods, as the metric generally eliminates the effects of the variability of amortization of acquired intangibles and internal-use software and stock-based compensation expense from period to period, which may fluctuate for reasons unrelated to overall operating performance. We believe that the use of this measure enables us to more effectively evaluate our performance period-over-period and relative to our competitors.

A reconciliation of Non-GAAP Gross Profit to gross profit, the most directly comparable GAAP measure, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Gross profit	\$ 42,302	\$ 49,177	\$ 87,990	\$ 87,327
Amortization expense	4,944	3,956	9,546	7,822
Stock-based compensation expense	273	—	503	—
Non-GAAP Gross Profit	\$ 47,519	\$ 53,133	\$ 98,039	\$ 95,149

Non-GAAP Gross Profit has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, Non-GAAP Gross Profit should not be considered as a replacement for gross profit, as determined by GAAP, or as a measure of our profitability. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures only for supplemental purposes.

**Adjusted EBITDA**

Adjusted EBITDA is a supplemental measure of operating performance that is not made under GAAP and that does not represent, and should not be considered as, an alternative to net income (loss), as determined by GAAP. We define Adjusted EBITDA as net income (loss), adjusted for interest expense, loss on extinguishment of debt, (benefit) provision for income taxes, depreciation and amortization, stock-based compensation expense, acquisition-related expense and other (income) expense.

We use Adjusted EBITDA to understand and evaluate our core operating performance and trends, to prepare and approve our annual budget, and to develop short-term and long-term operating plans. We believe that Adjusted EBITDA facilitates comparison of our operating performance on a consistent basis between periods, and when viewed in combination with our results prepared in accordance with GAAP, helps provide a broader picture of factors and trends affecting our results of operations.

A reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP measure, is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Net income (loss)	\$ (2,916)	\$ 1,756	\$ (7,082)	\$ (3,123)
Interest expense <sup>(1)</sup>	724	4,133	1,230	8,249
(Benefit) provision for income taxes	(2,932)	(178)	(4,876)	(1,241)
Depreciation and amortization	9,177	8,109	18,028	16,096
Stock-based compensation expense	4,545	1,040	7,402	2,099
Acquisition-related expense <sup>(2)</sup>	30	545	1,099	2,277
Other (income) expense, net <sup>(3)</sup>	(695)	(234)	555	(225)
Adjusted EBITDA	\$ 7,933	\$ 15,171	\$ 16,356	\$ 24,132

## [Table of Contents](#)

- (1) Includes amortization of debt issuance costs.
- (2) Acquisition-related expense for the three months ended June 30, 2020 and 2019, respectively, included \$0.0 million and \$0.5 million of contingent compensation and retention expense related to the acquisition of Elastic Beam. Acquisition-related expense for the six months ended June 30, 2020 and 2019, respectively, included \$0.5 million and \$2.2 million of contingent consideration and retention expense related to the Elastic Beam acquisition. For more information related to our acquisition of Elastic Beam and the payment of contingent compensation, please refer to Note 5 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.
- (3) See this "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the components of other (income) expense.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Because of these limitations, Adjusted EBITDA should not be considered as a replacement for net income (loss), as determined by GAAP, or as a measure of our profitability. We compensate for these limitations by relying primarily on our GAAP results and using non-GAAP measures only for supplemental purposes.

### **Components of Results of Operations**

#### **Revenue**

We recognize revenue under ASC 606. Under ASC 606, we recognize revenue when our customer obtains control of goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services.

We derive revenue primarily from sales of subscriptions for our solutions to new and existing customers and, to a lesser extent, sales of professional services.

*Subscription.* Subscription revenue includes subscription term-based license revenue for solutions deployed on-premise within the customer's IT infrastructure or in a third-party cloud of their choice, subscription support and maintenance revenue from such deployments, and SaaS subscriptions, which give customers the right to access our cloud-hosted software solutions. We typically invoice subscription fees annually in advance, though certain contracts require invoicing for the entire subscription in advance. Subscription term-based license revenue is recognized upon transfer of control of the software, which occurs at delivery or when the license term commences, if later. All of our support and maintenance revenue and revenue from SaaS subscriptions is recognized ratably over the term of the applicable agreement.

For the three months ended June 30, 2020 and 2019, 60% and 65%, respectively, of our revenue was from subscription term-based licenses. For the six months ended June 30, 2020 and 2019, 61% and 65%, respectively, of our revenue was from subscription term-based licenses. We expect that a majority of our revenue will be from subscription term-based licenses for the foreseeable future. Changes in period-over-period subscription revenue growth are primarily impacted by the following factors:

- the type of new and renewed subscriptions (i.e., term-based or SaaS); and
- the duration of new and renewed term-based subscriptions.

While the number of new and increased subscriptions during a period impacts our subscription revenue growth, the type and duration of those subscriptions has a significantly greater impact on the amount and timing of revenue recognized in a period. Subscription revenue from term-based licenses is recognized at the beginning of the subscription term, while subscription revenue from SaaS and support and maintenance is recognized ratably over the subscription term. As a result, our revenue may fluctuate due to the timing of term-based licensing transactions. In addition, keeping other factors constant, when the percentage of subscription

## [Table of Contents](#)

term-based licenses to total subscriptions sold or renewed in a period increases relative to the prior period, revenue growth will increase. Conversely, when the percentage of subscription SaaS and support and maintenance to total subscriptions sold or renewed in a period increases, revenue growth will generally decrease. Additionally, a multi-year subscription term-based license will generally result in greater revenue recognition up-front relative to a one-year subscription term-based license. Therefore, keeping other factors constant, revenue growth will also trend higher in a period where the percentage of multi-year subscription term-based licenses to total subscription term-based licenses increases.

*Professional Services and Other.* Professional services and other revenue consists primarily of fees from professional services provided to our customers and partners to configure and optimize the use of our solutions, as well as training services related to the configuration and operation of our solutions. Our professional services are generally priced on a time and materials basis, which is generally invoiced monthly and for which revenue is recognized as the services are performed. Revenue from our training services and sponsorship fees is recognized on the date the services are complete. Over time, we expect our professional services revenue to remain relatively stable as a percentage of total revenue.

### **Cost of Revenue**

*Subscription.* Subscription cost of revenue consists primarily of employee compensation costs for employees associated with supporting our subscription arrangements and certain third-party expenses. Employee compensation and related costs include cash compensation and benefits to employees, stock-based compensation, costs of third-party contractors and associated overhead costs. Third-party expenses consist of cloud infrastructure costs and other expenses directly associated with our customer support. We expect our subscription cost of revenue to increase in absolute dollars to the extent our subscription revenue increases.

*Professional Services and Other.* Professional services and other cost of revenue consists primarily of employee compensation costs directly associated with delivery of professional services and training, including stock-based compensation, costs of third-party contractors, facility rental charges and other associated overhead costs. We expect our professional services and other cost of revenue to increase in absolute dollars relative to the growth of our business.

*Amortization Expense.* Amortization expense consists of amortization of developed technology and internal-use software.

### **Operating Expenses**

Our operating expenses consist of sales and marketing, research and development and general and administrative expenses as well as depreciation and amortization. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, payroll taxes and stock-based compensation expense.

*Sales and Marketing.* Sales and marketing expenses consist primarily of employee compensation costs, sales commissions, costs of general marketing and promotional activities, travel-related expenses and allocated overhead. Certain sales commissions earned by our sales force on subscription contracts are deferred and amortized over the period of benefit, which is generally four years. We expect to continue to invest in our sales force domestically and internationally, as well as in our channel relationships. We expect our sales and marketing expenses to increase on an absolute dollar basis and continue to be our largest operating expense category for the foreseeable future.

*Research and Development.* Research and development expenses consist primarily of employee compensation costs, allocated overhead and software and maintenance expenses. We will continue to invest in innovation and offer our customers new solutions to enhance our existing platform and expect such investment to increase on an absolute dollar basis as our business grows.

*General and Administrative.* General and administrative expenses consist primarily of employee compensation costs for corporate personnel, such as those in our executive, human resource, legal, facilities, accounting and

[Table of Contents](#)

finance, information security and information technology departments. In addition, general and administrative expenses include third-party professional fees, as well as all other supporting corporate expenses not allocated to other departments. General and administrative expense also includes acquisition-related expenses, which primarily consist of third-party expenses related to business acquisitions, such as professional services and legal fees.

We expect our general and administrative expenses to increase on an absolute dollar basis as our business grows. Also, we expect to incur additional general and administrative expenses as a result of continuing to operate as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, and increased expenses for insurance, investor relations and professional services.

*Depreciation and Amortization.* Depreciation and amortization expense consists primarily of depreciation of our fixed assets and amortization of finite-lived acquired intangible assets such as customer relationships, trade names and non-compete agreements.

***Other Income (Expense)***

*Interest Expense.* Interest expense consists primarily of interest payments on our outstanding borrowings under our credit facilities as well as the amortization of associated deferred financing costs. See “— Liquidity and Capital Resources — Senior Secured Credit Facilities.”

*Other Income (Expense), Net.* Other income (expense), net primarily consists of gains and losses from transactions denominated in a currency other than the functional currency, interest income and other income (expense). As we have expanded our international operations, our exposure to fluctuations in foreign currencies has increased, and we expect this to continue.

***Benefit (Provision) for Income Taxes***

Benefit (Provision) for income taxes consists primarily of income taxes related to U.S. federal and state income taxes and income taxes in foreign jurisdictions in which we conduct business.

## Results of Operations

The following table sets forth our condensed consolidated statements of operations data for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Revenue:				
Subscription	\$ 54,268	\$ 56,272	\$ 111,086	\$ 103,892
Professional services and other	4,713	6,188	9,307	9,006
Total revenue	58,981	62,460	120,393	112,898
Cost of revenue:				
Subscription (exclusive of amortization shown below)	7,509	5,652	14,618	10,833
Professional services and other (exclusive of amortization shown below)	4,226	3,675	8,239	6,916
Amortization expense	4,944	3,956	9,546	7,822
Total cost of revenue	16,679	13,283	32,403	25,571
Gross profit	42,302	49,177	87,990	87,327
Operating expenses:				
Sales and marketing <sup>(1)</sup>	20,751	20,026	42,941	37,334
Research and development <sup>(1)</sup>	11,411	10,857	23,625	22,311
General and administrative <sup>(1)</sup>	11,726	8,664	23,115	15,748
Depreciation and amortization	4,233	4,153	8,482	8,274
Total operating expenses	48,121	43,700	98,163	83,667
Income (loss) from operations	(5,819)	5,477	(10,173)	3,660
Other income (expense):				
Interest expense	(724)	(4,133)	(1,230)	(8,249)
Other income (expense), net	695	234	(555)	225
Total other income (expense)	(29)	(3,899)	(1,785)	(8,024)
Income (loss) before income taxes	(5,848)	1,578	(11,958)	(4,364)
Benefit for income taxes	2,932	178	4,876	1,241
Net income (loss)	\$ (2,916)	\$ 1,756	\$ (7,082)	\$ (3,123)

(1) Includes stock-based compensation as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
	(in thousands)			
Subscription cost of revenue	\$ 174	\$ —	\$ 320	\$ —
Professional services and other cost of revenue	99	—	183	—
Sales and marketing	1,243	188	2,040	410
Research and development	1,298	218	2,186	433
General and administrative	1,731	634	2,673	1,256
Total	\$ 4,545	\$ 1,040	\$ 7,402	\$ 2,099

[Table of Contents](#)

The following table sets forth our condensed consolidated statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
<b>Revenue:</b>				
Subscription	92 %	90 %	92 %	92 %
Professional services and other	8	10	8	8
Total revenue	100	100	100	100
<b>Cost of revenue:</b>				
Subscription (exclusive of amortization shown below)	13	9	12	10
Professional services and other (exclusive of amortization shown below)	7	6	7	6
Amortization expense	8	6	8	7
Total cost of revenue	28	21	27	23
Gross profit	72	79	73	77
<b>Operating expenses:</b>				
Sales and marketing	36	32	36	33
Research and development	19	17	20	20
General and administrative	20	14	19	14
Depreciation and amortization	7	7	7	7
Total operating expenses	82	70	82	74
Income (loss) from operations	(10)	9	(9)	3
<b>Other income (expense):</b>				
Interest expense	(1)	(6)	(1)	(7)
Other income (expense), net	1	—	—	—
Total other income (expense)	—	(6)	(1)	(7)
Income (loss) before income taxes	(10)	3	(10)	(4)
Benefit for income taxes	5	—	4	1
Net income (loss)	(5)%	3 %	(6)%	(3)%

**Comparison of the Three and Six Months Ended June 30, 2020 and 2019**

**Revenue**

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
(dollars in thousands)								
<b>Revenue:</b>								
Subscription	\$ 54,268	\$ 56,272	\$ (2,004)	(4)%	\$ 111,086	\$ 103,892	\$ 7,194	7 %
Professional services and other	4,713	6,188	(1,475)	(24)	9,307	9,006	301	3
Total revenue	\$ 58,981	\$ 62,460	\$ (3,479)	(6)%	\$ 120,393	\$ 112,898	\$ 7,495	7 %

Total revenue decreased by \$3.5 million, or 6%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. 58% of the decrease in total revenue was due to a decrease in subscription revenue of \$2.0 million, discussed further below. The remaining \$1.5 million of the decrease was due to a decrease in professional services and other revenue, primarily as a result of a \$3.0 million decrease in event sponsorship revenue from conducting our Identiverse conference virtually this year as a result of COVID-19. This decrease was offset by an increase in professional services revenue due to an increase in the provisioning of implementation and consulting services.

Total revenue increased by \$7.5 million, or 7%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. 96% of the increase in total revenue was due to an increase in subscription revenue of \$7.2 million, discussed further below. The remaining \$0.3 million of the increase was due to an

[Table of Contents](#)

increase in professional services and other revenue as a result of an increase in the provisioning of implementation and consulting services, partially offset by a decrease in event sponsorship revenue of \$3.0 million from hosting our Identiverse conference virtually due to COVID-19 as described above.

The table below sets forth the components of subscription revenue for the three and six months ended June 30, 2020 and 2019.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
(dollars in thousands)								
Subscription:								
Multi-year subscription term-based licenses	\$ 21,141	\$ 28,994	\$ (7,853)		\$ 45,129	\$ 52,425	\$ (7,296)	
1-year subscription term-based licenses	14,183	11,788	2,395		28,332	21,082	7,250	
Subscription term-based licenses	35,324	40,782	(5,458)		73,461	73,507	(46)	
Subscription SaaS and maintenance and support	18,944	15,490	3,454		37,625	30,385	7,240	
Total subscription revenue	<u>\$ 54,268</u>	<u>\$ 56,272</u>	<u>\$ (2,004)</u>	(4)%	<u>\$ 111,086</u>	<u>\$ 103,892</u>	<u>\$ 7,194</u>	7%

Subscription revenue decreased 4%, or \$2.0 million, in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. This decrease was primarily a result of customers electing to phase-in their purchases of our solutions, resulting in smaller deal sizes in light of the sustained economic environment and associated uncertainty surrounding COVID-19. However, in the six months ended June 30, 2020, subscription revenue increased 7%, or \$7.2 million, from the six months ended June 30, 2019 as a result of a greater amount of subscriptions entered into or renewed in the six months ended June 30, 2020 compared to the six months ended June 30, 2019. Remaining changes in subscription revenue were due to the following:

- *Change in subscription type.* Subscription term-based license revenue as a percentage of subscription revenue decreased from 72% in the three months ended June 30, 2019 to 65% in the three months ended June 30, 2020, and from 71% in the six months ended June 30, 2019 to 66% in the six months ended June 30, 2020. Subscription SaaS and support and maintenance as a percentage of total subscription revenue increased from 28% in the three months ended June 30, 2019 to 35% in the three months ended June 30, 2020, and from 29% in the six months ended June 30, 2019 to 34% in the six months ended June 30, 2020. This resulted in greater deferral of revenue from subscriptions entered into or renewed during the three and six months ended June 30, 2020 compared to the three and six months ended June, 2019. We expect subscription SaaS and support and maintenance to continue to gradually increase as a percentage of total subscription revenue in future periods, resulting in greater deferral of revenue in the period in which the subscription is contracted.
- *Change in term-based subscription duration.* Multi-year subscription term-based license revenue as a percentage of total subscription term-based license revenue decreased from 71% in the three months ended June 30, 2019 to 60% in the three months ended June 30, 2020, and from 71% in the six months ended June 30, 2019 to 61% in the six months ended June 30, 2020. This resulted in less upfront revenue recognition from subscriptions entered into or renewed during the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019. Given the impacts of COVID-19, we expect multi-year subscriptions as a percentage of total subscription term-based licenses to continue to decline when compared to the same period in the prior year through the year ending December 31, 2020, resulting in less upfront revenue recognition from the corresponding license.

### Cost of Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
(dollars in thousands)								
Cost of revenue:								
Subscription (exclusive of amortization shown below)	\$ 7,509	\$ 5,652	\$ 1,857	33 %	\$ 14,618	\$ 10,833	\$ 3,785	35 %
Professional services and other (exclusive of amortization shown below)	4,226	3,675	551	15	8,239	6,916	1,323	19
Amortization expense	4,944	3,956	988	25	9,546	7,822	1,724	22
Total cost of revenue	<u>\$ 16,679</u>	<u>\$ 13,283</u>	<u>\$ 3,396</u>	26 %	<u>\$ 32,403</u>	<u>\$ 25,571</u>	<u>\$ 6,832</u>	27 %

Subscription cost of revenue increased by \$1.9 million, or 33%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. \$1.2 million of the increase was compensation related and primarily attributable to an increase in headcount to support the growth of our subscription SaaS offerings and ongoing maintenance for our expanding customer base. \$0.7 million of the increase was attributable to an increase in cloud-based hosting costs largely associated with the increased adoption of our SaaS solutions.

Subscription cost of revenue increased by \$3.8 million, or 35%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. \$2.2 million of the increase was compensation related and primarily attributable to an increase in headcount to support the growth of our subscription SaaS offerings and ongoing maintenance for our expanding customer base. \$1.5 million of the increase was attributable to an increase in cloud-based hosting costs largely associated with the increased adoption of our SaaS solutions. Substantially all of the remaining increase in subscription cost of revenue was due to an increase in allocated overhead.

Professional services and other cost of revenue increased by \$0.6 million, or 15%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. \$0.5 million of the increase related to an increase in consulting costs. The remaining portion of the increase was primarily attributable to compensation and allocated overhead.

Professional services and other cost of revenue increased by \$1.3 million, or 19%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase related to a \$0.9 million increase in consulting costs, partially to aid in the development of our certification programs. The remaining \$0.4 million increase was due to compensation-related costs primarily attributable to an increase in headcount to support the growth of our business.

Amortization expense increased by \$1.0 million, or 25%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Amortization expense increased by \$1.7 million, or 22%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase was attributable primarily to an increase in the amortization of our capitalized software as well as an increase in the amortization of developed technology resulting from our acquisition of ShoCard in March 2020, as further described in Note 5 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### Operating Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
(dollars in thousands)								
Sales and marketing	\$ 20,751	\$ 20,026	\$ 725	4 %	\$ 42,941	\$ 37,334	\$ 5,607	15 %
Research and development	11,411	10,857	554	5	23,625	22,311	1,314	6
General and administrative	11,726	8,664	3,062	35	23,115	15,748	7,367	47
Depreciation and amortization	4,233	4,153	80	2	8,482	8,274	208	3
Total operating expenses	<u>\$ 48,121</u>	<u>\$ 43,700</u>	<u>\$ 4,421</u>	10 %	<u>\$ 98,163</u>	<u>\$ 83,667</u>	<u>\$ 14,496</u>	17 %

## [Table of Contents](#)

**Sales and Marketing.** Sales and marketing expenses increased by \$0.7 million, or 4%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. Compensation-related expenses increased \$3.0 million primarily as a result of an increase in headcount related to the expansion of our sales force and our marketing department as well as an increase in stock-based compensation expense due to an increase in the issuance of RSUs granted in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. This was offset by decreases in promotional expenses of \$1.3 million and travel costs of \$1.2 million, which were higher in the three months ended June 30, 2019 due to the tradeshows, event sponsorships and marketing around our IPO as well as reduction in travel in 2020 due to COVID-19. The remaining increase in sales and marketing expenses was the result of partner and consulting costs.

Sales and marketing expenses increased by \$5.6 million, or 15%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. \$6.6 million of the increase was the result of increased commissions related to the increase in revenue, the increase in our sales force and continued investment in our channel relationships as well as an increase in stock-based compensation expense resulting from an increase in the issuance of RSUs granted in the six months ended June 30, 2020 compared to the six months ended June 30, 2019. This increase was offset by decreases in travel costs of \$1.4 million and promotional expenses of \$1.0 million, which were higher in the six months ended June 30, 2019 due to tradeshows and event sponsorships and marketing around our IPO as well as reduction in travel in 2020 due to COVID-19. Substantially all of the remaining increase in sales and marketing expenses was the result of increased partner commissions and consulting costs of \$0.7 million, increased costs related to company events of \$0.7 million and allocated overhead.

**Research and Development.** Research and development expenses increased by \$0.6 million, or 5%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. \$1.7 million of the increase was compensation related and primarily the result of an increase in headcount to enhance and expand our solutions as well as an increase in stock-based compensation expense due to an increase in the issuance of RSUs granted in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The increase in compensation-related expenses was partially offset by a decrease of \$0.5 million attributable to contingent compensation and retention expense related to our acquisition of Elastic Beam that was paid in part in April 2019 (as further discussed in Note 5 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q). The increase in research and development expenses was also offset by decreases in travel costs and allocated overhead.

Research and development expenses increased by \$1.3 million, or 6%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. \$4.1 million of the increase was compensation-related and primarily the result of an increase in headcount to enhance and expand our solutions. Compensation-related expenses also increased due to an increase in stock-based compensation expense resulting from an increase in the issuance of equity awards granted in the six months ended June 30, 2020 compared to June 30, 2019, including the liability-classified awards that were issued in conjunction with the ShoCard acquisition as further described in Notes 5 and 10 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The increase in compensation-related expenses was partially offset by a decrease of \$1.8 million attributable to contingent compensation and retention expense related to our acquisition of Elastic Beam that was paid in part in April 2019. The increase in research and development expenses was also offset by decreased travel costs and allocated overhead.

**General and Administrative.** General and administrative expenses increased by \$3.1 million, or 35%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. \$3.2 million of the increase was attributable to an increase in administrative expenses related to operating as a public company. \$0.7 million was compensation-related and primarily the result of an increase in stock-based compensation expense due to an increase in the issuance of RSUs granted in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. These increases were offset by decreases in travel costs, consulting expenses and allocated overhead.

General and administrative expenses increased by \$7.4 million, or 47%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. \$5.7 million of the increase was attributable to an increase in administrative expenses related to operating as a public company. \$1.1 million of the increase was

[Table of Contents](#)

compensation-related and primarily the result of an increase in stock-based compensation expense due to an increase in the issuance of RSUs granted in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The remaining increase in general and administrative expenses related to an increase of \$0.6 million in acquisition-related expenses from our acquisition of ShoCard that was consummated in March 2020 (as further discussed in Note 5 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q) and an increase of \$0.9 million due to increased rent expense related to variable lease payments. These increases were partially offset by decreases related to travel costs, promotional expenses and consulting fees.

**Depreciation and Amortization.** Depreciation and amortization expense remained substantially the same for the three and six months ended June 30, 2020 compared to the three and six months ended 2019 as no major changes were made to our property and equipment or to certain acquired intangible assets period-over-period.

**Other Income (Expense)**

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
	(dollars in thousands)							
Interest expense	\$ (724)	\$ (4,133)	\$ 3,409	(82)%	\$ (1,230)	\$ (8,249)	\$ 7,019	(85)%
Other income (expense), net	695	234	461	197	(555)	225	(780)	(347)
Total other income (expense)	\$ (29)	\$ (3,899)	\$ 3,870	(99)%	\$ (1,785)	\$ (8,024)	\$ 6,239	(78)%

**Interest Expense.** Interest expense decreased by \$3.4 million, or 82%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The decrease was attributable primarily to the refinancing of our debt in December 2019 as described in Note 7 of our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. The refinancing also attributed to the period-over-period decrease in the weighted average interest rate, from 6.2% for the three months ended June 30, 2019 to 1.8% for the three months ended June 30, 2020.

Interest expense decreased by \$7.0 million, or 85%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The decrease was attributable primarily to the refinancing of our debt in December 2019, which attributed to the period-over-period decrease in the weighted average interest rate, from 6.2% for the six months ended June 30, 2019 to 2.2% for the six months ended June 30, 2020.

**Other Income (Expense), Net.** Other income (expense), net increased by \$0.5 million, or 197%, for the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The increase was attributable primarily to a change in the amount of foreign currency gains, from a loss of \$0.1 million in the three months ended June 30, 2019 compared to a gain of \$0.6 million in the three months ended June 30, 2020, partially offset by a decrease in interest income recognized in the three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Other income (expense), net decreased by \$0.8 million, or 347%, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The decrease was attributable to a decrease in interest income of \$0.5 million as well as an increase in the amount of foreign currency losses, from a loss of \$0.5 million in the six months ended June 30, 2019 compared to a loss of \$0.8 million in the six months ended June 30, 2020.

**Benefit for Income Taxes**

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2020	2019	\$	%	2020	2019	\$	%
	(dollars in thousands)							
Benefit for income taxes	\$ 2,932	\$ 178	\$ 2,754	1,547 %	\$ 4,876	\$ 1,241	\$ 3,635	293 %

Our benefit for income taxes increased by \$2.8 million in the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The increase in our benefit for income taxes for the three months ended

## [Table of Contents](#)

June 30, 2020 compared to the three months ended June 30, 2019 was primarily driven by a larger benefit for stock-based compensation expense as well as an increase in R&D credits recorded in the three months ended June 30, 2020 as compared to the three months ended June 30, 2019.

Our benefit for income taxes increased by \$3.6 million, for the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase in our benefit for income taxes for the six months ended June 30, 2020 compared to the six months ended June 30, 2019 was primarily driven by a larger benefit for stock-based compensation expense as well as an increase in R&D credits recorded in the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

### **Liquidity and Capital Resources**

#### **General**

As of June 30, 2020, our principal sources of liquidity were cash and cash equivalents totaling \$177.1 million, which were held for working capital purposes. As of June 30, 2020, our cash equivalents were comprised of money market funds. During the six months ended June 30, 2020 and 2019, our positive cash flows from operations have enabled us to make continued investments in supporting the growth of our business. We expect that our operating cash flows, in addition to our cash and cash equivalents, will enable us to continue to make such investments in the future.

We have financed our operations primarily through cash received from operations and proceeds from our debt and equity financings. On March 30, 2020, we drew down on the remaining \$97.8 million available for borrowing under our 2019 Revolving Credit Facility (described further below). Given the uncertainty in the global economy as result of the COVID-19 pandemic and out of an abundance of caution, we elected to draw down the remaining available balance to further strengthen our cash position and maintain flexibility. If needed, the proceeds will be available for working capital and general corporate purposes, subject to compliance with the 2019 Credit Agreement. We believe our existing cash and cash equivalents, our 2019 Revolving Credit Facility and cash provided by sales of our solutions and services will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. We also believe that these financial resources will allow us to manage the impact of COVID-19 on our business operations for the foreseeable future, including mitigating potential reductions in revenue and delays in payments from our customers and partners. Our future capital requirements will depend on several factors, including but not limited to our obligation to repay any amounts outstanding under our 2019 Credit Facilities, our subscription growth rate, subscription renewal activity, billing frequency, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced solutions and the continuing market adoption of our platform. In the future, we may enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights.

We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies, this could reduce our ability to compete successfully and harm our results of operations.

A majority of our customers pay in advance for annual subscriptions, a portion of which is recorded as deferred revenue. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is later recognized as revenue in accordance with our revenue recognition policy. As of June 30, 2020, we had deferred revenue of \$40.0 million, of which \$37.4 million was recorded as a current liability and is expected to be recorded as revenue in the next 12 months, provided all other revenue recognition criteria have been met.

#### **Senior Secured Credit Facilities**

On December 12, 2019, in connection with the refinancing of our 2018 Credit Facilities, we entered into the 2019 Credit Agreement providing for the 2019 Revolving Credit Facility with an initial \$150.0 million in commitments for revolving loans, which amount may be increased or decreased under specific circumstances, with a \$15.0 million letter of credit sublimit and a \$50.0 million alternative currency sublimit. In addition, the

[Table of Contents](#)

2019 Credit Agreement provides for the ability of Ping Identity Corporation to request incremental term loan facilities, in a minimum amount of \$10 million for each facility, if, among other things, the Senior Secured Net Leverage Ratio (as defined in the 2019 Credit Agreement), calculated giving pro forma effect to the requested term loan facility, is no greater than 3.50 to 1.00.

The interest rates applicable to revolving borrowings under the 2019 Credit Agreement are, at the borrower's option, either (i) a base rate, which is equal to the greater of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.5% and (c) the Adjusted LIBO Rate for a one month Interest Period (each term as defined in the 2019 Credit Agreement) plus 1%, or (ii) the Adjusted LIBO Rate equal to the LIBO Rate for the Interest Period multiplied by the Statutory Reserve Rate (each term as defined in the 2019 Credit Agreement), plus in the case of each of clauses (i) and (ii), the Applicable Rate. The Applicable Rate (i) for base rate loans ranges from 0.25% to 1.0% per annum and (i) for LIBO Rate loans ranges from 1.25% to 2.0% per annum, in each case, based on the Senior Secured Net Leverage Ratio (as defined in the 2019 Credit Agreement). The Adjusted LIBO Rate cannot be less than zero. Base rate borrowings may only be made in dollars. The 2019 Credit Agreement also includes a fallback provision, which, subject to certain terms and conditions, provides for a replacement of the LIBO Rate with (x) one or more SOFR-based rates or (y) any other alternative benchmark rates giving consideration to any evolving or then existing conventions for similar U.S. dollar denominated syndicated credit facilities. The borrower will pay a commitment fee during the term of the 2019 Credit Agreement ranging from 0.20% to 0.35% of the available revolving commitments per annum based on the Senior Secured Net Leverage Ratio (as defined in the 2019 Credit Agreement).

Any borrowing under the 2019 Credit Agreement may be repaid, in whole or in part, at any time and from time to time without premium or penalty other than customary breakage costs, and any amounts repaid may be reborrowed. No mandatory prepayments will be required other than when borrowings or letter of credit usage exceed the aggregate commitment of all lenders.

### **Cash Flows**

The following table presents a summary of our condensed consolidated cash flows from operating, investing and financing activities for the periods indicated:

	Six Months Ended June 30,	
	2020	2019
	(in thousands)	
Net cash provided by operating activities	\$ 21,244	\$ 8,064
Net cash used in investing activities	(12,872)	(6,822)
Net cash provided by (used in) financing activities	101,497	(1,951)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(406)	220
Net increase (decrease) in cash and cash equivalents and restricted cash	\$ 109,463	\$ (489)
Cash and cash equivalents and restricted cash at beginning of period	68,386	84,143
Cash and cash equivalents and restricted cash at end of period	\$ 177,849	\$ 83,654

### **Operating Activities**

Our largest source of operating cash is cash collections from our customers for subscriptions and professional services. Our primary uses of cash from operating activities are for employee-related expenditures, marketing expenses and third-party hosting costs.

For the six months ended June 30, 2020, net cash provided by operating activities was \$21.2 million, reflecting our net loss of \$7.1 million, adjusted for non-cash charges of \$24.2 million and net cash inflows of \$4.1 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, depreciation and amortization of property and equipment and intangible assets and deferred income taxes. The primary drivers of the changes in operating assets and liabilities related to an \$8.7 million decrease in accounts receivable due to the timing of

## [Table of Contents](#)

collection of payment from our customers, a \$7.2 million decrease in prepaid expenses and other current assets, a \$3.9 million increase in accounts payable, a \$2.2 million increase in accrued expenses and other due to the timing of cash disbursements and a \$1.3 million increase in contract assets. These were partially offset by a \$7.5 million decrease in deferred revenue driven by the timing of revenue recognition, a \$3.2 million increase in deferred commissions and an \$8.7 million decrease in accrued compensation related to the timing of cash disbursements to our employees.

During the six months ended June 30, 2019, net cash provided by operating activities was \$8.1 million due to our net loss of \$3.1 million that was adjusted for non-cash charges of \$20.0 million and net cash outflows of \$8.8 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of stock-based compensation, amortization of deferred commissions, depreciation and amortization of property and equipment and intangible assets and deferred income taxes. The primary drivers of the changes in operating assets and liabilities related to an \$8.2 million increase in contract assets, a \$3.6 million increase in deferred commissions, a \$4.6 million decrease in accrued compensation and a \$1.5 million decrease in accrued expenses and other due to the timing of payments, partially offset by a \$6.0 million decrease in accounts receivable due to the timing of receipt of payment from our customers and a \$3.1 million decrease in prepaid expenses and other current assets due to the timing of cash disbursements.

### ***Investing Activities***

Net cash used in investing activities was \$12.9 million and \$6.8 million during the six months ended June 30, 2020 and 2019, respectively, representing an increase of \$6.1 million. The net increase is primarily attributable to the acquisition of ShoCard in March 2020 for \$4.7 million as well as an increase in the capitalization of internal-use software costs of \$2.3 million, offset by a decrease in purchases of property and equipment of \$0.9 million.

### ***Financing Activities***

Net cash provided by financing activities was \$101.5 million during the six months ended June 30, 2020 whereas net cash used in financing activities was \$2.0 million during the six months ended June 30, 2019, representing an increase of \$103.5 million. The net increase primarily relates to the draw down on our 2019 Revolving Credit Facility of \$97.8 million that occurred in March 2020 and receipt of proceeds from stock option exercises of \$6.0 million.

### **Contractual Obligations and Commitments**

Our principal commitments consist of obligations under operating leases for office space and repayments of long-term debt. In “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2019, we disclosed our total contractual obligations as of December 31, 2019.

As of December 31, 2019, we had \$52.2 million outstanding under our 2019 Revolving Credit Facility. On March 30, 2020, we drew down on the remaining \$97.8 million available for borrowing under our 2019 Revolving Credit Facility. Given the uncertainty in the global economy as result of the COVID-19 pandemic and out of an abundance of caution, we elected to draw down the remaining available balance to further strengthen our cash position and maintain flexibility. If needed, the proceeds will be available for working capital and general corporate purposes, subject to compliance with the 2019 Credit Agreement.

Additionally, effective January 1, 2020, we adopted the new leasing standard, ASC 842, under which operating leases are recorded as liabilities on our condensed consolidated balance sheet with a corresponding right-of-use asset. See “Note 12—Operating Leases” to our condensed consolidated financial statements appearing in Part I, Item 1 of this Quarterly Report on Form 10-Q for the maturities of remaining lease payments included in the measurement of our operating leases.

[Table of Contents](#)

Outside of the above and routine transactions made in the ordinary course of business, there have been no material changes to the contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019.

#### **Indemnification Agreements**

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us or from intellectual property infringement claims made by third parties. In addition, we previously entered into indemnification agreements with our directors and certain officers and employees that require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our condensed consolidated balance sheets, condensed consolidated statements of operations and comprehensive income (loss), or condensed consolidated statements of cash flows.

#### **Off-Balance Sheet Arrangements**

As of June 30, 2020, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structure finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes.

#### **JOBS Act Accounting Election**

We qualify as an emerging growth company pursuant to the provisions of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use the extended transition period until we are no longer an emerging growth company or until we choose to affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements applicable to public companies.

On June 30, 2020, the last day of our second fiscal quarter in 2020, the market value of our common stock held by non-affiliates exceeded \$700 million. Accordingly, we will be deemed a large accelerated filer as of December 31, 2020 and can no longer take advantage of the extended timeline to comply with new or revised accounting standards applicable to public companies beginning with our Annual Report on Form 10-K for the year ended December 31, 2020.

#### **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenue and expenses and related disclosures of contingent assets and liabilities at the date of our financial statements. We evaluate our estimates and assumptions on an ongoing basis. The estimates and assumptions used by management are based on historical experience and other factors, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions, impacting our reported results of operations and financial condition.

Except for accounting policies related to our adoption of ASC 842, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the year ended December 31, 2019. For more information, please refer to "Note 2—Summary of Significant Accounting Policies" to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### Recent Accounting Pronouncements

For a description of our recently adopted accounting pronouncements and recently issued accounting standards not yet adopted, see “Note 2—Summary of Significant Accounting Policies—Recent Accounting Pronouncements” to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. As we have operations in the United States and internationally, our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

#### ***Foreign Currency Exchange Risk***

Our revenues and expenses are primarily denominated in U.S. dollars. For the three months ended June 30, 2020 and 2019, we recorded a gain of \$0.6 million and a loss of \$0.1 million on foreign exchange transactions, respectively. For the six months ended June 30, 2020 and 2019, we recorded losses of \$0.8 million and \$0.5 million on foreign exchange transactions, respectively. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments, but we may do so in the future if our exposure to foreign currency should become more significant. For business conducted outside of the United States, we may have both revenue and costs incurred in the local currency of the subsidiary, creating a partial natural hedge. Changes to exchange rates therefore have not had a significant impact on the business to date. However, we will continue to reassess our foreign exchange exposure as we continue to grow our business globally. During the three and six months ended June 30, 2020 and 2019, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our condensed consolidated financial statements.

#### ***Interest Rate Risk***

Our primary market risk exposure is changing LIBO-based interest rates. Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control. The interest rates applicable to revolving borrowings under the 2019 Credit Agreement are, at the borrower's option, either (i) a base rate, which is equal to the greater of (a) the Prime Rate, (b) the Federal Funds Effective Rate plus 0.5% and (c) the Adjusted LIBO Rate for a one month Interest Period (each term as defined in the 2019 Credit Agreement) plus 1%, or (ii) the Adjusted LIBO Rate equal to the LIBO Rate for the Interest Period multiplied by the Statutory Reserve Rate (each term as defined in the 2019 Credit Agreement), plus in the case of each of clauses (i) and (ii), the Applicable Rate. The Applicable Rate (i) for base rate loans ranges from 0.25% to 1.0% per annum and (i) for LIBO Rate loans ranges from 1.25% to 2.0% per annum, in each case, based on the Senior Secured Net Leverage Ratio (as defined in the 2019 Credit Agreement). The Adjusted LIBO Rate cannot be less than zero. Base rate borrowings may only be made in dollars. The 2019 Credit Agreement also includes a fallback provision, which, subject to certain terms and conditions, provides for a replacement of the LIBO Rate with (x) one or more SOFR-based rates or (y) any other alternative benchmark rate giving consideration to any evolving or then existing conventions for similar U.S. dollar denominated syndicated credit facilities.

At June 30, 2020, we had total outstanding debt of \$150.0 million under our 2019 Revolving Credit Facility. Based on the amounts outstanding, a 100-basis point increase or decrease in market interest rates over a twelve-month period would result in a change to interest expense of \$1.5 million.

#### **Item 4. Controls and Procedures**

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

We maintain “disclosure controls and procedures,” as defined in Rule 13a–15(e) and Rule 15d–15(e) under the Exchange Act that are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of June 30, 2020, our disclosure controls and procedures were effective at the reasonable assurance level.

##### ***Changes in Internal Control***

There have been no changes in internal control over financial reporting during the quarter ended June 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### ***Inherent Limitations on Effectiveness of Controls***

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **PART II. OTHER INFORMATION**

### **Item 1. Legal Proceedings**

From time to time, we are involved in various claims and legal actions that arise in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we do not believe that the ultimate resolution of these actions will have a material adverse effect on our financial position, results of operations, liquidity and capital resources.

Future litigation may be necessary to defend ourselves and our partners by determining the scope, enforceability and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

### **Item 1A. Risk Factors**

Except for the risk factors set forth below that are new or contain changes to the similarly titled risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2019, there have been no material changes to the risk factors disclosed under the heading "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019.

#### **Risks Relating to Our Business**

##### ***The novel COVID-19 pandemic could materially adversely affect our business, operating results, financial condition and prospects.***

The severity, magnitude and duration of the current COVID-19 pandemic is uncertain and rapidly changing. The COVID-19 pandemic has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter in place orders and shutdowns. These measures have impacted and may further impact all or portions of our facilities, workforce and operations, the behavior of our customers and consumers and the operations of our respective vendors and suppliers. Concern over the impact of COVID-19 has delayed the purchasing decisions of prospective Ping Identity customers and caused certain customers to opt for shorter contract durations. While governmental authorities have taken measures to try to contain the COVID-19 pandemic, there is considerable uncertainty regarding such measures and potential future measures. There is no certainty that measures taken by governmental authorities will be sufficient to mitigate the risks posed by the COVID-19 pandemic, and our ability to perform critical functions could be harmed.

While most of our operations can be performed remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed, many employees may have additional personal needs to attend to (such as looking after children as a result of school closures or family who become sick), and employees may become sick themselves and be unable to work. Decreased effectiveness of our team could adversely affect our results due to our inability to meet in person with potential customers, cancellation and inability to participate in conferences and other industry events that lead to sales generation, longer time periods to review and approve work product and a corresponding reduction in innovation, longer time to respond to platform performance issues, or other decreases in productivity that could seriously harm our business. Significant management time and resources may be diverted from our ordinary business operations in order to develop, implement and manage workplace safety strategies and conditions as we attempt to return to office workplaces. Further, we may decide to postpone or cancel planned investments in our business in response to changes in our business as a result of the spread of COVID-19, or we may have to reduce headcount in certain areas of our business as a result of the economic impact of COVID-19, which may impact our ability to respond to our customers' needs and fulfill contractual obligations. In addition, as a result of financial or operational difficulties, our suppliers, system integrators and channel partners may experience delays or interruptions in their ability to provide services to us or our customers, if they are able to do so at all, which could interrupt our customers' access to our services which could adversely affect their perception of our platform's reliability and

result in increased liability exposure. We rely upon third parties for certain critical inputs to our business and solutions, such as data centers and technology infrastructure. Any disruptions to services provided to us by third parties that we rely upon to provide our solutions, including as a result of actions outside of our control, could significantly impact the continued performance of such solutions. This uncertain environment may also lead to increased cyber and fraud risk related to COVID-19, as cybercriminals attempt to profit from the disruption, given the increase in online transaction activity. The dispersed nature of our workforce may also increase our cyber and fraud risk as our information technology and security teams must manage and secure equipment used by our employees remotely, and with our employees working more independently, there are increased opportunities for human error. We could experience direct financial loss, or be exposed to contractual or reputational liability, if we were affected by cyber security attacks.

The COVID-19 pandemic has also significantly increased economic and demand uncertainty, and has led to disruption and volatility in the global capital markets, which can increase the cost of capital and adversely impact access to capital. The COVID-19 pandemic has caused an economic slowdown, and it is possible that it could cause a global recession. The COVID-19 pandemic has caused a general decrease in consumer spending and decrease in consumer confidence. Our revenue, results of operations and cash flows depend on the overall demand for our solutions and solution packages. Concerns about the systemic impact of a potential widespread recession (in the United States or internationally), geopolitical issues or the availability and cost of credit have led to increased market volatility, decreased consumer confidence and diminished growth expectations in the U.S. economy and abroad, which in turn could result in reductions in IT, IAM and identity security spending by our existing and prospective customers, while also disrupting sales channels, marketing activities and supply chains for an unknown period of time until the outbreak is contained. Some of our customers have experienced and may continue to experience financial hardship that may result in delayed or uncollectible payments. To add to the uncertainty, it is unclear when an economic recovery could start and what a recovery will look like after this unprecedented shutdown of the economy. All of these factors are expected to have a negative impact on our revenue, cash flows and results of operations.

The severity, magnitude and duration of the current COVID-19 pandemic is uncertain, rapidly changing and hard to predict and depends on events beyond our knowledge or control. These and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risks described in the “Risk Factors” section in our Annual Report on Form 10-K for the year ended December 31, 2019, such as those relating to our reputation, product sales, results of operations or financial condition. We might not be able to predict or respond to all impacts on a timely basis to prevent near- or long-term adverse impacts to our results. As a result, we cannot at this time predict the impact of the COVID-19 pandemic, but it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

***Our growth is substantially dependent on the success of our strategic relationships with channel partners, technology partners and other third parties.***

As part of our business development efforts, we anticipate that we will continue to depend on relationships with third parties, such as our channel partners and technology partners, to sell, market, build, operate and deploy our solutions and solution packages. Identifying these partners and maintaining these relationships requires significant time and resources. Our competitors may be effective in providing incentives to channel partners and other third parties to favor their solutions or services over subscriptions to our platform and a substantial number of our agreements with channel partners are non-exclusive such that those channel partners may offer customers the solutions of several different companies, including solutions that compete with ours. Our channel partners may cease marketing or reselling our platform with limited or no notice and without penalty. Our channel partners may also choose to promote our competitors’ solutions versus our own solutions and solution packages. If our technology partners fail to build, deploy or operate our solutions and/or solution packages in a manner that satisfies our customers, or if we fail to adequately negotiate and document the underlying agreement with such technology partners, our customers may seek direct recourse against us. In the event that a relationship with a technology partner deploying and operating our solution is terminated, we may be unable to allocate the proper engineering resources to support the solution internally, or the solution may become too costly to run ourselves. In addition, given the competitive landscape, acquisitions of our channel or technology partners by a competitor could adversely affect our customers, as these partners may no longer be in a position to sell, market, build, operate and/or deploy our solutions and solution packages. Furthermore, some

[Table of Contents](#)

of these partners may themselves build competitive solutions that are or may become competitive with certain of our solutions and/or solution packages and then elect to no longer support or integrate with our platform. Lastly, we cannot accurately predict the impact of the COVID-19 pandemic on the business operations of these critical third parties, and thus may not be able to recoup any financial or strategic losses as a result of an unexpected termination of the underlying relationship. If we are unsuccessful in establishing or maintaining our relationships with critical third parties, our ability to compete in the marketplace or to grow our revenue could be impaired, and our results of operations may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our solutions or increased revenue.

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

***Unregistered Sales of Equity Securities***

There were no unregistered sales of equity securities during the three months ended June 30, 2020.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosure**

None.

**Item 5. Other Information**

The Company entered into an amendment to the 2019 Credit Agreement on August 11, 2020 (the "Credit Amendment"). The Credit Amendment, among other provisions, amended the definition of "EBITDA" therein to add two additional addbacks and also updated the standard "Bail-In" language. The Credit Amendment is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and such exhibit is incorporated herein by reference.

**Item 6. Exhibits**

We have filed the exhibits listed on the accompanying Exhibit Index, which is incorporated herein by reference.

**Exhibit Index**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
10.1	<a href="#">Ping Identity Holding Corp. Omnibus Incentive Plan, as amended May 5, 2020 (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement filed with the SEC on Form S-1 on May 11, 2020).</a>
10.2	<a href="#">First Amendment to the Credit Agreement, dated August 11, 2020, by and among Roaring Fork Intermediate, LLC, Ping Identity Corporation, the other loan parties party thereto, each of the lenders party thereto, and Bank of America, N.A., as administrative agent for the lenders, filed herewith.</a>
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
32.1*	<a href="#">Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, filed herewith.</a>
32.2*	<a href="#">Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, filed herewith.</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	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.INS, 101.SCH, 101.CAL, 101.DEF, 101.LAB, and 101.PRE).

\*The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

**SIGNATURES**

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

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/Raj Dani</u> Raj Dani	Chief Financial Officer <i>(Principal Financial Officer)</i>	August 12, 2020

**FIRST AMENDMENT TO CREDIT AGREEMENT**

This FIRST AMENDMENT TO CREDIT AGREEMENT, dated as of August 11, 2020 (this "Amendment"), is made by and among Roaring Fork Intermediate, LLC, a Delaware limited liability company ("Holdings"), Ping Identity Corporation, a Delaware corporation (the "Borrower"), the other Loan Parties party hereto, each of the Lenders party hereto, and Bank of America, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

## PRELIMINARY STATEMENTS:

WHEREAS, pursuant to that certain Credit Agreement, dated as of December 12, 2019 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"); unless otherwise defined herein, capitalized terms used herein that are not otherwise defined herein shall have the respective meanings assigned to such terms in the Credit Agreement), by and among Holdings, the Borrower, the other Loan Parties from time to time party thereto, the lenders from time to time party thereto (collectively, the "Lenders" and individually each a "Lender") and the Administrative Agent; and

WHEREAS, pursuant to Section 9.02(b) of the Credit Agreement, the Borrower has requested that the Administrative Agent and the Required Lenders amend the Credit Agreement as set forth herein, and the Administrative Agent and the Required Lenders are willing to so amend the Credit Agreement on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals, mutual agreements contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Amendments to Credit Agreement. Subject to the satisfaction of the conditions precedent set forth in Section 3 hereof, effective on and as of the Amendment Effective Date (as defined below), (a) the Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~), and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages attached as Annex A hereto and (b) the Credit Agreement is hereby amended by including Annex B hereto as Exhibit B to the Credit Agreement.

SECTION 2. Representations and Warranties. Each Loan Party represents and warrants that as of the Amendment Effective Date (as defined below):

(a) Each Loan Party (i) is duly organized or incorporated, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization or incorporation, (ii) has all requisite power and authority to carry on its business as now conducted and (iii) except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent such concept is applicable in the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

---

(b) The entry into this Amendment by each Loan Party is within such Loan Party's corporate or limited liability company powers, as the case may be, and has been duly authorized by all necessary corporate or limited liability company and, if required, stockholder or member action. This Amendment has been duly executed and delivered by each Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

(c) The execution, delivery and performance by each Loan Party of this Amendment and the other transactions contemplated by this Amendment (i) do not, on the part of any Loan Party or any of its Subsidiaries, require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (ii) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries or any order of any Governmental Authority, (iii) will not violate or result in a default under, or give rise to a right to require any payment to be made by any Loan Party or any of its Subsidiaries under any material agreement which is binding upon any Loan Party or any of its Subsidiaries or its assets, and (iv) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries, except Liens created pursuant to the Loan Documents, except, solely in the case of clauses (i), (ii) or (iii) hereof, as would not reasonably be expected to result in a Material Adverse Effect.

(d) At the time of and immediately after giving effect to this Amendment, each of the representations and warranties made by any Loan Party set forth in Article III of the Credit Agreement or in any other Loan Document shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) as of the Amendment Effective Date, except to the extent that any such representation or warranty expressly relates to an earlier date in which case such representations and warranties shall be true and correct in all material respects (except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) as of such earlier date.

(e) At the time of and immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing on such date or would result therefrom.

SECTION 3. Conditions to Effectiveness on Amendment Effective Date. This Amendment and the amendments attached hereto as Annex A and Annex B shall become effective on and as of the Business Day on which the following conditions shall have been satisfied or waived (the "Amendment Effective Date"):

(a) the Administrative Agent (or its counsel) shall have received duly executed counterparts of this Amendment from (i) the Borrower, (ii) each other Loan Party and (iii) the Lenders constituting the Required Lenders;

(b) all representations and warranties by any Loan Party contained in Section 2 hereof, the Credit Agreement or any other Loan Document shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) as of the Amendment Effective Date, except to the extent that any such representation or warranty expressly relates to an earlier date in which case such representations and warranties shall be true and correct in all material respects (except that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects) as of such earlier date;

(c) at the time of and immediately after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing on such date or would result therefrom; and

(d) the Administrative Agent shall have received all expenses required to be paid on the Amendment Effective Date to the Administrative Agent and with respect to which invoices have been delivered to the Borrower prior to the Amendment Effective Date (including, without limitation, reasonable and documented out-of-pocket fees, expenses and disbursements of legal counsel).

**SECTION 4. No Modification; Reaffirmation.**

(a) Except as expressly set forth herein, nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Credit Agreement or any of the other Loan Documents or constitute a course of conduct or dealing among the parties. Except as expressly stated herein, the Administrative Agent and the Lenders reserve all rights, privileges and remedies under the Loan Documents. Except as amended or consented to hereby, the Credit Agreement and other Loan Documents remain unmodified and in full force and effect. Each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference to the “Credit Agreement”, “thereunder”, “thereof”, “therein” or words of like import referring to the Credit Agreement in any other Loan Document shall mean and be a reference to the Credit Agreement as amended hereby. This Amendment shall constitute a Loan Document under the Credit Agreement and the other Loan Documents and, together with the other Loan Documents, constitute the entire agreement among the parties pertaining to the modification of the Loan Documents as herein provided and supersede any and all prior or contemporaneous agreements, promises and amendments relating to the subject matter hereof. To the extent any terms or provisions of this Amendment conflict with those of the Credit Agreement or the other Loan Documents, the terms and provisions of this Amendment shall control.

(b) Each Loan Party hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party, (ii) ratifies and reaffirms each grant of a lien on, or security interest in, its property made pursuant to the Loan Documents (including, without limitation, the grant of security made by such Loan Party pursuant to the Security Agreement) and confirms that such liens and security interests continue to secure the Obligations under the Loan Documents subject to the terms thereof and (iii) in the case of each Loan Guarantor, ratifies and reaffirms its guaranty of the Obligations pursuant to the Loan Documents.

SECTION 5. Costs; Expenses. The Borrower agrees to pay all reasonable out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent) in accordance with the terms of Section 9.03 of the Credit Agreement.

SECTION 6. Execution in Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopier or other electronic transmission (PDF or TIFF format) shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, 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 7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

SECTION 8. Submission to Jurisdiction; Venue. Each of the parties hereto hereby agrees that Sections 9.09(b), 9.09(c) and 9.09(d) of the Credit Agreement are incorporated by reference herein, *mutatis mutandis*, and shall have the same force and effect with respect to this Amendment as if originally set forth herein.

SECTION 9. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.

SECTION 10. Severability. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and

enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11. No Novation. By its execution of this Amendment, each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation, but, rather, a supplement of the terms of a pre-existing indebtedness and related agreement, as evidenced by the Credit Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**PING IDENTITY CORPORATION,**  
as the Borrower

By: /s/ Lauren Romer  
Name: Lauren Romer  
Title: Secretary

**ROARING FORK INTERMEDIATE, LLC,**  
as Holdings

By: /s/ Lauren Romer  
Name: Lauren Romer  
Title: Secretary

**UNBOUNDID, LLC,**  
as a Loan Guarantor

By: /s/ Lauren Romer  
Name: Lauren Romer  
Title: Secretary

**ELASTIC BEAM, LLC,**  
as a Loan Guarantor

By: /s/ Lauren Romer  
Name: Lauren Romer  
Title: Secretary

**SHOCARD, LLC,**  
as a Loan Guarantor

By: /s/ Lauren Romer  
Name: Lauren Romer  
Title: Secretary

[Signature Page to First Amendment to Credit Agreement]

---

**BANK OF AMERICA, N.A.**  
as Administrative Agent

By: /s/ Mary Lawrence  
Name: Mary Lawrence  
Title: Assistant Vice President

---

[Signature Page to First Amendment to Credit Agreement]

---

**BANK OF AMERICA, N.A.**  
as a Lender

By: /s/ Adam Rose  
Name: Adam Rose  
Title: SVP

---

[Signature Page to First Amendment to Credit Agreement]

---

**Royal Bank of Canada,**  
as a Lender

By: /s/ Mark Gronich  
Name: Mark Gronich  
Title: Authorized Signatory

[Signature Page to First Amendment to Credit Agreement]

---

ANNEX A

**Amended Credit Agreement**

(see attached)

Annex A

---

**ANNEX B**

**Amended Exhibit B to Credit Agreement**

(see attached)

Annex B

---

**Deal CUSIP Number: 72341KAD4  
Revolving Loan CUSIP Number: 72341KAE2**

CREDIT AGREEMENT

dated as of

December 12, 2019

among

ROARING FORK INTERMEDIATE, LLC,  
as Holdings,

PING IDENTITY CORPORATION,  
as Borrower,

The other Loan Parties Party Hereto,

The Lenders Party Hereto,

BANK OF AMERICA, N.A.,  
as Administrative Agent

and

BOFA SECURITIES, INC.  
and  
RBC CAPITAL MARKETS\*,  
as Joint Lead Arrangers and Joint Bookrunners

\* RBC Capital Markets is a brand name for the capital markets business of Royal Bank of Canada and its affiliates.

---

## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE I DEFINITIONS	1
SECTION 1.01	1
SECTION 1.02	34
SECTION 1.03	34
SECTION 1.04	34
SECTION 1.05	34
SECTION 1.06	34
SECTION 1.07	35
SECTION 1.08	35
SECTION 1.09	36
SECTION 1.10	36
SECTION 1.11	36
ARTICLE II THE CREDITS	37
SECTION 2.01	37
SECTION 2.02	37
SECTION 2.03	38
SECTION 2.04	38
SECTION 2.05	38
SECTION 2.06	39
SECTION 2.07	43
SECTION 2.08	44
SECTION 2.09	45
SECTION 2.10	46
SECTION 2.11	46
SECTION 2.12	47
SECTION 2.13	48
SECTION 2.14	49
SECTION 2.15	51
SECTION 2.16	52
SECTION 2.17	52
SECTION 2.18	56
SECTION 2.19	58
SECTION 2.20	59
SECTION 2.21	60
SECTION 2.22	61
SECTION 2.23	63
SECTION 2.24	64
SECTION 2.25	64
ARTICLE III REPRESENTATIONS AND WARRANTIES	65
SECTION 3.01	66
SECTION 3.02	66
SECTION 3.03	66
SECTION 3.04	66
SECTION 3.05	66

SECTION 3.06	Litigation and Environmental Matters	67
SECTION 3.07	Compliance with Laws and Agreements; No Default	67
SECTION 3.08	Investment Company Status	67
SECTION 3.09	Taxes	67
SECTION 3.10	ERISA	67
SECTION 3.11	Disclosure	68
SECTION 3.12	Capitalization and Subsidiaries	68
SECTION 3.13	Security Interest in Collateral	68
SECTION 3.14	Federal Reserve Regulations	68
SECTION 3.15	Anti-Corruption Laws and Sanctions; USA Patriot Act	68
SECTION 3.16	Covered Entity	69
SECTION 3.17	Not an EEA Financial Institution	69
SECTION 3.18	Solvency	69
SECTION 3.19	Beneficial Ownership Certificate	69
ARTICLE IV CONDITIONS		69
SECTION 4.01	Conditions to Initial Loans	69
SECTION 4.02	Each Credit Event	71
ARTICLE V AFFIRMATIVE COVENANTS		72
SECTION 5.01	Financial Statements and Other Information	72
SECTION 5.02	Notices of Material Events	73
SECTION 5.03	Existence; Conduct of Business	74
SECTION 5.04	Payment of Taxes	74
SECTION 5.05	Maintenance of Properties; Insurance; Casualty and Condemnation	74
SECTION 5.06	Books and Records; Inspection Rights	74
SECTION 5.07	Compliance with Laws	75
SECTION 5.08	Use of Proceeds	75
SECTION 5.09	Additional Collateral; Further Assurances	75
SECTION 5.10	[Reserved]	77
SECTION 5.11	Compliance with Environmental Laws	77
SECTION 5.12	Intellectual Property	77
SECTION 5.13	Designation of Subsidiaries	77
SECTION 5.14	Anti-Corruption Law; Anti-Money Laundering; Foreign Corrupt Practices Act	78
ARTICLE VI NEGATIVE COVENANTS		78
SECTION 6.01	Indebtedness	78
SECTION 6.02	Liens	81
SECTION 6.03	Fundamental Changes	83
SECTION 6.04	Investments, Loans, Advances, Guarantees and Acquisitions	84
SECTION 6.05	Asset Dispositions; Sale and Leaseback Transactions	86
SECTION 6.06	Swap Agreements	88
SECTION 6.07	Restricted Payments	88
SECTION 6.08	Restricted Debt Payments	89
SECTION 6.09	Transactions with Affiliates	90
SECTION 6.10	Restrictive Agreements	91
SECTION 6.11	Amendment of Material Documents	91
SECTION 6.12	Financial Covenant	92

ARTICLE VII EVENTS OF DEFAULT		92
ARTICLE VIII THE ADMINISTRATIVE AGENT		95
SECTION 8.01	Appointment	95
SECTION 8.02	Rights as a Lender	95
SECTION 8.03	Duties and Obligations	95
SECTION 8.04	Reliance	96
SECTION 8.05	Actions through Sub-Agents	96
SECTION 8.06	Resignation	96
SECTION 8.07	Non-Reliance	98
SECTION 8.08	Not Partners or Co-Venturers; Administrative Agent as Representative of the Secured Parties	98
SECTION 8.09	Lenders Not Subject to ERISA	98
ARTICLE IX MISCELLANEOUS		99
SECTION 9.01	Notices	99
SECTION 9.02	Waivers; Amendments	102
SECTION 9.03	Expenses; Indemnity; Damage Waiver	104
SECTION 9.04	Successors and Assigns	106
SECTION 9.05	Survival	109
SECTION 9.06	Counterparts; Integration; Effectiveness; Electronic Execution	109
SECTION 9.07	Severability	110
SECTION 9.08	Right of Setoff	110
SECTION 9.09	Governing Law; Jurisdiction; Consent to Service of Process	110
SECTION 9.10	WAIVER OF JURY TRIAL	111
SECTION 9.11	Headings	111
SECTION 9.12	Confidentiality	111
SECTION 9.13	Several Obligations; Nonreliance; Violation of Law	112
SECTION 9.14	USA PATRIOT Act	112
SECTION 9.15	Disclosure	113
SECTION 9.16	Appointment for Perfection	113
SECTION 9.17	Interest Rate Limitation	113
SECTION 9.18	No Advisory or Fiduciary Responsibility	113
SECTION 9.19	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	113
SECTION 9.20	Acknowledgment Regarding any Supported QFCs	114
SECTION 9.21	Judgment Currency	115
ARTICLE X LOAN GUARANTY		115
SECTION 10.01	Guaranty	115
SECTION 10.02	Guaranty of Payment	116
SECTION 10.03	No Discharge or Diminishment of Loan Guaranty	116
SECTION 10.04	Defenses Waived	116
SECTION 10.05	Rights of Subrogation	117
SECTION 10.06	Reinstatement; Stay of Acceleration	117
SECTION 10.07	Information	117
SECTION 10.08	Termination	117
SECTION 10.09	[Reserved]	117
SECTION 10.10	Maximum Liability	118

SECTION 10.11	Contribution	118
SECTION 10.12	Liability Cumulative	119
SECTION 10.13	Keepwell	119

SCHEDULES:

Commitment Schedule

- Schedule 3.12 — Capitalization and Subsidiaries
- Schedule 5.09 — Post-Closing Deliverables
- Schedule 6.01 — Existing Indebtedness
- Schedule 6.02 — Existing Liens
- Schedule 6.04 — Existing Investments
- Schedule 6.09 — Transactions with Affiliates
- Schedule 6.10 — Restrictive Agreements

EXHIBITS:

- Exhibit A — Form of Assignment and Assumption
- Exhibit B — Form of Compliance Certificate
- Exhibit C — Joinder Agreement
- Exhibit D — Form of Solvency Certificate
- Exhibit E - 1 — U.S. Tax Certificate (For Foreign Lenders that are not Partnerships for U.S. Federal Income Tax Purposes)
- Exhibit E - 2 — U.S. Tax Certificate (For Foreign Participants that are not Partnerships for U.S. Federal Income Tax Purposes)
- Exhibit E - 3 — U.S. Tax Certificate (For Foreign Participants that are Partnerships for U.S. Federal Income Tax Purposes)
- Exhibit E - 4 — U.S. Tax Certificate (For Foreign Lenders that are Partnerships for U.S. Federal Income Tax Purposes)
- Exhibit F — Form of Borrowing Request
- Exhibit G — Form of Interest Election Request
- Exhibit H — Form of Notice of Loan Prepayment

THIS CREDIT AGREEMENT, dated as of December 12, 2019 (as it may be amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, this “Agreement”), among ROARING FORK INTERMEDIATE, LLC, a Delaware limited liability company, as Holdings, PING IDENTITY CORPORATION, a Delaware corporation, as the Borrower, the other Loan Parties party hereto from time to time, the Lenders party hereto from time to time, the Issuing Banks party hereto from time to time, and BANK OF AMERICA, N.A., as the Administrative Agent.

The parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. ABR Loans are only available in Dollars.

“Accounting Firm” means PricewaterhouseCoopers LLP, or any other independent registered public accounting firm of nationally recognized standing.

“Acquisition” means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any line of business, business unit, division or product line (including research and development and related assets in respect of any product) of a Person, (b) the acquisition of in excess of 50% of the Equity Interests of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger, amalgamation or consolidation or any other combination with another Person (other than a Person that is a Subsidiary).

“Additional Incremental Term Loan Lender” has the meaning assigned to such term in Section 2.22(a)(ii).

“Additional Lender” has the meaning assigned to such term in Section 2.23(a)(ii).

“Adjusted Covenant Period” has the meaning assigned to such term in Section 6.12(a).

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period or for any ABR Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided, that if the Adjusted LIBO Rate is less than zero, it shall be deemed to be zero for purposes of this Agreement.

“Administrative Agent” means Bank of America, N.A., in its capacity as administrative agent for the Lenders hereunder, and any of its successors in such capacity.

“Administrative Questionnaire” means an administrative questionnaire in a form supplied by the Administrative Agent.

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

---

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

“Aggregate Credit Exposure” means, at any time, the aggregate Credit Exposure of all the Lenders at such time.

“Agreement” has the meaning assigned to such term in the introductory paragraph.

“Alternate Base Rate” means, for any day, a fluctuating rate *per annum* equal to the greatest of (a) the Prime Rate, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 hereof, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Alternative Currency” means each of the following currencies: Euro, Sterling, Yen and Canadian Dollars.

“Alternative Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, by reference to Bloomberg (or such other publicly available service for displaying exchange rates), to be the exchange rate for the purchase of such Alternative Currency with Dollars at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; *provided*, however, that if no such rate is available, the “Alternative Currency Equivalent” shall be determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, using any reasonable method of determination they deem appropriate in their sole discretion (and such determination shall be conclusive absent manifest error).

“Alternative Currency Sublimit” means an amount equal to \$50,000,000. The Alternative Currency Sublimit is part of, and not in addition to, the Commitments.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to Holdings or its Subsidiaries from time to time concerning or relating to (a) bribery and/or corruption and (b) terrorism financing and/or money laundering.

“Applicable Percentage” means, with respect to any Lender, (a) with respect to Loans and LC Exposure, a percentage equal to a fraction the numerator of which is such Lender’s Commitment and the denominator of which is the aggregate Commitment of all Lenders (if the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon such Lender’s share of the Aggregate Credit Exposure at that time); *provided*, that in the case of Section 2.20 when a Defaulting Lender shall exist, any such Defaulting Lender’s Commitment shall be disregarded in the calculation, and (b) with respect to the Aggregate Credit Exposure, a percentage based upon its share of the Aggregate Credit Exposure and the unused Commitments; *provided*, that in the case of Section 2.20 when a Defaulting Lender shall exist, any such Defaulting Lender’s Commitment shall be disregarded in the calculation.

“Applicable Rate” means, for any day, with respect to any ABR Loan or Eurocurrency Loan, or with respect to the commitment fees or letter of credit fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “Applicable Rate for Eurocurrency Loans”, “Applicable Rate for ABR Loans” or “Commitment Fee Rate”, as the case may be, based upon Holdings’ Senior Secured Net Leverage Ratio as of the most recent determination date; provided, that until the delivery to the Administrative Agent, pursuant to Section 5.01, of Holdings’ consolidated financial information for Holdings’ first fiscal quarter ending after the Effective Date, the “Applicable Rate” shall be the applicable rate per annum set forth below in Level I:

Level	Senior Secured Net Leverage Ratio	Applicable Rate for Eurocurrency Loans	Applicable Rate for ABR Loans	Commitment Fee Rate
Level I	≤ 1.00 to 1.00	1.25%	0.25%	0.20%
Level II	> 1.00 to 1.00 but ≤ 2.00 to 1.00	1.50%	0.50%	0.25%
Level III	> 2.00 to 1.00 but ≤ 3.00 to 1.00	1.75%	0.75%	0.30%
Level IV	> 3.00 to 1.00	2.00%	1.00%	0.35%

For purposes of the foregoing, (a) the Applicable Rate shall be determined as of the end of each fiscal quarter of Holdings based upon Holdings’ annual or quarterly consolidated financial statements delivered pursuant to Section 5.01 and (b) each change in the Applicable Rate resulting from a change in the Senior Secured Net Leverage Ratio shall be effective three Business Days after the date of delivery to the Administrative Agent of such consolidated financial statements indicating such change and ending on the date immediately preceding the effective date of the next such change; provided, that the Senior Secured Net Leverage Ratio shall be deemed to be in Level IV for the period commencing three Business Days after Holdings fails to deliver the annual or quarterly consolidated financial statements required to be delivered by it pursuant to Section 5.01, and ending on the date which is three Business Days after such statements are actually delivered.

“Applicable Tax Laws” means the Code and any other applicable Requirements of Law relating to Taxes, as in effect from time to time.

“Applicable Time” means, with respect to any Borrowing and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Commitment” means, at any time, the aggregate Commitments of all Lenders then in effect *minus* the Aggregate Credit Exposure at such time.

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

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

“Bank of America” means Bank of America, N.A., a national banking association, in its individual capacity, and its successors.

“Banking Services” means each and any of the following bank services provided to any Loan Party or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards) or for corporate purposes, (b) stored value cards, (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services), (d) documentary services and foreign currency exchange services and (e) any arrangement or services similar to, or for the purpose of effectuating, any of the foregoing.

“Banking Services Obligations” means any and all obligations of the Loan Parties or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services, but excluding any Swap Agreement Obligations.

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

“Beneficial Owner” means, with respect to any U.S. Federal withholding Tax, the beneficial owner, for U.S. Federal income tax purposes, to whom such Tax relates.

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

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

“Billing Statement” has the meaning assigned to such term in Section 2.18(g).

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Ping Identity Corporation, a Delaware corporation.

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

“Borrowing Request” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed and:

(a) if such day relates to interest at a rate based on the LIBO Rate with respect to a LIBOR Quoted Currency, means any such day that is also a London Banking Day;

(b) if such day relates to any interest rate based on the LIBO Rate with respect to a Non-LIBOR Quoted Currency, means any such day that is also open for banks for foreign exchange business in the principal financial center of the country of such currency; and

(c) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Canadian Dollar” or “CAD” means the lawful currency of Canada.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP, it being understood that solely with respect to any change in GAAP after the Effective Date with respect to the accounting for leases as either operating leases or capital leases, any lease that at the time it is entered into is not (or would not be) a capital lease under GAAP as then in effect shall not be treated as a capital lease notwithstanding any such later change in GAAP.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Banks or the Lenders, as Collateral for LC Exposure, the Obligations in respect of the Lenders to fund participations in respect of LC Exposure, (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms, from issuers and in amounts satisfactory to the Administrative Agent and the applicable Issuing Banks, and/or (c) if the Administrative Agent and the applicable Issuing Banks shall agree, in their sole discretion, other credit support as requested by Borrower, in each case, in Dollars and pursuant to documentation in form and substance satisfactory to the Administrative Agent and Issuing Banks. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such Cash Collateral and other credit support.

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one (1) year from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, bankers’ acceptances and time deposits maturing within one (1) year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500 million;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) money market funds that (i) comply with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody’s and (iii) have portfolio assets of at least \$5 billion;

(f) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within one (1) year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody’s; and

(g) short term investments similar to the foregoing made by Foreign Subsidiaries of the Borrower consistent with the Borrower’s investment guidelines as approved from time to time by the Borrower’s board of directors.

“CDOR” has the meaning assigned to such term in the definition of “LIBO Rate”.

“CDOR Rate” has the meaning assigned to such term in the definition of “LIBO Rate”.

“CFC” means a “controlled foreign corporation” as defined in Section 957 of the Code.

“Change in Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof) of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings, (b) the Borrower ceases to be a direct or indirect wholly-owned subsidiary of Holdings, (c) the occupation of a majority of the seats (other than vacant seats) on the board of directors of Holdings by Persons who were not (i) directors of Holdings on the Effective Date, (ii) nominated or approved by the board of directors of Holdings or (iii) appointed by directors who were directors of Holdings on the Effective Date or were so nominated or approved as provided in subclause (ii) of this clause (c), or (d) the occurrence of any “change of control” or similar event with respect to Holdings under any agreement evidencing any Material Indebtedness of the Borrower.

“Change in Law” means the occurrence after the date of this Agreement (or, with respect to any Lender, such later date on which such Lender becomes a party to this Agreement) of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority; or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender’s or such Issuing Bank’s holding company, if any) with any request, guideline, requirement or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements 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 Law”, regardless of the date enacted, adopted, issued or implemented.

“Charges” has the meaning assigned to such term in Section 9.17.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” has the meaning given to “Collateral” in the Security Agreement.

“Collateral Documents” means, collectively, the Security Agreement and any other documents granting a Lien upon the Collateral as security for payment of the Secured Obligations.

“Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender’s Credit Exposure hereunder, as such commitment may be reduced or increased from time to time pursuant to (a) Section 2.09, 2.22 or 2.23 and (b) assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Commitment is set forth on the Commitment Schedule, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments as of the Effective Date is \$150 million.

“Commitment Increase” has the meaning assigned to such term in Section 2.23(a).

“Commitment Schedule” means the Schedule attached hereto identified as such.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 9.01(d).

“Consolidated Cash Interest Charges” means, as of any date, Consolidated Interest Charges to the extent payable in cash.

“Consolidated Interest Charges” means, as of any date, with respect to the Borrower and its Restricted Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP; (b) all interest paid or payable with respect to discontinued operations; and (c) the portion of rent expense under Capital Lease Obligations that is treated as interest in accordance with GAAP, in each case, of or by the Borrower and its respective Restricted Subsidiaries on a consolidated basis for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date); provided that, notwithstanding the foregoing, (i) for purposes of calculating Consolidated Interest Charges for the four fiscal quarter period ending March 31, 2020, Consolidated Interest Charges for such four fiscal quarter period then ending shall equal Consolidated Interest Charges for the fiscal quarter ending on such date multiplied by four, (ii) for purposes of calculating Consolidated Interest Charges for the four fiscal quarter period ending June 30, 2020, Consolidated Interest Charges for such four fiscal quarter period then ending shall equal Consolidated Interest Charges for the two fiscal quarter period ending on such date multiplied by two and (iii) for purposes of calculating Consolidated Interest Charges for the four fiscal quarter period ending September 30, 2020, Consolidated Interest Charges for such four fiscal quarter period then ending shall equal Consolidated Interest Charges for the three fiscal quarter period ending on such date multiplied by 4/3.

“Consolidated Interest Coverage Ratio” means, as of any date, the ratio of (a) EBITDA for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date) to (b) Consolidated Cash Interest Charges as of such date.

“Consolidated Total Assets” means, on any date, the consolidated total assets of Holdings and its Subsidiaries as set forth on the consolidated balance sheet of Holdings at such date, determined in accordance with GAAP.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Convertible Debt” means debt securities or other Indebtedness, the terms of which provide for conversion into, or exchange for, Equity Interests (other than Disqualified Equity Interests) of Holdings or any other Loan Party, cash *in lieu* thereof or a combination of Equity Interests and cash *in lieu* thereof.

“Covered Entity” has the meaning assigned to such term in Section 9.20(b).

“Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Loans and its LC Exposure at such time.

“Credit Party” means the Administrative Agent, any Issuing Bank or any Lender.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular Default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular Default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement; provided, that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, (d) has become the subject of a Bankruptcy Event, or (e) has become (or whose direct or indirect parent company has become) subject to a Bail-In Action.

“Designated Non-Cash Consideration” means non-cash consideration received by Holdings or any of its Restricted Subsidiaries in connection with a Disposition that is so designated as Designated Non-Cash Consideration by the Borrower pursuant to an Officer’s Certificate delivered to the Administrative Agent, which Officer’s Certificate shall set forth the fair market value of such Designated Non-Cash Consideration.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (in one transaction or in a series of transactions) of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; provided that “Disposition” and “Dispose” shall not be deemed to include any issuance by Holdings of any of its Equity Interests to another Person.

“Disqualified Equity Interest” means any Equity Interest that (a) requires the payment of any dividends (other than dividends payable solely in shares of Qualified Equity Interests), (b) matures or is mandatorily redeemable or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof, in each case in whole or in part and whether upon the occurrence of any event, pursuant to a sinking fund obligation on a fixed date or otherwise, prior to the date that is 91 days after the Stated Maturity Date (determined as of the date of issuance thereof or, in the case of any such Equity Interests outstanding on the date hereof, as of the date hereof), other than (i) upon Payment in Full or (ii) upon a “change in control”; provided, that any payment required pursuant to this clause (ii) is contractually subordinated in right of payment to the Obligations on terms reasonably satisfactory to the Administrative Agent and such requirement is applicable only in circumstances that are market on the date of issuance of such Equity Interests; (c) requires the maintenance or achievement of any financial performance standards other than as a condition to the taking of specific actions or provide remedies to holders thereof (other than voting and management rights and increases in pay-in-kind dividends); or (d) is convertible or exchangeable, automatically or at the option of any holder thereof, into (i) any Indebtedness or (ii) any Equity Interests or other assets other than Qualified Equity Interests, in each case at any time prior to the date that is 91 days after the Stated Maturity Date (determined as of the date of issuance thereof or, in the

case of any such Equity Interests outstanding on the date hereof, as of the date hereof); provided that an Equity Interest in any Person that is issued to any employee or to any plan for the benefit of employees or by any such plan to such employees shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by such Person or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar Equivalent" means, for any amount, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in dollars determined by using the rate of exchange for the purchase of dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent or the applicable Issuing Bank, as applicable) by the applicable Bloomberg source (or such other publicly available source for displaying exchange rates) on the date that is two Business Days immediately preceding the date of determination (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in dollars as determined by the Administrative Agent or the applicable Issuing Bank, as applicable using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in dollars as determined by the Administrative Agent or the applicable Issuing Bank, as applicable, using any method of determination it deems appropriate in its sole discretion. Any determination by the Administrative Agent or the applicable Issuing Bank pursuant to clauses (b) or (c) above shall be conclusive absent manifest error.

"dollars" or "\$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Subsidiary of the Borrower that is organized under the laws of the United States or any state or district thereof or any entity disregarded for U.S. tax purposes wholly-owned by any Borrower or a Domestic Subsidiary.

"EBITDA" means, for any period, the sum of:

- (a) Net Income for such period; *plus*
- (b) without duplication and (other than with respect to clauses (xii), (xiv) and (xviii)) to the extent deducted in determining Net Income for such period, the sum of:
  - (i) Interest Expense for such period;
  - (ii) federal, state, local and foreign income tax expense for such period;
  - (iii) all amounts attributable to depreciation and amortization expense for such period;
  - (iv) amortization of intangibles (including, but not limited to, goodwill) for such period;
  - (v) stock-based compensation expenses with respect to employees, officers, directors or contractors;
  - (vi) non-recurring fees, costs and expenses directly incurred during such period in connection with any proposed or actual issuance of any Indebtedness (or any amendment thereto) or Equity Interests, or any proposed or actual acquisitions (including Permitted Acquisitions), investments, asset sales or divestitures permitted hereunder, whether or not consummated (in each case other than in connection with the Transactions);

- (vii) non-cash purchase accounting adjustments made during such period;
- (viii) non-cash exchange, translation or performance losses during such period relating to any foreign currency hedging transactions or currency fluctuations;
- (ix) any losses during such period attributable to early extinguishment of Indebtedness or obligations under any Swap Agreement;
- (x) any losses during such period resulting from the sale or disposition of any asset of the Borrower or any Restricted Subsidiary outside the ordinary course of business;
- (xi) any extraordinary, unusual or non-recurring charges, expenses or losses and non-recurring restructuring related costs, charges, fees and expenses and any litigation settlements or losses outside the ordinary course of business; provided, that the aggregate cash amount pursuant to this subclause (xi) shall not exceed 20% of EBITDA for such period (determined after giving effect to this subclause (xi));
- (xii) the amount of cost savings, operating expense reductions, workforce reductions, other operating improvements and other initiatives and synergies or operational changes (net of the amount of actual amounts realized) that are (x) projected by the Borrower in good faith to be reasonably anticipated to be realizable within eighteen (18) months after the date a specified transaction is initiated or a plan for realization thereof shall have been established and (y) related to such specified transaction, in each case, which will be added to EBITDA as so projected or determined until fully realized and calculated on a pro forma basis as though such cost savings, operating expense reductions, other operating improvements and initiatives and synergies had been realized on the first day of such period; provided, that the aggregate amount pursuant to this subclause (xii) shall not exceed 20% of EBITDA for such period (determined after giving effect to this subclause (xii));
- (xiii) non-recurring losses, costs, fees and expenses incurred during such period in connection with the Transactions (including any amendments, waivers, other modifications, repayments or any incurrence thereof);
- (xiv) any increases in deferred or unearned revenue or substantially equivalent items for such period;
- (xv) any charge, expense, cost, accrual, reserve, payment, fee, expense or loss of any kind that are covered by indemnification, reimbursement, guaranty, purchase price adjustment or other similar provisions in favor of Holdings or its Restricted Subsidiaries in any agreement entered into by Holdings or any of its Restricted Subsidiaries to the extent such expenses and payments have been reimbursed pursuant to the applicable indemnity, guaranty or acquisition agreement in such period (or are reasonably expected to be so paid or reimbursed within one year after the end of such period to the extent not accrued) or an earlier period if not added back to EBITDA in such earlier period; provided that if such amount is not so reimbursed within such one year period, such expenses or losses shall be subtracted in the subsequent calculation period;
- (xvi) letter of credit fees;
- (xvii) net unrealized or realized exchange, translation or performance losses relating to foreign currency transactions and foreign exchange adjustments including, without limitation,

losses and expenses in connection with, and currency and exchange rate fluctuations and losses or other obligations from, hedging activities or other derivative instruments;

(xviii) other adjustments that are (A) contained in a quality of earnings report made available to the Administrative Agent prepared by financial advisors (which financial advisors are (i) nationally recognized or (ii) reasonably acceptable to the Administrative Agent (it being understood and agreed that any of the “Big Four” accounting firms are acceptable)) and retained by a Loan Party and prepared in connection with a Permitted Acquisition or other investment permitted hereunder or (B) determined on a basis consistent with Article 11 of Regulation S-X promulgated under the Exchange Act and as interpreted by the staff of the SEC (or any successor agency);

(xix) any expense during such period relating to a defined benefits pension or post-retirement benefit plan;

(xx) any charge, expense, cost, accrual, reserve, payment, fee, expense or loss of any kind attributable to, and payments of, legal settlements, fines, judgments or orders; provided, that the aggregate amount pursuant to this subclause (xx) shall not exceed 5% of EBITDA for such period (determined prior to giving effect to this subclause (xx));

(xxi) any non-cash charge, expense, cost, accrual, reserve, payment, fee, expense or loss; and

(xxii) any charge, expense, cost, accrual, reserve, payment, fee, expense or loss attributable to changes in GAAP on account of the adoption of the Current Expected Credit Losses accounting standard issued by the Financial Accounting Standards Board, minus

(c) without duplication and to the extent included in Net Income, the sum of:

(i) any decreases in deferred revenue or unearned revenue or substantially equivalent items for such period;

(ii) any gains during such period attributable to early extinguishment of Indebtedness or obligations under any Swap Agreement; and

(iii) any gains during such period resulting from the sale or disposition of any asset of the Borrower or any Restricted Subsidiary outside the ordinary course of business;

all calculated for Holdings and its Restricted Subsidiaries on a consolidated basis in accordance with GAAP, to the extent applicable. For the purposes of calculating EBITDA for any period of four consecutive fiscal quarters (each, a “Reference Period”), (i) if at any time during such Reference Period, Holdings or any Restricted Subsidiary shall have made any sale, transfer, or disposition of property, EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such sale, transfer, or disposition, as applicable, for such Reference Period or increased by an amount equal to the EBITDA (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period, Holdings or any of its Restricted Subsidiaries shall have made a Permitted Acquisition, EBITDA for such Reference Period shall be calculated after giving effect thereto on a pro forma basis as if such Permitted Acquisition occurred on the first day of such Reference Period.

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition and is subject to the supervision of an EEA Resolution Authority, or (c) any financial institution established in an EEA Member Country which is a Subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision of an EEA Resolution Authority with its parent.

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

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means December 12, 2019.

“Electronic Signature” means an electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Banks and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) subject to any consents required by Section 9.04(b), any other person, other than Ineligible Institutions.

“Eligible Currency” means any lawful currency other than Dollars that is readily available, freely transferable and convertible into Dollars in the international interbank market available to the Lenders in such market and as to which a Dollar Equivalent may be readily calculated. If, after the designation by the Lenders of any currency as an Alternative Currency, any change in currency controls or exchange regulations or any change in the national or international financial, political or economic conditions are imposed in the country in which such currency is issued, result in, in the reasonable opinion of the Administrative Agent (in the case of any Loans to be denominated in an Alternative Currency) or the applicable Issuing Bank(s) (in the case of any Letter of Credit to be denominated in an Alternative Currency), (a) such currency no longer being readily available, freely transferable and convertible into Dollars, (b) a Dollar Equivalent is no longer readily calculable with respect to such currency, (c) providing such currency is impracticable for the Lenders or (d) such currency no longer being a currency in which the Required Lenders are willing to make such Loans (each of clauses (a), (b), (c), and (d) a “Disqualifying Event”), then the Administrative Agent shall promptly notify the Lenders and the Borrower, and such country’s currency shall no longer be an Alternative Currency until such time as the Disqualifying Event(s) no longer exist. Within five Business Days after receipt of such notice from the Administrative Agent, the Borrower shall repay all Loans in such currency to which the Disqualifying Event applies or convert such

Loans into the Dollar Equivalent of Loans in Dollars, subject to the other terms contained herein (other than, with respect to any Disqualifying Event occurring under clause (d), Section 2.16).

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, or injunctions issued, promulgated or entered into by any Governmental Authority, relating in any way to pollution or the protection of the environment, preservation or reclamation of natural resources, the management or Release of any Hazardous Material or, to the extent relating to exposure to Hazardous Materials, employee health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of Holdings or any Subsidiary resulting from or based upon (a) any violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement, but solely to the extent liability is assumed or imposed in such contract, agreement or other consensual arrangement with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any of the foregoing, but excluding any Indebtedness convertible for, or exchangeable into, any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with Holdings or the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the failure to make any “minimum required contribution” (as defined in Section 430(a) of the Code) with respect to any Plan, at the time and in the amount provided for in Section 430 of the Code; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans in a distress termination described in Section 4041(c) of ERISA or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent within the meaning of Title IV of ERISA.

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

“Euro” and “€” mean the single currency of the Participating Member States.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate. Eurocurrency Loans may be denominated in Dollars or in an Alternative Currency; provided that all Loans denominated in an Alternative Currency must be Eurocurrency Loans.

“Event of Default” has the meaning assigned to such term in Article VII.

“Excluded Swap Obligation” means, with respect to any Loan Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Guarantor of, or the grant by such Loan Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Guarantor’s failure for any reason to constitute an ECP at the time the Guarantee of such Loan Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being a resident of, being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Taxes (or any political subdivision thereof) or (ii) that are Other Connection Taxes; (b) in the case of a Lender, U.S. withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Note, Letter of Credit, Commitment or other Loan Document pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Note, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.17, an amount that was due and payable, but not yet paid to (A) such Lender’s assignor immediately before such Lender acquired the applicable interest in a Loan or Commitment or (B) such Lender immediately before it changed its lending office; (c) Taxes attributable to such Recipient’s failure to comply with Section 2.17(f) or Section 2.17(g); and (d) any withholding Taxes imposed under FATCA.

“Executive Order” means Executive Order No. 13224, effective September 24, 2001.

“Existing Credit Agreement” means that certain Credit Agreement, dated as of January 25, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), among the Borrower, Holdings, each guarantor party thereto upon becoming a party thereto, the lenders and issuing banks from time to time party thereto, and Goldman Sachs Bank USA, as administrative agent for the lenders, as collateral agent for the secured parties, as swing line lender and as the issuing bank.

“Existing Letter of Credit” means the Standby Letter of Credit, issued on or about January 25, 2018 by Wells Fargo Bank, National Association on behalf of Ping Identity Corporation to FSP 1001 17th Street LLC, in a face amount of \$500,000.

“Extended Commitment” means the Commitments, the maturity of which shall have been extended pursuant to Section 2.25.

“Extended Loans” means any Loans made pursuant to the Extended Commitments.

“Extension” has the meaning assigned to such term in Section 2.25(a).

“Extension Amendment” means an amendment to this Agreement (which may, at the option of the Administrative Agent and Borrower, be in the form of an amendment and restatement of this Agreement) among the Loan Parties, the applicable extending Lenders, the Administrative Agent and, to the extent required by Section 2.25, the Issuing Bank implementing an Extension in accordance with Section 2.25.

“Extension Offer” has the meaning assigned to such term in Section 2.25(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version to the extent such version is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code, any intergovernmental agreements entered into in connection with the implementation of such sections of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

“Federal Funds Effective Rate” means, for any day, 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 as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Fee Letter” means that certain Fee Letter, dated as of November 18, 2019, by and among the Borrower and BofA Securities, Inc., as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Financial Covenant” means, collectively, the covenants set forth in Section 6.12.

“Financial Officer” means the chief financial officer, president, principal accounting officer, treasurer, controller or officer of equivalent duties of Holdings or the Borrower.

“Foreign Lender” means any Lender that is not a “United States person” as defined in Section 7701(a)(30) of the Code.

“Foreign Pension Plan” means any plan, fund (including any superannuation fund) or other similar program established or maintained outside the United States by Holdings or any one or more of its Subsidiaries primarily for the benefit of employees of Holdings or such Subsidiaries residing outside the United States, 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 upon termination of employment, and which plan is not subject to ERISA or the Code and is not sponsored or administered by a Governmental Authority.

“Foreign Subsidiary” means any Subsidiary of the Borrower that is not a Domestic Subsidiary.

“FSHCO” means any Subsidiary of the Borrower (i) all or substantially all of the assets of which consist of Equity Interests of, and, if applicable, Equity Interests and Indebtedness owing from one or more Foreign Subsidiaries that are CFCs and (ii) whose material activities are limited to those relating to such ownership.

“Funded Indebtedness” means, with respect to any Person and without duplication, (i) all Indebtedness of such Person of the types referred to in clauses (a), (b), and (g) (provided, in the case of clause (g), such amount shall be limited to the principal portion) of the definition of “Indebtedness” in this Section 1.01 and (ii) all Guarantees of such Person with respect to Indebtedness of others of the type referred to in clause (i) of this definition. Notwithstanding the foregoing, in no event shall the following constitute “Funded Indebtedness”: (w) obligations under any derivative transaction or other Swap Agreement, (x) undrawn Letters of Credit, (y) earnouts to the extent not then due and payable and if not recognized as debt on the balance sheet in accordance with GAAP and (z) leases that would be characterized as operating leases in accordance with GAAP on the date hereof.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision of any of the foregoing, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Authority, the Prudential Regulatory Authority and supra-national bodies such as the European Union or European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guaranteed Obligations” has the meaning assigned to such term in Section 10.01.

“Hazardous Materials” means: (a) any substance, material, or waste that is included within the definitions of “hazardous substances,” “hazardous materials,” “hazardous waste,” “toxic substances,” “toxic materials,” “toxic waste,” or words of similar import in any Environmental Law; (b) those substances listed as hazardous substances by the United States Department of Transportation (or any successor agency) (49 C.F.R. 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) (40 C.F.R. Part 302 and amendments thereto); and (c) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas or radon.

“Holdings” means Roaring Fork Intermediate, LLC, a Delaware limited liability company.

“Immaterial Subsidiary” means any Subsidiary of the Borrower’s that, as of the date of determination, does not have (a) assets (when combined with the assets of all other Immaterial Subsidiaries, after eliminating intercompany obligations) in excess of 10.00% of the Borrower’s total assets or (b) EBITDA for the applicable Reference Period (when combined with the EBITDA of all Immaterial Subsidiaries, after eliminating intercompany obligations) in excess of 10.00% of the EBITDA of the Borrower for the applicable Reference Period; provided, that, as of the date of determination, no Immaterial

Subsidiary shall have (x) assets in excess of 5.00% of the Borrower's total assets or (y) EBITDA for the applicable Reference Period in excess of 5.00% of the EBITDA of the Borrower for the applicable Reference Period.

“Increasing Lender” has the meaning assigned to such term in Section 2.23(a)(i).

“Incremental Amount” means \$0 as of the Effective Date; provided, that such amount shall be automatically increased up to a maximum of \$75 million by an amount equal to the Specified Issuance Commitment Reduction.

“Incremental Term Loan Amendment” has the meaning assigned to such term in Section 2.22(a)(iii).

“Incremental Term Loan Commitment Date” has the meaning assigned to such term in Section 2.22(a)(i).

“Incremental Term Loan Commitments” has the meaning assigned to such term in Section 2.22(a).

“Incremental Term Loan Facility” has the meaning assigned to such term in Section 2.22(a).

“Incremental Term Loan Lender” has the meaning assigned to such term in Section 2.22(a)(i).

“Incremental Term Loan Notice” has the meaning assigned to such term in Section 2.22(a)(i).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person excluding trade accounts payable in the ordinary course of business, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) current accounts payable and other accrued obligations, in each case incurred in the ordinary course of business, (ii) deferred compensation payable to directors, officers or employees of the Borrower or any Subsidiary in the form of Qualified Equity Interests and (iii) any purchase price adjustment or earn out incurred in connection with an acquisition except to the extent such amount is or becomes a liability on the balance sheet in accordance with GAAP), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed by such Person (but only to the extent of the lesser of (x) the amount of such Indebtedness and (y) the fair market value of such property if such Indebtedness has not been assumed by such Person), (f) all Guarantees by such Person of Indebtedness of others of the types set forth in clauses (a) through (e) above and clauses (g) through (i) below, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) [reserved], (k) any other Off-Balance Sheet Liability and (l) any obligations with respect to any Swap Agreements to the extent required to be reflected as a liability on a balance sheet of such Person under GAAP. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by, or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a) above, Other Taxes.

“Indemnitee” has the meaning assigned to such term in Section 9.03(b).

“Ineligible Institution” means a (a) natural person, (b) a Defaulting Lender, (c) holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided, that, such holding company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater than \$25 million and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business, or (d) a Loan Party or a Subsidiary or other Affiliate of a Loan Party.

“Information” has the meaning assigned to such term in Section 9.12.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08.

“Interest Expense” means, with reference to any period, total interest expense (including that attributable to Capital Lease Obligations) of Holdings and its Subsidiaries for such period with respect to all outstanding Indebtedness of Holdings and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP), calculated on a consolidated basis for Holdings and its Subsidiaries for such period in accordance with GAAP.

“Interest Payment Date” means (a) with respect to any ABR Loan, the first Business Day of each January, April, July and October and the Maturity Date and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the Maturity Date.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months, as the Borrower may elect (in each case, subject to availability for the interest rate applicable to the relevant currency); provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurocurrency Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period pertaining to a Eurocurrency Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no Interest Period may extend beyond the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“IRS” means the United States Internal Revenue Service.

“Issuing Banks” means, individually and collectively as the context may require, (a) Bank of America, in its capacity as an issuer of Letters of Credit hereunder, and its successors in such capacity, and (b) and any other Lender (if any) from time to time designated by the Borrower as an Issuing Bank, with the consent of such Lender and the Administrative Agent and such Lender’s successors in such capacity. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. At any time there is more than one Issuing Bank, all singular references to the Issuing Bank shall mean any Issuing Bank, either Issuing Bank, each Issuing Bank, the Issuing Bank that has issued the applicable Letter of Credit, or both (or all) Issuing Banks, as the context may require.

“Joinder Agreement” has the meaning assigned to such term in Section 5.09(a).

“Judgment Currency” has the meaning assigned to such term in Section 9.21.

“Junior Indebtedness” means (a) any Indebtedness of the Borrower or any of its Restricted Subsidiaries (other than Indebtedness among the Borrower and its subsidiaries) that is expressly subordinated in right of payment or secured on a junior lien basis to the Obligations or any portion thereof or (b) any unsecured Indebtedness for borrowed money of the Borrower or any of its Restricted Subsidiaries (other than Indebtedness among the Borrower and its subsidiaries).

“LC Disbursement” means a payment made by any Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements relating to Letters of Credit that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“LCT Election” means the Borrower’s election to test the permissibility of a Limited Condition Acquisition in accordance with the methodology set forth in Section 1.08.

“LCT Test Date” has the meaning assigned to such term in Section 1.08.

“Lead Arrangers” means BofA Securities, Inc. and RBC Capital Markets., in their respective capacities as joint lead arrangers and joint bookrunners.

“Lenders” means the Persons listed on the Commitment Schedule and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Issuing Banks.

“Lending Office” means, as to the Administrative Agent, any Issuing Bank or any Lender, the office or offices of such Person described as such in such Person’s Administrative Questionnaire, or such other office or offices as such Person may from time to time notify the Borrower and the Administrative Agent; which office may include any Affiliate of such Person or any domestic or foreign branch of such Person or such Affiliate.

“Letter of Credit” means the letters of credit issued pursuant to this Agreement, and the term “Letter of Credit” means any one of them or each of them singularly, as the context may require. Letters of Credit may be issued in Dollars or in an Alternative Currency.

“Letter of Credit Sublimit” has the meaning assigned to such term in Section 2.06(b).

“LIBO Rate” means,

(a) for any Interest Period with respect to:

(i) any LIBOR Quoted Currency Borrowing, the rate *per annum* equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars (or other applicable currency) for a period equal in length to such Interest Period) (“LIBOR”) as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m. (London time) on the Rate Determination Date, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; or

(ii) any Borrowing denominated in Canadian Dollars, the rate *per annum* equal to the Canadian Dollar Offered Rate (“CDOR”), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) in such case, the “CDOR Rate”) at or about 10:00 a.m. (Toronto, Ontario time) on the Rate Determination Date with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to an ABR Borrowing (to the extent applicable) on any date, the rate *per annum* equal to LIBOR, at or about 11:00 a.m. (London time) determined two London Banking Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day; and;

*provided*, that if the LIBO Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“LIBO Screen Rate” means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“LIBOR Quoted Currency” means Dollars, Euro, Sterling and Yen, in each case as long as there is a published LIBO Rate with respect thereto.

“LIBOR Successor Rate” has the meaning assigned to such term in Section 2.14(a).

“LIBOR Successor Rate Conforming Changes” means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Applicable Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines, in consultation with the Borrower, is reasonably necessary in connection with the administration of this Agreement).

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Limited Condition Acquisition” means any Permitted Acquisition or similar investment by Holdings or one or more of its Restricted Subsidiaries of assets, business or Persons permitted to be acquired pursuant to this Agreement whose consummation is not conditioned on the availability of, or on obtaining, third party financing.

“Loan Documents” means, collectively, this Agreement, the Notes, any Letter of Credit applications, the Collateral Documents, the Loan Guaranty, the Fee Letter and all other agreements, instruments, documents and certificates executed and delivered by a Loan Party to, or in favor of, the Administrative Agent or any Lenders in connection with the foregoing and including all other pledges, powers of attorney, consents, assignments, contracts, notices, letter of credit agreements and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Loan Party and delivered to the Administrative Agent or any Lender in connection with this Agreement or the transactions contemplated hereby that the Administrative Agent and the Borrower agree in writing shall be considered a “Loan Document”. Any reference in this Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

“Loan Guarantor” means (a) each of the Borrower’s wholly-owned Material Domestic Subsidiaries, (b) Holdings and (c) with respect to Secured Obligations owed by any other Loan Party, the Borrower; provided, that subject to any administrative requirements of the Administrative Agent, the Borrower may elect to add additional Domestic Subsidiaries as Loan Guarantors so long as each such added Loan Guarantor complies with Section 5.09 of this Agreement as if it were a newly acquired wholly-owned Material Domestic Subsidiary at the time of such designation; provided, further, that no Subsidiary that is a CFC or FSHCO (or any other Subsidiary of the Borrower that is directly or indirectly owned by a Subsidiary that is a CFC or FSHCO) shall be a Loan Guarantor.

“Loan Guaranty” means Article X of this Agreement.

“Loan Parties” means, collectively, the Borrower, each Loan Guarantor and any other Person who becomes a party to this Agreement pursuant to a Joinder Agreement and each of their successors and assigns, and the term “Loan Party” shall mean any one of them or all of them individually, as the context may require.

“Loans” means the loans and advances made by the Lenders pursuant to this Agreement, including Revolving Credit Loans.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Mandatory Cost” means any amount incurred periodically by any Lender during the term of the Agreement which constitutes fees, costs or charges imposed on lenders by any Governmental Authority generally in the jurisdiction in which such Lender is domiciled, subject to regulation, or has its Lending Office.

“Material Acquisition” means a Permitted Acquisition, the aggregate consideration with respect to which exceeds \$25 million.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations, or financial condition of Holdings and its Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform their material obligations under the Loan Documents, (c) any material portion of the Collateral, or the Administrative Agent’s Liens (on behalf of itself and the Lenders) on any material portion of the Collateral or the priority of such Liens (in each case subject to Liens permitted pursuant to Section 6.02), or (d) the rights of or benefits available to the Administrative Agent, the Issuing Banks or the Lenders thereunder.

“Material Domestic Subsidiary” means any Domestic Subsidiary of the Borrower other than (a) an Immaterial Subsidiary, (b) a Subsidiary that (i) is a FSHCO or (ii) is a direct or indirect subsidiary of a Subsidiary that is a CFC or FSHCO, (c) any Subsidiary that is not wholly-owned and is contractually prohibited by the applicable shareholder documents or otherwise from providing a Guarantee of the Obligations as long as such prohibition was not established in contemplation of the requirement to Guarantee the Obligations, (d) any Subsidiary that is a non-profit Subsidiary and (e) any Subsidiary to the extent the provision of a Guarantee of the Obligations (i) is prohibited by applicable law, regulation or any contractual obligation existing on the Effective Date (or, if later, on the date such Subsidiary is acquired (and, in each case, not established in anticipation thereof)) or (ii) would require governmental (including regulatory) consent, approval, license or authorization (unless such consent, approval, license or authorization has been received).

“Material Foreign Subsidiary” means any Foreign Subsidiary of the Borrower that is not an Immaterial Subsidiary.

“Material Indebtedness” means any Indebtedness (other than the Loans and Letters of Credit), or any obligations under Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$6.5 million. For purposes of determining Material Indebtedness, the aggregate principal amount of “obligations” of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the aggregate amount that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time and after giving effect to any rights available under applicable laws or agreements with regard to collateral, netting, setoff or similar rights.

“Maturity Date” means the earliest to occur of (a) the Stated Maturity Date, (b) any earlier date on which the Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof and (c) the date that the Loans, if any, are declared due and payable pursuant to Article VII hereof.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA.

“Net Income” means, for any period, the consolidated net income (or loss) of Holdings and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided, that there shall be excluded from such net income (to the extent otherwise included therein), without duplication: (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with Holdings or any of its Restricted Subsidiaries, (b) the income (or deficit) of any Person (other than a Restricted Subsidiary) in which Holdings or any of its Restricted Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Holdings or such Restricted Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar

distributions by such Restricted Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Restricted Subsidiary.

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(d).

“Non-LIBOR Quoted Currency” means any currency other than a LIBOR Quoted Currency.

“Note” and “Notes” have the meanings assigned to such terms in Section 2.10(e).

“Notice of Increase” has the meaning assigned to such term in Section 2.23(a)(i).

“Notice of Loan Prepayment” means a notice of prepayment in respect to a Loan, which shall be substantially in the form of Exhibit H or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by an authorized officer.

“Obligated Party” has the meaning assigned to such term in Section 10.02.

“Obligations” means all unpaid principal of and accrued and unpaid interest on the Loans, all LC Exposure, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of Holdings and its Subsidiaries to any of the Lenders, the Administrative Agent, any Issuing Bank or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement or other obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Off-Balance Sheet Liability” of a Person means (a) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person (other than any customary repurchase obligations resulting from a breach of representations and warranties, covenants, servicing obligations and indemnities under a securitization facility), (b) any indebtedness, liability or obligation under any so-called “synthetic lease” transaction entered into by such Person, or (c) any indebtedness, liability or obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person (other than operating leases) but does constitute an off-balance sheet liability under GAAP.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Taxes (other than a connection solely arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19).

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning assigned to such term in Section 9.04(c).

“Participant Register” has the meaning assigned to such term in Section 9.04(c).

“Participating Member State” means any member state of the European Union that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

“Payment in Full” means as of any date of determination, that: (a) the entire amount of principal of and interest due on the Loans, and all other amounts of fees, payments and other obligations due under this Agreement, the other Loan Documents and the Notes are paid in full in cash (other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto, and any Banking Services Obligations not then due and owing); (b) the commitments to lend under this Agreement have been terminated; (c) there are no outstanding Letters of Credit (other than Letters of Credit that have been Cash Collateralized in accordance with the requirements of this Agreement or other arrangements acceptable to the Issuing Bank); (d) there are no outstanding Swap Agreement Obligations (or arrangements with respect thereto have been implemented which are acceptable to the relevant counterparty); and (e) all Obligations (other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto, and any Banking Services Obligations not then due and owing) have been paid in full in cash.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any Acquisition in which each of the following conditions is satisfied:

- (a) the Person or business which is the subject of such Acquisition is in a line of business permitted by Section 6.03(b);
- (b) all governmental, corporate and material third-party approvals and consents necessary in connection with such Acquisition shall have been obtained and be in full force and effect;
- (c) if acquiring a Person, unless such Person is contemporaneously merged with and into the Borrower or a Subsidiary of the Borrower, such Person becomes a wholly-owned direct or indirect Subsidiary of the Borrower and, simultaneously with such Acquisition, a Loan Party to the extent required by Section 5.09, with such Person’s Equity Interests being pledged as Collateral to the extent required by Section 5.09;
- (d) such Acquisition shall be consummated in all material respects in accordance with the terms of the purchase or acquisition agreement executed in connection therewith and with all other material

agreements, instruments and documents implementing such Acquisition and in compliance with applicable law and regulatory approvals;

(e) subject to Section 1.08 with respect to Limited Condition Acquisitions, no Default or Event of Default shall have occurred and be continuing immediately before giving pro forma effect to such Acquisition and immediately after giving effect to such Acquisition;

(f) after giving effect to such Acquisition (including the incurrence, assumption or acquisition of any Indebtedness in connection therewith) the Loan Parties will be in pro forma compliance with the Financial Covenant for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent;

(g) the aggregate cash purchase price for all Permitted Acquisitions of any Persons which do not become Loan Guarantors shall not exceed \$10 million in the aggregate; and

(h) such Acquisition shall not be a “hostile” Acquisition and shall have been approved by the board of directors (or equivalent) and/or shareholders (or equivalent) of the applicable Loan Party and the Person to be acquired.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 5.04;

(b) 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 5.04;

(c) pledges and deposits made (i) in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Restricted Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(d) pledges and deposits made (i) to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business and (ii) in respect of letters of credit, bank guarantees or similar instruments issued for the account of the Borrower or any Restricted Subsidiary in the ordinary course of business supporting obligations of the type set forth in clause (i) above;

(e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(f) easements, covenants, conditions, zoning restrictions, rights-of-way, minor defects or other irregularities in title and/or similar encumbrances on real property imposed by law or arising in the ordinary course of business 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 the Borrower or any Subsidiary;

- (g) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense or concession arrangement permitted by this Agreement;
- (h) Liens arising from Cash Equivalents described in clause (d) of the definition of the term “Cash Equivalents”;
- (i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and
- (j) Liens that are contractual rights of set-off;

provided, that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness, other than Liens referred to in clauses (c) and (d) above securing letters of credit, bank guarantees or similar instruments.

“Permitted Equity Derivatives” means any forward purchase, accelerated share purchase, call option transaction, capped call option transaction, bond hedge transaction, warrant transaction (whether such warrant is settled in Equity Interests (other than Disqualified Equity Interests) of Holdings, cash or a combination thereof) or other equity derivative transactions relating to any Convertible Debt of Holdings or any other Loan Party; provided, that any Restricted Payment made in connection with such transaction is permitted pursuant to Section 6.07, including any Swap Agreements executed in connection therewith (or deemed executed therewith).

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee pension benefit plan” (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan or a Foreign Pension Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Prime Rate” means the rate of interest in effect for such day as publicly announced from time to time by Bank of America, N.A. as its “prime rate”.

“Prohibited Transaction” means the occurrence of a “prohibited transaction” within the meaning of Section 4975(c) of the Code or Section 406 of ERISA for which there was no exemption under Section 4975(d).

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10 million at the time the relevant Loan Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an ECP and can cause another person to qualify as an ECP at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualified Equity Interests” means Equity Interests of Holdings other than Disqualified Equity Interests.

“Rate Determination Date” means two Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank

market, as determined by the Administrative Agent; provided that, to the extent such market practice is not administratively feasible for the Administrative Agent, then “Rate Determination Date” means such other day as otherwise reasonably determined by the Administrative Agent).

“Recipient” means, as applicable, (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, or any combination thereof (as the context requires).

“Reference Period” has the meaning assigned to such term in the definition of “EBITDA”.

“Refinancing” has the meaning assigned to such term in Section 4.01(k).

“Register” has the meaning assigned to such term in Section 9.04(b)(iv).

“Related Indemnitee Parties” means, with respect to any specified Indemnitee, such Indemnitee’s controlled Affiliates and the respective officers, directors, employees, advisors, agents or other representatives of such Indemnitee or such Indemnitee’s controlled Affiliates acting at the direction of such Indemnitee.

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

“Release” means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping of any Hazardous Materials into the environment.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a benchmark rate to replace LIBOR in loan agreements similar to this Agreement.

“Removal Effective Date” has the meaning assigned to such term in Section 8.06(b).

“Requested Increase Amount” has the meaning assigned to such term in Section 2.23(a)(i).

“Requested Increase Date” has the meaning assigned to such term in Section 2.23(a)(i).

“Requested Incremental Term Loan Date” has the meaning assigned to such term in Section 2.22(a)(i).

“Required Lenders” means, at any time, Lenders (other than Defaulting Lenders) having Credit Exposure and unused Commitments representing more than 50% of the sum of the total Credit Exposure and unused Commitments at such time; provided that if there is more than one but less than four non-Affiliated Lenders, Required Lenders shall mean at least two or more non-Affiliated Lenders representing more than 50% of the sum of the total Credit Exposure and unused Commitments at such time.

“Requirement of Law” means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority (including Environmental Laws), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Debt Payment” has the meaning assigned to such term in Section 6.08.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in Holdings or such Subsidiary or any option, warrant or other right to acquire any such Equity Interests in Holdings or such Subsidiary.

“Restricted Subsidiary” means, as to any Person, any existing or future direct or indirect subsidiary of such Person that is not an Unrestricted Subsidiary. Unless otherwise specified, “Restricted Subsidiary” shall mean any Restricted Subsidiary of Holdings and each reference (expressed or implied) to a Restricted Subsidiary of Holdings shall include, in any event, the Borrower.

“Revaluation Date” means (a) with respect to any Loan (other than any Letter of Credit issuance), each of the following: (i) each date of a Borrowing of a Eurocurrency Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Eurocurrency Loan denominated in an Alternative Currency pursuant to Section 2.08, and (iii) such additional dates as the Administrative Agent shall reasonably determine or the Required Lenders shall require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment and/or extension of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the applicable Issuing Bank under any Letter of Credit denominated in an Alternative Currency, (iii) in the case of all Existing Letters of Credit denominated in Alternative Currencies, the Effective Date, and (iv) such additional dates as the Administrative Agent or the applicable Issuing Bank shall reasonably determine or the Required Lenders shall require.

“Revolving Credit Loan” means a Loan made pursuant to Section 2.02.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business.

“Same Day Funds” means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

“Sanctioned Country” means, at any time, a country or territory which is itself the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person majority-owned or controlled by any such Person or Persons described in the foregoing clause (a) or (b).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of

Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

“Scheduled Unavailability Date” has the meaning assigned to such term in Section 2.14(a).

“Secured Obligations” means all Obligations, together with all (a) Banking Services Obligations and (b) Swap Agreement Obligations owing to any Person that, at the time of entering into such arrangement with a Loan Party or any Subsidiary, was the Administrative Agent, a Lender or an Affiliate thereof, in each case, with respect to such Swap Agreement Obligations, to the extent designated by the Borrower in a written statement (including by way of email) to the Administrative Agent as constituting Secured Obligations (such Swap Agreement Obligations, “Secured Swap Agreement Obligations”); provided, however, that the definition of “Secured Obligations” shall not create any guarantee by any Loan Guarantor of (or grant of security interest by any Loan Guarantor to support, as applicable) any Excluded Swap Obligations of such Loan Guarantor for purposes of determining any obligations of any Loan Guarantor.

“Secured Parties” means the Administrative Agent, each Lender, each Issuing Bank and each other provider of Secured Obligations as permitted pursuant to the definition thereof.

“Secured Swap Agreement Obligations” has the meaning assigned to such term in the definition of “Secured Obligations”.

“Security Agreement” means that certain Pledge and Security Agreement, dated as of the date hereof, among Holdings, each Subsidiary of Holdings party thereto from time to time, and the Administrative Agent, for the benefit of the Administrative Agent, the Lenders and the other Secured Parties, and any other pledge or security agreement entered into, after the date of this Agreement by any Loan Party (as required by this Agreement or any other Loan Document), as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Senior Secured Net Leverage Ratio” means, as of any date, the ratio of (a) Total Funded Indebtedness which is secured by a Lien on any assets of Holdings or its Restricted Subsidiaries on such date, less Unrestricted Cash and Cash Equivalents to (b) EBITDA for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date).

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York's website (or any successor source) and, in each case, that has been selected or recommended by the Relevant Governmental Body.

“SOFR-Based Rate” means SOFR and Term SOFR.

“Special Notice Currency” means any Alternative Currency, other than the currency of a country that is a member of the Organization for Economic Cooperation and Development at such time located in North America or Europe.

“Specified Event of Default” means an Event of Default under clauses (a), (b), (h), (i) or (j) of Article VII.

“Specified Issuance” means the issuance of any Incremental Term Loan Facility (other than any Incremental Term Loan Facility in the form of a “Term Loan A” provided by bank lenders) or incurrence of any Indebtedness by the Borrower or any other Loan Party pursuant to Section 6.01(s) in the form of

notes, including for the avoidance of doubt, pursuant to the issuance of Convertible Debt and related Permitted Equity Derivatives.

“Specified Issuance Commitment Reduction” has the meaning assigned to such term in Section 2.09(e).

“Specified Quarter” means a fiscal quarter of Holdings during which a Material Acquisition has been consummated by the Borrower or one of its Restricted Subsidiaries.

“Specified Representations” means the representations and warranties set forth in Sections 3.01(a), 3.02, 3.03(b), 3.08, 3.13, 3.14, 3.15, and 3.18.

“Stated Maturity Date” means the fifth anniversary of the Effective Date; provided, that individual Lenders may elect to extend the Maturity Date applicable to their Loans and Commitments pursuant to the terms and conditions of Section 2.25.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurodollar funding (currently referred to as “Eurodollar Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D of the Board. Eurocurrency Loans shall be deemed to constitute eurodollar funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Sterling” and “£” mean the lawful currency of the United Kingdom.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any direct or indirect subsidiary of Holdings, the Borrower or another Loan Party, as applicable.

“Swap Agreement” means any agreement with respect to any swap, forward, spot, future, credit default or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided, that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Agreement Obligations” means any and all obligations of the Loan Parties or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Person that, at the time of entering into such Swap Agreement, is the Administrative Agent, a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

“Swap Obligation” means, with respect to any Loan Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Tax Change” means any change in the Code or any other applicable Requirements of Law that would have the effect of changing the amount of Taxes due and payable by Holdings and its Restricted Subsidiaries for any taxable period, as compared to the amount of Taxes that would have been due and payable by Holdings and its Restricted Subsidiaries for such taxable period under the Code or any other Requirements of Law as in effect immediately prior to such change; provided for avoidance of doubt, that the calculation of a change in Taxes due and payable shall take into account all changes to the Code or any other Requirements of Law.

“Taxes” means any and 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 SOFR” means the forward-looking term rate for any period that is approximately (as determined by the Administrative Agent) as long as any of the Interest Period options set forth in the definition of “Interest Period” and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion.

“Total Funded Indebtedness” means, at any date, the aggregate principal amount of all Funded Indebtedness of Holdings and its Restricted Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

“Total Net Leverage Ratio” means, as of any date, the ratio of (a) Total Funded Indebtedness on such date, less Unrestricted Cash and Cash Equivalents to (b) EBITDA for the period of four consecutive fiscal quarters ended on such date (or, if such date is not the last day of a fiscal quarter, ended on the last day of the fiscal quarter most recently ended prior to such date).

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement, the borrowing of Loans and other credit extensions, the use of the proceeds thereof, the issuance of Letters of Credit hereunder and the Refinancing.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

“UK Financial Institutions” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, or 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.

“Unliquidated Obligations” means, at any time, any Secured Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Secured Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it; (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“Unrestricted Cash and Cash Equivalents” means, at any date, the cash and Cash Equivalents of the Loan Parties that are (or would be) included on the balance sheet of Holdings as of such day which are not identified as “restricted” in accordance with GAAP and which are free and clear of all Liens (other than non-consensual liens and liens in favor of the Secured Parties pursuant to the Collateral Documents to secure the Secured Obligations, in each case, permitted under Section 6.02).

“Unrestricted Subsidiary” means any Subsidiary designated by the Borrower as an Unrestricted Subsidiary pursuant to Section 5.13.

“U.S. Person” means a United States person as defined in section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3).

“USA PATRIOT Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Withholding Agent” means the Borrower, any Loan Party, the Administrative Agent, and any other withholding agent as applicable.

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

“Yen” and “¥” mean the lawful currency of Japan.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurocurrency Loan”).

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply) and all judgments, orders and decrees of all Governmental Authorities. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, amendment and restatement, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignments set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (f) any reference in any definition to the phrase “at any time” or “for any period” shall refer to the same time or period for all calculations or determinations within such definition, and (g) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP; Tax Laws. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided, that, if after the Effective Date there occurs any change in GAAP or in the application thereof on the operation of any provision hereof or any Tax Change and the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of such change in GAAP or in the application thereof or such Tax Change (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof or such Tax Change, then such provision shall be interpreted on the basis of GAAP and/or the Applicable Tax Laws, as the case may be, as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05 Financial Ratios. Any financial ratios required to be maintained by any Loan Party pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

SECTION 1.06 Pro Forma and Other Calculations. Notwithstanding anything to the contrary herein, for purposes of determining compliance with the Financial Covenant or otherwise for purposes of determining the Total Net Leverage Ratio, Senior Secured Net Leverage Ratio, Consolidated Interest

Coverage Ratio and EBITDA, such calculations shall be made on a pro forma basis with respect to any Permitted Acquisition or any sale, transfer or other disposition of any material assets outside the ordinary course of business to the extent any such event occurs during the applicable four-quarter period to which such calculation relates, or, other than in the case of determining compliance with the Financial Covenant, subsequent to the end of such four-quarter period but not later than the date of such calculation.

SECTION 1.07 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.08 Limited Condition Acquisitions. Notwithstanding anything to the contrary herein, for purposes of (i) measuring the relevant ratios (including the Senior Secured Net Leverage Ratio (including, without limitation, for purposes of determining pro forma compliance with the Financial Covenant as a condition to effecting any such transaction) and the Total Net Leverage Ratio) and baskets (including baskets measured as a percentage of EBITDA or Consolidated Total Assets) with respect to the incurrence of any Indebtedness or Liens or the making of any Permitted Acquisitions or other similar investments, or (ii) determining compliance with representations and warranties or the occurrence of any Default or Event of Default, in the case of clauses (i) and (ii), in connection with a Limited Condition Acquisition, if the Borrower has made an LCT Election with respect to such Limited Condition Acquisition, the date of determination of whether any such action is permitted hereunder (including, in the case of calculating EBITDA, the reference date for determining which Reference Period shall be the most recently ended Reference Period for purposes of making such calculation) shall be deemed to be the date the definitive agreements for (or in the case of an Limited Condition Acquisition that involves some other manner of establishing a binding obligation under local law, such other binding obligations to consummate) such Limited Condition Acquisition are entered into (the "LCT Test Date"), and if, after giving pro forma effect to such Limited Condition Acquisition and the other transactions to be entered into in connection therewith as if they had occurred (with respect to income statement items) at the beginning of, or (with respect to balance sheet items) on the last day of, the most recent Reference Period ending prior to the LCT Test Date, the Loan Parties could have taken such action on the relevant LCT Test Date in compliance with such ratio, basket, representation and warranty, or Event of Default "blocker" such ratio, basket, or representation and warranty or Event of Default "blocker" shall be deemed to have been complied with (and no Default or Event of Default shall be deemed to have arisen thereafter with respect to such Limited Condition Acquisition from any such failure to comply with such ratio, basket, or representation and warranty). For the avoidance of doubt, if the Borrower has made an LCT Election and any of the ratios, baskets, Default or Event of Default "blockers" or representations and warranties for which compliance was determined or tested as of the LCT Test Date would thereafter have failed to have been satisfied as a result of fluctuations in any such ratio or basket, including due to fluctuations in EBITDA, Unrestricted Cash and Cash Equivalents, Total Funded Indebtedness or Consolidated Total Assets or otherwise, at or prior to the consummation of the relevant transaction or action, such baskets, ratios or representations and warranties will not be deemed to have failed to have been satisfied as a result of such fluctuations or otherwise. If the Borrower has made an LCT Election for any Limited Condition Acquisition, then in connection with any subsequent calculation of any ratio or basket on or following the relevant LCT Test Date and prior to the earlier of (i) the date on which such Limited Condition Acquisition is consummated or (ii) the date that the definitive agreement for (or in the case of an Limited Condition Acquisition that involves some other manner of establishing a binding obligation under local law, such other binding obligations to consummate) such Limited Condition Acquisition is terminated or expires, in each case without consummation of such Limited Condition Acquisition, any such ratio (other than the Financial

Covenant) or basket shall be calculated on a pro forma basis assuming such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated.

Notwithstanding the foregoing provisions of this paragraph or any other provision of this Agreement, any unfunded commitments outstanding at any time in respect of any individual Incremental Term Loan Facility pursuant to Section 2.22 established to finance an Limited Condition Acquisition may be terminated only by the lenders holding more than 50% of the aggregate amount of the commitments in respect of such Incremental Term Loan Facility (or by the Administrative Agent acting at the request of such Lenders), and not, for the avoidance of doubt, automatically or by the Required Lenders or any other Lenders (or by the Administrative Agent acting at the request of the Required Lenders or any other Lenders).

SECTION 1.09 Deliveries. Notwithstanding anything herein to the contrary, whenever any document, agreement or other item is required by any Loan Document to be delivered or completed on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

SECTION 1.10 Exchange Rates; Currency Equivalents.

(a) The Administrative Agent or the applicable Issuing Bank, as applicable, shall determine the Dollar Equivalent amounts of Borrowings denominated in Alternative Currencies. Such Dollar Equivalent shall become effective as of such Revaluation Date and shall be the Dollar Equivalent of such amounts until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the applicable Issuing Bank, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Borrowing, Eurocurrency Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the applicable Issuing Bank, as the case may be.

(c) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or with respect to any rate that is an alternative or replacement for or successor to any of such rates (including, without limitation, any LIBOR Successor Rate) or the effect of any of the foregoing, or of any LIBOR Successor Rate Conforming Changes.

SECTION 1.11 Change in Currency.

(a) Each obligation of the Borrower to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the date hereof shall be redenominated into Euro at the time of such adoption. If, in relation to the currency of any such member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that, if

any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

## ARTICLE II

### THE CREDITS

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender severally (but not jointly) agrees to make Loans to the Borrower, in Dollars or in one or more Alternative Currencies, from time to time during the Availability Period in an aggregate principal amount that will not (x) result in such Lender's Credit Exposure exceeding such Lender's Commitment and (y) the aggregate outstanding amount of all Loans denominated in Alternative Currencies shall not exceed the Alternative Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Loans.

#### SECTION 2.02 Loans and Borrowings.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Type made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided, that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.14, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided, that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of the Dollar Equivalent of \$500,000 and not less than the Dollar Equivalent \$1 million; provided that a Eurocurrency Borrowing that results from a continuation of an outstanding Eurocurrency Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1 million; provided, that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Borrowings of more than one Type may be outstanding at the same time;

provided, that there shall not at any time be more than a total of eight (8) Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request either in writing (delivered by hand or fax) in substantially the form of Exhibit F and signed by the Borrower or by telephone (such request a "Borrowing Request") (a) in the case of a Eurocurrency Borrowing denominated in Dollars, not later than 10:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing; provided that, in the case of a Eurocurrency Borrowing in Dollars to be funded on the Closing Date, not later than 10:00 a.m., New York City time, one Business Day before the Closing Date, (b) in the case of a Eurocurrency Borrowing denominated in an Alternative Currency, not later than 10:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing, (c) in the case of a Eurocurrency Borrowing denominated in a Special Notice Currency, five Business Days before the date of the proposed Borrowing, or (d) in the case of an ABR Borrowing, not later than 12:00 p.m., New York City time, on the date of the proposed Borrowing; provided, that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e) may be given not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.01:

- (i) the aggregate amount of the requested Borrowing and a breakdown of the separate wires comprising such Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;
- (iv) the currency of the Loans to be borrowed; and
- (v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period."

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If no currency is specified with respect to any Borrowing, then the Borrowings so requested shall be made in Dollars. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04 [Section intentionally omitted].

SECTION 2.05 [Section intentionally omitted].

SECTION 2.06 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of (and the Issuing Bank shall issue) standby Letters of Credit denominated in dollars or Alternative Currencies as the applicant thereof for the support of its or its Subsidiaries' obligations in a form reasonably acceptable to the applicable Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The Borrower unconditionally and irrevocably agrees that, in connection with any Letter of Credit issued for the support of any Subsidiary's obligations as provided in the first sentence of this clause (a), the Borrower will be fully responsible for the reimbursement of LC Disbursements in accordance with the terms hereof, the payment of interest thereon and the payment of fees due under Section 2.12(b) to the same extent as if it were the sole account party in respect of such Letter of Credit (the Borrower hereby irrevocably waiving any defenses that might otherwise be available to it as a guarantor or surety of the obligations of such Subsidiary that is an account party in respect of any such Letter of Credit). Notwithstanding anything herein to the contrary, the Issuing Bank shall have no obligation hereunder to issue, and shall not issue, any Letter of Credit (i) the proceeds of which would be made available to any Person (A) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions, in either such case, in violation of any such Sanctions or (B) in any manner that would result in a violation of any Sanctions by any party to this Agreement, (ii) if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Bank from issuing such Letter of Credit, or any Requirement of Law relating to the Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Bank shall prohibit, or request that the Issuing Bank refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon the Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which the Issuing Bank in good faith deems material to it, or (iii) if the issuance of such Letter of Credit would violate one or more policies of the Issuing Bank applicable to letters of credit generally; provided, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y) all requests, rules, guidelines, requirements 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 not to be in effect on the Effective Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented

(b) Notice of Issuance, Amendment, Renewal, Extension, Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit (other than any automatic renewal permitted pursuant to clause (c) of this Section 2.06)), the Borrower shall hand deliver or fax (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of, but in any event no less than three Business Days prior to the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with clause (c) of this Section 2.06) and whether such Letter of Credit shall contain automatic extension or renewal provisions, the amount of such Letter of Credit, the name and

address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$15 million (the "Letter of Credit Sublimit") and (ii) the Aggregate Credit Exposure shall not exceed the aggregate Commitments of all Lenders.

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination or non-renewal by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any one-time renewal or extension thereof, including, without limitation, any automatic renewal provision, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Stated Maturity Date. Each Letter of Credit with automatic extension or renewal provisions shall, subject to the right of the respective Issuing Bank to terminate such automatic renewal in accordance with the terms of such Letter of Credit upon the occurrence of an Event of Default, be automatically renewed for a successive one-year period on each anniversary of the date of the issuance of such Letter of Credit, until cancelled by the Borrower by notice to the applicable Issuing Bank in accordance with the terms of such Letter of Credit agreed upon at the time such Letter of Credit is issued; provided, that such Letter of Credit shall expire at or prior to the close of business on the date that is five Business Days prior to the Stated Maturity Date if not earlier cancelled.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of such Issuing Bank, such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in clause (e) of this Section 2.06, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided, that, if such LC Disbursement is not less than \$500,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 or 2.04 that such payment be financed with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.07 with respect to Loans made by such

Lender (and Section 2.07 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in clause (e) of this Section 2.06 shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.06, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder or (v) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to the Borrower or any Subsidiary or in the relevant currency markets generally. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided, that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower in writing of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided, that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans and such interest shall be payable on the date when such reimbursement is due; provided, that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to clause (e) of this Section 2.06, then Section 2.13(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to clause (e) of this Section 2.06 to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Replacement of an Issuing Bank. An Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure) demanding the deposit of Cash Collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders (the "LC Collateral Account"), an amount in cash equal to 103% of the amount of the LC Exposure as of such date plus accrued and unpaid interest thereon; provided, that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Secured Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over the LC Collateral Account and the Borrower hereby grants the Administrative Agent a security interest in the LC Collateral Account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in the LC Collateral Account. Moneys in the LC Collateral Account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the aggregate LC Exposure), be applied to satisfy other Secured Obligations. If the Borrower is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all such Defaults have been cured or waived. Additionally, (x) if the Administrative Agent notifies the Borrower at any time that the LC Exposure at such time exceeds 105% of the Letter of

Credit Sublimit then in effect, then within two Business Days after receipt of such notice, the Borrower shall provide Cash Collateral for the LC Exposure in an amount not less than the amount by which the LC Exposure exceeds the Letter of Credit Sublimit and (y) if the Administrative Agent notifies the Borrower at any time that the LC Exposure of all Loans and Letters of Credit denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit then in effect, then within two Business Days after receipt of such notice, the Borrower shall prepay Loans and/or Cash Collateral Letters of Credit in an aggregate amount sufficient to reduce such outstanding amount as of such date of payment to an amount not to exceed 100% of the Alternative Currency Sublimit then in effect.

(k) Issuing Bank Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section 2.06, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) reasonably prior to the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the stated amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement, and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

(l) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

#### SECTION 2.07 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of Same Day Funds by 1:00 p.m., New York City time, in the case of any Loan denominated in Dollars, and not later than the Applicable Time specified by the Administrative Agent in the case of any Loan in an Alternative Currency, in each case, to the account of the Administrative Agent for the applicable currency most recently designated by it for such purpose by notice to the Lenders in an amount equal to such Lender's Applicable Percentage. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request; provided, that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Banks.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Loans (or, in the case of any Borrowing of ABR Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with clause (a) of this Section 2.07 (or, in the case of an ABR Loans, that such Lender has made such share available in accordance with and the time required by Section 2.02) and may, in reliance upon such assumption, make available to the

Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to ABR Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

SECTION 2.08 Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.08. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section 2.08, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Interest Election Request in substantially the form of Exhibit G and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing denominated in Dollars prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. If the Borrower fails to deliver a timely Interest Election Request with respect to continuation of a Eurocurrency Borrowing denominated in an Alternative Currency, such Loans shall be continued as Eurocurrency Loans in their original currency with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

#### SECTION 2.09 Termination and Reduction of Commitments.

(a) Unless previously terminated or extended pursuant to the terms and conditions hereof, all Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time, without (subject to Section 2.16) premium or penalty, terminate the Commitments upon (i) the payment in full of all outstanding Loans, together with accrued and unpaid interest thereon and on any Letters of Credit, (ii) the cancellation and return of all outstanding Letters of Credit (or alternatively, with respect to each such Letter of Credit, the furnishing to the Administrative Agent of a cash deposit (or at the discretion of the Administrative Agent a backup standby letter of credit satisfactory to the Administrative Agent and the applicable Issuing Bank) in an amount equal to 103% of the LC Exposure as of such date), (iii) the payment in full of all accrued and unpaid fees required hereunder, and (iv) the payment in full of all reimbursable expenses and other Obligations due under this Agreement and the other Loan Documents together with accrued and unpaid interest thereon (other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto).

(c) The Borrower may from time to time, without (subject to Section 2.16) premium or penalty, reduce the Commitments; provided, that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$1 million and not less than \$5 million unless such amount represents all of the remaining Commitments, and (ii) the Borrower shall not reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the Aggregate Credit Exposure would exceed the aggregate Commitments of all Lenders.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under clause (b) or (c) of this Section 2.09 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by

the Borrower pursuant to this Section 2.09 shall be irrevocable; provided, that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or events specified therein, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

(e) The Commitments shall be automatically and permanently reduced by an amount equal to fifty percent (50%) of the aggregate principal amount of Indebtedness incurred by Holdings or any of its Restricted Subsidiaries pursuant to a Specified Issuance (such reduction, the “Specified Issuance Commitment Reduction”); provided, that the Commitments may only be reduced pursuant to the terms of this clause (e) by up to \$75 million.

#### SECTION 2.10 Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, if any, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(d) The entries made in the accounts maintained pursuant to clause (b) or (c) of this Section 2.10 shall, absent manifest error, be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement; provided, further, that in the event of a conflict between the entries made in the accounts maintained pursuant to clause (b) or (c) of this Section 2.10 and the Register, the Register shall govern.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (each a “Note” and, collectively, the “Notes”). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to such Lender and its registered assigns and in a form reasonably acceptable to the Administrative Agent. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more Notes in such form payable to such payee and its registered assigns.

#### SECTION 2.11 Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time, without (subject to Section 2.16) premium or penalty, to prepay any Borrowing in whole or in part, subject to prior notice in accordance with clause (c) of this Section 2.11.

(b) In the event and on such occasion that the Aggregate Credit Exposure exceeds the aggregate Commitments of all Lenders, the Borrower shall prepay the Loans and/or Cash Collateralize the

LC Exposure (in accordance with Section 2.06(j)) in an aggregate amount equal to such excess. Additionally, if the Administrative Agent notifies the Borrower at any time that the LC Exposure of all Loans and Letters of Credit denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit then in effect, then within two Business Days after receipt of such notice, the Borrower shall prepay Loans and/or Cash Collateral Letters of Credit in an aggregate amount sufficient to reduce such outstanding amount as of such date of payment to an amount not to exceed 100% of the Alternative Currency Sublimit then in effect.

(c) The Borrower shall notify the Administrative Agent pursuant to a delivery to the Administrative Agent of a Notice of Loan Prepayment of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Borrowing, not later than 10:00 a.m., New York City time, (x) three Business Days before the date of prepayment of a Eurocurrency Loan denominated in Dollars, (y) four Business Days before the date of prepayment of a Eurocurrency Loan denominated in Alternative Currency (other than Special Notice Currencies) or (z) five Business Days before the date of prepayment of a Eurocurrency Loan denominated in Special Notice Currencies, or (ii) in the case of prepayment of an ABR Borrowing, not later than 10:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided, that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

(d) Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Lending Office in such Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount.

#### SECTION 2.12 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender (other than a Defaulting Lender, subject to Section 2.20) a commitment fee in Dollars, which shall accrue at the Commitment Fee Rate set forth in the definition of Applicable Rate on the average daily amount of the Available Commitment of such Lender during the period from and including the Effective Date to but excluding the date on which the Commitments terminate. Accrued commitment fees shall be payable in arrears on the first Business Day of each January, April, July and October and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender (other than a Defaulting Lender, subject to Section 2.20) a participation fee in Dollars with respect to its

participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Loans on the average daily Dollar Equivalent amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to the applicable Issuing Bank a fronting fee in Dollars, which shall accrue at the rate of 0.125% per annum on the average Dollar Equivalent daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the applicable Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of each calendar quarter shall be payable on the first Business Day of each of each January, April, July and October following such last day, commencing on the first such date to occur after the Effective Date; provided, that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within ten days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, and to any Lender, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent or such Lender.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to an Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

#### SECTION 2.13 Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.13 or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in clause (a) of this Section 2.13.

(d) Accrued interest on each Loan (for ABR Loans, accrued through the last day of the prior calendar quarter) shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided, that (i) interest accrued pursuant to clause (c) of this Section 2.13 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the

event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (x) interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), or (y) or, in the case of interest in respect of Loans denominated in Alternative Currencies as to which market practice differs from the foregoing, in accordance with such market practice, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) For the purposes of the Interest Act (Canada), (i) whenever a rate of interest or fee rate hereunder is calculated on the basis of a year (the “deemed year”) that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by *multiplying* such rate of interest or fee rate by the actual number of days in the calendar year of calculation and *dividing* it by the number of days in the deemed year, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation hereunder and (iii) the rates of interest stipulated herein are intended to be nominal rates and not effective rates or yields.

#### SECTION 2.14 Alternate Rate of Interest: Illegality.

(a) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that:

(i) adequate and reasonable means do not exist for ascertaining the LIBO Rate or Adjusted LIBO Rate, as applicable, for any requested Interest Period, including, without limitation, because the LIBO Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) the supervisor for the administrator of the LIBO Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Rate or the LIBO Screen Rate shall no longer be made available, or used for determining the interest rate of loans, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide the LIBO Rate after such specific date (such specific date, the “Scheduled Unavailability Date”);

then, after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing the LIBO Rate in accordance with this Section 2.14 with (x) one or more SOFR-Based Rates or (y) any other alternate benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated (the “Adjustment” and, any such proposed rate, a “LIBOR Successor Rate”), and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth Business Day after the Administrative Agent shall have posted such proposed

amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders (A) in the case of an amendment to replace the LIBO Rate with a rate described in clause (x), object to the Adjustment; or (B) in the case of an amendment to replace the LIBO Rate with a rate described in clause (y), object to such amendment; provided that for the avoidance of doubt, in the case of clause (A), the Required Lenders shall not be entitled to object to any SOFR-Based Rate contained in any such amendment. Such LIBOR Successor Rate shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such LIBOR Successor Rate shall be applied in a manner otherwise reasonably determined by the Administrative Agent.

If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist, the obligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended, (to the extent of the affected Eurocurrency Loans or Interest Periods). Upon receipt of such notice, the Borrower may revoke any pending request for a Eurocurrency Borrowing of, conversion to or continuation of Eurocurrency Loans (to the extent of the affected Euro currency Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for an ABR Borrowing in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

In connection with the implementation of a LIBOR Successor Rate, the Administrative Agent will have the right to make LIBOR Successor Rate Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such LIBOR Successor Rate Conforming Changes will become effective without any further action or consent of any other party to this Agreement; *provided* that, with respect to any such amendment effected, the Administrative Agent shall (a) post each such amendment implementing such LIBOR Successor Rate Conforming Changes to the Lenders and (b) provide each such amendment implementing such LIBOR Successor Rate Conforming Changes to the Borrower, in each case, reasonably promptly after such amendment becomes effective.

(b) If after the date hereof, the adoption of any applicable law, or any change in any applicable law (whether adopted before or after the Effective Date), or any change in interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender or its applicable Lending Office with any directive (whether or not having the force of law) of any such authority, central bank or comparable agency, shall make it unlawful or impossible for any Lender or its applicable Lending Office to make, maintain or fund its portion of Eurocurrency Loans, such Lender shall so notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrower. Before giving any notice to the Administrative Agent pursuant to this Section 2.14(b), such Lender shall designate a different lending office if such designation will avoid the need for giving such notice and will not, in the sole reasonable judgment of such Lender, be otherwise materially disadvantageous to such Lender. Upon receipt of such notice, notwithstanding anything contained in Article II, the Borrower shall repay in full the then outstanding principal amount of such Lender's portion of each affected Eurocurrency Loan, together with accrued interest thereon, on either (i) the last day of the then current Interest Period applicable to such affected Eurocurrency Loans if such Lender may lawfully continue to maintain and fund its portion of such Eurocurrency Loan to such day or (ii) immediately if such Lender may not lawfully continue to fund and maintain its portion of such affected Eurocurrency Loans to such day. Concurrently with repaying such portion of each affected Eurocurrency Loan denominated in Dollars, the Borrower may borrow an ABR Loan from such Lender, whether or not it would have been entitled to effect such borrowing and such Lender shall make such Loan, if so requested, in an amount such that the outstanding principal amount of

the affected Loan made by such Lender shall equal the outstanding principal amount of such Loan immediately prior to such repayment. The obligation of such Lender to make Eurocurrency Loans is suspended only until such time as it is once more possible and legal for such Lender to fund and maintain Eurocurrency Loans.

SECTION 2.15 Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting into or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or the applicable Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in clause (a) or (b) of this Section 2.15 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to clauses (a), (b) and (c) of this Section 2.15 shall not constitute a waiver of such Lender's or

such Issuing Bank's right to demand such compensation; provided, that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section 2.15 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) If any Lender or any Issuing Bank incurs any Mandatory Costs attributable to the Obligations, then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such Mandatory Costs. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations.

**SECTION 2.16 Break Funding Payments.** In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(d) and is revoked in accordance therewith), (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, or (e) any failure by any Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event (which shall not include any loss of margin or Applicable Rate). In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest (as reasonably determined by such Lender) which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth, in reasonable detail, any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.16 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten days after receipt thereof.

**SECTION 2.17 Withholding of Taxes: Gross-Up.**

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by such Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.17) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Loan Parties. Without duplication for any Indemnified Taxes paid pursuant to this Section 2.17, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Evidence of Payment. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.17, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Loan Parties. Without duplication of any obligation contained in Section 2.17(a) or (b), the Loan Parties shall jointly and severally indemnify each Recipient, within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.17) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this clause (e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by applicable law and at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law or as reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.17(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject

such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender; provided, that in such case the Lender shall indemnify the Borrower and the Administrative Agent from any and all liabilities arising therefrom.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Recipient that is a Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Foreign Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E (or any successor form), as applicable establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E (or any successor form), as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, executed copies of IRS Form W-8ECI (or any successor form);

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E (or any successor form), as applicable; or

(4) to the extent a Foreign Lender is not the Beneficial Owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E (or any successor form), as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9 (or any successor form), and/or other certification documents from each Beneficial Owner, as applicable; provided, that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Foreign Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction

in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Recipient were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Status of Agent. Bank of America, N.A., as the Administrative Agent, and any successor or supplemental Administrative Agent, shall deliver to the Borrower, on or prior to the date that it becomes a party to this Agreement, properly completed copies of the documentation prescribed in clause (i) or (ii) of this Section 2.17(g), as applicable (together with all required attachments thereto): (i) if the Administrative Agent is a U.S. Person, executed copies of IRS Form W-9 certifying that such Administrative Agent is exempt from U.S. federal backup withholding tax, or (ii) if the Administrative Agent is not a U.S. Person, (A) with respect to fees received on its own behalf, executed copies of IRS Form W-8ECI and any such other documentation prescribed by applicable law that would allow the Borrower to make payments to such Administrative Agent without deduction or withholding of any U.S. federal withholding Taxes and (B) with respect to payments received on account of any Lender, executed copies of a U.S. branch withholding certificate on IRS Form W-8IMY (or any successor form) evidencing its agreement with the Borrower to be treated as a U.S. Person for U.S. federal tax purposes. The Administrative Agent agrees that if any form or certification it previously delivered pursuant to this Section 2.17(g) expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including by the payment of additional amounts pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the 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 given rise to such refund had never been paid. This clause (h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person or to require any indemnified party to apply for a refund.

(i) Survival. Each party's obligations under this Section 2.17 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) Defined Terms. For purposes of this Section 2.17, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

#### SECTION 2.18 Payments Generally; Allocation of Proceeds; Sharing of Setoffs.

(a) All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in an Alternative Currency, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Lending Office in Dollars and in Same Day Funds not later than 1:00 p.m., New York City time, on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Lending Office in such Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, the Borrower is prohibited by any law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage in respect of the relevant Loan (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after (i) 1:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent, in the case of payments in an Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected on computing interest or fees, as the case may be.

(b) Any proceeds of Collateral received by the Administrative Agent (i) not constituting a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Borrower), or (ii) after an Event of Default has occurred and is continuing, shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and the Issuing Banks from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), second, to pay any fees or expense reimbursements then due to the Lenders from the Borrower (other than in connection with Banking Services Obligations or Swap Agreement Obligations), third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and unreimbursed LC Disbursements, fifth, to pay an amount to the Administrative Agent equal to one hundred three percent (103%) of the aggregate undrawn

face amount of all outstanding Letters of Credit, to be held as Cash Collateral for such Obligations, sixth, to the payment of any amounts owing with respect to Banking Services Obligations and Secured Swap Agreement Obligations and seventh, to the payment of any other Secured Obligation due to the Administrative Agent or any Lender by the Borrower. Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless a Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Eurocurrency Loan, except (a) on the expiration date of the Interest Period applicable to any such Eurocurrency Loan or (b) in the event, and only to the extent, that there are no outstanding ABR Loans and, in any such event, the Borrower shall pay the break funding payment required in accordance with Section 2.16. The Administrative Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

Notwithstanding the foregoing, Obligations arising under Banking Services Obligations or Swap Agreement Obligations shall be excluded from the application described above and paid in clause sixth if the Administrative Agent has not received written notice thereof in accordance with the definition of Secured Obligations, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Agreements.

(c) At the election of the Borrower but subject to the conditions set forth in Section 4.02, all payments of principal, interest, LC Disbursements, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees, costs and expenses pursuant to Section 9.03), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower pursuant to Section 2.03 or a deemed request as provided in this Section 2.18 or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent.

(d) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; 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 paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to (A) the Borrower or any Subsidiary (as to which the provisions of this paragraph shall apply) or (B) to the extent such payment is made directly by the Borrower or any Subsidiary (and is not otherwise permitted by this Agreement), any Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower 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 the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(e) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or any Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(f) If any Lender shall fail to make any payment required to be made by it hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations hereunder until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as Cash Collateral for, and apply any such amounts to, any future funding obligations of such Lender hereunder; application of amounts pursuant to (i) and (ii) above shall be made in such order as may be determined by the Administrative Agent in its discretion.

(g) The Administrative Agent may from time to time provide the Borrower with billing statements or invoices with respect to any of the Secured Obligations (the "Billing Statements"). The Administrative Agent is under no duty or obligation to provide Billing Statements, which, if provided, will be solely for the Borrower's convenience. The Billing Statements may contain estimates of the amounts owed during the relevant billing period, whether of principal, interest, fees or other Secured Obligations. If the Borrower pays the full amount indicated on a Billing Statement on or before the due date indicated on such Billing Statement, the Borrower shall not be in default; provided, that acceptance by the Administrative Agent, on behalf of the Lenders, of any payment that is less than the payment due at that time shall not constitute a waiver of the Administrative Agent's or the Lenders' right to receive payment in full at another time.

#### SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if the Borrower or the Loan Guarantors 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 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment).

(b) If (i) any Lender requests compensation under Section 2.15, (ii) any Lender fails to consent to a requested amendment, waiver or modification to any Loan Document in which Required Lenders have already consented to such amendment, waiver or modification but the consent of each Lender (or each Lender directly affected thereby, as applicable) is required with respect thereto, (iii) the Borrower or the Loan Guarantors 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 2.17, or (iv) any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such

Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under this Agreement and other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that (A) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Commitment is being assigned, the Issuing Banks), which consent shall not unreasonably be withheld, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (C) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Sections 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.20 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Commitment of such Defaulting Lender pursuant to Section 2.12(a);

(b) such Defaulting Lender shall not have the right to vote on any issue on which voting is required (other than to the extent expressly provided in Section 9.02(b)) and the Commitment and Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02) or under any other Loan Document; provided, that, except as otherwise provided in Section 9.02, this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender directly affected thereby;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of such LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent that the sum of all non-Defaulting Lenders' Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments; and

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent Cash Collateralize for the benefit of the Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.06(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower Cash Collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to this Section 2.20(c), the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.12(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is Cash Collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to Section 2.20(c), then the fees payable to the Lenders pursuant to Section 2.12(a) and Section 2.12(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither Cash Collateralized nor reallocated pursuant to Section 2.20(c), then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all facility fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) and letter of credit fees payable under Section 2.12(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks until such LC Exposure is Cash Collateralized and/or reallocated;

(d) so long as such Lender is a Defaulting Lender, no Issuing Bank shall be required to issue or increase any Letter of Credit, unless it is reasonably satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or Cash Collateral will be provided by the Borrower in accordance with Section 2.20(c), and LC Exposure related to any such newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.20(c)(i) (and such Defaulting Lender shall not participate therein);

(e) if (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no such Issuing Bank shall be required to issue or increase any Letter of Credit unless such Issuing Bank shall have entered into arrangements with the Borrower or such Lender, reasonably satisfactory to such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder; and

(f) in the event and on the date that each of the Administrative Agent, the Borrower and each Issuing Bank agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the other Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

Nothing contained herein shall be deemed to be a release of any claims of the Administrative Agent or the Borrower against any Defaulting Lender for its breach of any of its obligations under this Agreement.

**SECTION 2.21** Returned Payments. If after receipt of any payment which is applied to the payment of all or any part of the Obligations (including a payment effected through exercise of a right of setoff), the Administrative Agent or any Lender is for any reason compelled to surrender such payment or proceeds to any Person because such payment or application of proceeds is invalidated, declared fraudulent, set aside, determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion), then the Obligations or part thereof intended to be satisfied shall be revived and continued and this Agreement shall continue in full force as if such payment or proceeds had not been received by the Administrative Agent or such Lender. The provisions of this Section 2.21 shall be and remain effective notwithstanding any contrary action which may have been taken by the Administrative Agent or any Lender in reliance upon such payment or application of proceeds. The provisions of this Section 2.21 shall survive the termination of this Agreement.

SECTION 2.22 Incremental Term Loans.

(a) The Borrower shall have the right at any time after the Effective Date to request one or more tranches of term loans (each an “Incremental Term Loan Facility”; and the commitments with in respect thereof the “Incremental Term Loan Commitments”) in accordance with the following provisions and subject to the following conditions:

(i) The Borrower shall give the Administrative Agent, which shall promptly deliver a copy thereof to each of the Lenders, at least ten Business Days’ prior written notice (an “Incremental Term Loan Notice”) of any such requested increase specifying the aggregate amount of such Incremental Term Loan Facility, which shall be at least \$10 million, the requested date of such Incremental Term Loan Facility (the “Requested Incremental Term Loan Date”) and the date by which the Lenders wishing to participate in the Incremental Term Loan Facility must commit (the “Incremental Term Loan Commitment Date”). Each Lender that is willing in its sole discretion to participate in such requested Incremental Term Loan Facility (each an “Incremental Term Loan Lender”) shall give written notice to the Administrative Agent on or prior to the Incremental Term Loan Commitment Date of the amount by which it is willing to commitment.

(ii) Promptly following each Incremental Term Loan Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Incremental Term Loan Facility. In addition, the Borrower may extend offers to one or more Eligible Assignees, each of which must be reasonably satisfactory to the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed) to participate in any portion of the requested Incremental Term Loan Facility; provided, however, that the Incremental Term Loan Commitment of each such Eligible Assignee shall be in an amount of not less than \$1 million or an integral multiple of \$1 million in excess thereof. Any such Eligible Assignee that agrees to acquire an Incremental Term Loan Commitment pursuant hereto is herein called an “Additional Incremental Term Loan Lender”.

(iii) Incremental Term Loan Commitments shall become effective under this Agreement pursuant to an amendment (an “Incremental Term Loan Amendment”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, each Lender agreeing to provide such Incremental Term Loan Commitments, if any, each Additional Incremental Term Loan Lender, if any, and the Administrative Agent pursuant to Section 9.02(f) hereof. The Incremental Term Loan Amendment may, without need for the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, in order to give effect to the provisions of this Section 2.22.

(iv) (A) Any Incremental Term Loan Facility shall be ratably secured with the Loans, (B)(i) any Incremental Term Loan Facility in the form of a “Term Loan A” provided by bank lenders shall not mature earlier than the Stated Maturity Date and (ii) any Incremental Term Loan Facility in the form of a “Term Loan B” shall not mature earlier than 91 days after the Stated Maturity Date, (C) no Incremental Term Loan Facility shall have amortization of greater than 5% of the original principal amount of such Incremental Term Loan Facility per year, (D) the Applicable Rate relating to any Incremental Term Loan Facility shall be determined by the Borrower and the Lenders providing such Incremental Term Loan Facility and (E) any Incremental Term Loan Facility shall otherwise be on terms and pursuant to documentation to be determined by the Borrower and the Persons willing to provide such Incremental Term Loan Facility; provided, that to the extent such terms and documentation are not consistent with the then existing Commitments or Incremental Term Loan Commitments (other than with respect to pricing, amortization and maturity) they shall be reasonably satisfactory to the Administrative Agent (it being agreed that Incremental Term Loan Facilities may contain customary mandatory prepayments, voting rights and prepayment premiums).

(v) The Borrower will use the proceeds of the Incremental Term Loan Facility for any purpose not prohibited by this Agreement.

(vi) No Lender shall be obligated to provide any Incremental Term Loan Facility, unless it so agrees.

(b) Anything in this Section 2.22 to the contrary notwithstanding, no Incremental Term Loan Facility pursuant to this Section 2.22 shall be effective unless:

(i) Immediately before and after giving effect to each Incremental Term Loan Amendment and the applicable Incremental Term Loan Facility, (x) no Default or Event of Default shall have occurred and be continuing and (y) the condition set forth in Section 4.02(a) shall be required to be satisfied; provided that to the extent the proceeds of any Incremental Term Loan Facility are intended to be applied to finance a Limited Condition Acquisition, if agreed to by the Incremental Term Loan Lenders or the Additional Incremental Term Loan Lenders providing such Incremental Term Loan Facility, (x) the only representations and warranties that will be required to be true and correct in all material respects (or, in the case of any representations and warranties qualified by materiality or Material Adverse Effect, in all respects) as of the applicable closing date for such Incremental Term Loan Facility shall be (A) the Specified Representations with respect to the applicable acquired company or business and (B) such of the representations and warranties made by or on behalf of the applicable acquired company or business in the applicable acquisition agreement as are material to the interests of the Incremental Term Loan Lenders or the Additional Incremental Term Loan Lenders, but only to the extent that Holdings or the applicable Subsidiary has the right to terminate its obligations under such acquisition agreement or not consummate such acquisition as a result of a breach of such representations or warranties in such acquisition agreement and (y) the only condition with respect to absence of a Default or Event of Default shall be the absence of a Default or Event of Default at the time such acquisition agreement is entered into;

(ii) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (A) customary legal opinions, board resolutions and officers' certificates consistent with the documentation delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (B) any reaffirmation or similar documentation as reasonably requested by the Administrative Agent in order to ensure that such Incremental Term Loan Lender or Additional Incremental Term Loan Lender is provided with the benefit of the applicable Loan Documents;

(iii) after giving effect to any such Incremental Term Loan Facility, the Senior Secured Net Leverage Ratio calculated on a pro forma basis for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent does not exceed 3.50 to 1.00; provided, that for purposes of determining the Senior Secured Net Leverage Ratio, (x) any cash proceeds of such Incremental Term Loan Facility proposed to be drawn thereunder will not be considered Unrestricted Cash and Cash Equivalents and the full amount of such Incremental Term Loan Facility shall be deemed to be Indebtedness outstanding and (y) any concurrent Commitment Increase shall be deemed to be drawn in full; and

(iv) after giving effect to any such Incremental Term Loan Facility, the Loan Parties shall be in pro forma compliance with the Financial Covenant for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent.

SECTION 2.23 Increase of Commitments.

(a) The Borrower shall have the right at any time after the Effective Date to request that the aggregate Commitments hereunder be increased (a "Commitment Increase") in accordance with the following provisions and subject to the following conditions:

(i) The Borrower shall give the Administrative Agent, which shall promptly deliver a copy thereof to each of the Lenders, at least ten Business Days' prior written notice (a "Notice of Increase") of any such requested increase specifying the aggregate amount by which the Commitments are to be increased (the "Requested Increase Amount"), which shall be at least \$5 million, the requested date of increase (the "Requested Increase Date") and the date by which the Lenders wishing to participate in the Commitment Increase must commit to an increase in the amount of their respective Commitments (the "Commitment Date"). Each Lender that is willing in its sole discretion to participate in such requested Commitment Increase (each an "Increasing Lender") shall give written notice to the Administrative Agent on or prior to the Commitment Date of the amount by which it is willing to increase its Commitment.

(ii) Promptly following each Commitment Date, the Administrative Agent shall notify the Borrower as to the amount, if any, by which the Lenders are willing to participate in the requested Commitment Increase. In addition, the Borrower may extend offers to one or more Eligible Assignees, each of which must be reasonably satisfactory to the Administrative Agent, (such consent not to be unreasonably withheld) to participate in any portion of the requested Commitment Increase; provided, however, that the Commitment of each such Eligible Assignee shall be in an amount of not less than \$1 million or an integral multiple of \$1 million in excess thereof. Any such Eligible Assignee that agrees to acquire a Commitment pursuant hereto is herein called an "Additional Lender".

(iii) Effective on the Requested Increase Date, subject to the terms and conditions hereof, (x) the Commitment Schedule shall be deemed to be amended to reflect the increases contemplated hereby, (y) the Commitment of each Increasing Lender shall be increased by an amount determined by the Administrative Agent and the Borrower (but in no event greater than the amount by which such Lender is willing to increase its Commitment), and (z) each Additional Lender shall enter into an agreement in form and substance reasonably satisfactory to the Borrower and the Administrative Agent pursuant to which it shall undertake, as of such Requested Increase Date, a new Commitment in an amount determined by the Administrative Agent and the Borrower (but in no event greater than the amount by which such Lender is willing to participate in the requested Commitment Increase), and such Additional Lender shall thereupon be deemed to be a Lender for all purposes of this Agreement.

(iv) If on the Requested Increase Date there are any Loans outstanding hereunder, the Borrower shall borrow from all or certain of the Lenders and/or prepay Loans of all or certain of the Lenders such that, after giving effect thereto, the Loans (including, without limitation, the Types and Interest Periods thereof) and such participations shall be held by the Lenders (including for such purposes the Increasing Lenders and the Additional Lenders) ratably in accordance with their respective Commitments. On and after each Requested Increase Date, the ratable share of each Lender's participation in Letters of Credit and Loans from draws under Letters of Credit shall be calculated after giving effect to each such Commitment Increase.

(b) Anything in this Section 2.23 to the contrary notwithstanding, no increase in the aggregate Commitments hereunder pursuant to this Section 2.23 shall be effective unless:

(i) as of the date of the relevant Notice of Increase and on the relevant Requested Increase Date and immediately after giving effect to such increase, (x) no Default or Event of Default shall have occurred and be continuing and (y) the condition set forth in Section 4.02(a) shall be required to be satisfied;

(ii) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (A) customary legal opinions, board resolutions and officers' certificates consistent with the documentation delivered on the Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (B) any reaffirmation or similar documentation as reasonably requested by the Administrative Agent in order to ensure that such Increasing Lender or Additional Lender is provided with the benefit of the applicable Loan Documents;

(iii) after giving effect to such Commitment Increases, the principal aggregate amount of all such Commitment Increases incurred or issued since the Effective Date shall not exceed the then available Incremental Amount;

(iv) after giving effect to any such Commitment Increase, the Loan Parties shall be in pro forma compliance with the Financial Covenant for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent and the Borrower shall have delivered to the Administrative Agent reasonably detailed calculations demonstrating such compliance; and

(v) except as otherwise specifically set forth herein or as may otherwise be agreed by the Administrative Agent, all of the other terms and conditions applicable to such Commitment Increase shall be identical to the terms and conditions applicable to the Revolving Credit Loans (other than with respect to any upfront fees, which may be as agreed by the Borrower and the Lenders providing such Commitment Increase). For the avoidance of doubt, any loans under any Commitment Increase shall be treated ratably in terms of right to payment and prepayment with loans under the Revolving Credit Loans and/or Commitments outstanding prior to the effectiveness of such Commitment Increase.

SECTION 2.24 Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, the Borrower or any of its Subsidiaries shall deliver to the Administrative Agent, promptly after entering into such Banking Services or Swap Agreements, written notice thereof, in each case, to the extent such Banking Services or Swap Agreements relate to Secured Obligations. In furtherance of that requirement, each such Lender or Affiliate thereof shall furnish the Administrative Agent, from time to time promptly upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations that constitute Secured Obligations, together with such supporting documentation as the Administrative Agent may have reasonably requested from the applicable provider of such Banking Services or Swap Agreement. The most recent information provided to the Administrative Agent shall be used in determining which tier of the waterfall, contained in Section 2.18(b), such Banking Services Obligations and/or Swap Agreement Obligations will be placed.

SECTION 2.25 Amend and Extend Transactions.

(a) The Borrower may, by written notice to the Administrative Agent from time to time, request an extension (each, an "Extension") of the Stated Maturity Date to the extended maturity date specified in such notice. Such notice shall (i) set forth the amount of Commitments that will be subject to the Extension (which request shall be in minimum increments of \$1 million and a minimum amount of \$5 million), and (ii) set forth the date on which such Extension is requested to become effective (which shall be not less than ten Business Days nor more than sixty (60) days after the date of such Extension notice (or such longer or shorter periods as the Administrative Agent shall agree in its sole discretion)). The Lenders shall be offered (an "Extension Offer") an opportunity to participate in such Extension on a pro rata basis and on the same terms and conditions as each other Lender pursuant to procedures established by, or reasonably acceptable to, the Administrative Agent and Borrower. If the aggregate principal amount of

Commitments in respect of which Lenders shall have accepted the relevant Extension Offer shall exceed the maximum aggregate principal amount of Commitments subject to the Extension Offer as set forth in the Extension notice, then the Commitments of the Lenders shall be extended ratably up to such maximum amount based on the respective principal amounts with respect to which such Lenders have accepted such Extension Offer. Notwithstanding anything to the contrary in this Agreement, any individual Lender's agreement to extend its Commitments, in whole or in part, pursuant to this Section 2.25 shall be in such Lender's sole discretion.

(b) The following shall be conditions precedent to the effectiveness of any Extension: (i) no Default or Event of Default shall have occurred and be continuing immediately prior to and immediately after giving effect to such Extension, (ii) the representations and warranties set forth in Article III and in each other Loan Document shall be deemed to be made and shall be true and correct in all material respects on and as of the effective date of such Extension, (iii) each relevant Issuing Bank shall have consented to any Extension of the Commitments, to the extent that such Extension provides for the issuance or extension of Letters of Credit at any time during the extended period and (iv) the terms of such Extended Commitments shall comply with clause (c) of this Section 2.25.

(c) The terms of each Extension shall be determined by the Borrower and the applicable extending Lenders and set forth in an Extension Amendment; provided, that (i) the final maturity date of any Extended Commitment shall be no earlier than the Stated Maturity Date, (ii) there shall be no scheduled amortization of the loans or reductions of commitments under any Extended Commitments, (iii) the Extended Loans will rank pari passu in right of payment and security with the existing Loans and the borrower, guarantors and collateral of the Extended Commitments shall be the same as the borrower, Loan Guarantors and Collateral with respect to the existing Loans, (iv) the interest rate margin and any fees applicable to any Extended Commitment (and the Extended Loans thereunder) shall be determined by Borrower and the applicable extending Lenders, (v) borrowing and prepayment of Extended Loans, or reductions of Extended Commitments, and participation in Letters of Credit, shall be on a pro rata basis with the other Loans or Commitments (other than upon the maturity of the non-extended Loans and Commitments) and (vi) any other terms of the Extended Commitments shall be substantially identical to the terms set forth herein.

(d) In connection with any Extension, the Borrower, the Administrative Agent and each applicable extending Lender shall execute and deliver to the Administrative Agent an Extension Amendment and such other documentation as the Administrative Agent shall reasonably specify to evidence the Extension. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension. Any Extension Amendment may, without the consent of any other Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to implement the terms of any such Extension, including any amendments necessary to establish Extended Commitments as a separate tranche of Commitments and such other technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new tranche (including to preserve the pro rata treatment of the extended and non-extended tranches and to provide for the reallocation of Credit Exposure upon the expiration or termination of the commitments under any tranche), in each case on terms consistent with this Section 2.25.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Loan Parties and each of its Restricted Subsidiaries (a) is duly organized, validly existing and, to the extent that such concept is applicable in the relevant jurisdiction, in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to carry on its business as now conducted and (c) except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and, to the extent such concept is applicable to the relevant jurisdiction, is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02 Authorization; Enforceability. The Transactions to be entered into by each Loan Party are within such Loan Party's corporate or limited liability company powers, as the case may be, and have been duly authorized by all necessary corporate or limited liability company and, if required, stockholder or member action. Each Loan Document to which each Loan Party is a party has been duly executed and delivered by such Loan Party and constitutes a legal, valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (a) do not, on the part of any Loan Party or any of its Subsidiaries, require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect and except for filings necessary to perfect Liens created pursuant to the Loan Documents, (b) will not violate any Requirement of Law applicable to any Loan Party or any of its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under, or give rise to a right to require any payment to be made by any Loan Party or any of its Subsidiaries under any material agreement which is binding upon any Loan Party or any of its Subsidiaries or its assets, and (d) will not result in the creation or imposition of any Lien on any asset of any Loan Party or any of its Subsidiaries, except Liens created pursuant to the Loan Documents, except, solely in the case of clauses (a), (b) or (c) hereof, as would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04 Financial Condition; No Material Adverse Change.

(a) Holdings has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the fiscal year ended December 31, 2018, reported on by the Accounting Firm and (ii) as of and for the fiscal quarter and the portion of the fiscal year ending September 30, 2019. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Holdings and its consolidated 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 (ii) above.

(b) No event, change or condition has occurred that has had, or would reasonably be expected to have, a Material Adverse Effect, since December 31, 2018.

SECTION 3.05 Properties.

(a) Each of the Loan Parties and its Restricted Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property, except for defects in title that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Loan Parties and its Restricted Subsidiaries owns, or is licensed to use, or otherwise has the right to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Loan Parties and its Subsidiaries does not infringe upon

the rights of any other Person, except for any failure to own or license or any such infringements that, in each case, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting the Loan Parties or any of their respective Restricted Subsidiaries (i) that, if adversely determined, would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) No Loan Party nor any of its Restricted Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law or (ii) has received notice of any claim with respect to any Environmental Liability, in each case of (i) and (ii), that individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect.

SECTION 3.07 Compliance with Laws and Agreements; No Default.

(a) Each Loan Party and its Restricted Subsidiaries is in compliance with all Requirements of Law applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) No Default has occurred and is continuing.

SECTION 3.08 Investment Company Status. No Loan Party nor any of its Restricted Subsidiaries is an “investment company” as defined in, or subject to regulation under the Investment Company Act of 1940.

SECTION 3.09 Taxes. Each Loan Party and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes, assessments, claims, governmental charges that are required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10 ERISA.

(a) No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect.

(b) Except as would not reasonably be expected to result in a Material Adverse Effect, (i) each Foreign Pension Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, (ii) all contributions required to be made with respect to a Foreign Pension Plan have been timely made, and (iii) neither Holdings nor any of its Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan.

SECTION 3.11 Disclosure.

(a) Each of Holdings and the Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which they or any of their Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other written information (other than any projected financial information or other forward-looking information or information of a general economic or general industry specific nature) furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or any other Loan Document (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein (taken as a whole), in the light of the circumstances under which they were made, not materially misleading (when taken as a whole); provided, that, with respect to projected financial information or other forward-looking information or information of a general economic or general industry specific nature, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time so furnished (it being understood that any such information may differ from actual results and such differences may be material).

(b) As of the Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 3.12 Capitalization and Subsidiaries. Schedule 3.12 sets forth, as of the date hereof, (a) a correct and complete list of the name and ownership interest of Holdings and each Subsidiary in each Subsidiary, (b) the type of entity and jurisdiction of organization of Holdings and each of its Subsidiaries, and (c) which of Holdings' Subsidiaries are Material Domestic Subsidiaries and Material Foreign Subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 3.13 Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid Liens on all of the Collateral in favor of the Administrative Agent, for the benefit of the Secured Parties, and, upon filing a UCC financing statement in the Loan Parties' applicable jurisdiction of organization such Liens, will constitute perfected and continuing Liens on the Collateral in which a security interest can be perfected by filing a UCC financing statement, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral except in the case of (a) Permitted Encumbrances, to the extent any such Permitted Encumbrances would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law or agreement, and (b) Liens perfected only by possession (including possession of any certificate of title), to the extent the Administrative Agent has not obtained or does not maintain possession of such Collateral.

SECTION 3.14 Federal Reserve Regulations. No part of the proceeds of any Loan or Letter of Credit has been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.15 Anti-Corruption Laws and Sanctions; USA Patriot Act.

(a) Each Loan Party, its Subsidiaries and their respective officers and employees and, to the knowledge of such Loan Party, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) any Loan Party, any Subsidiary or, to the knowledge of any such Loan Party or Subsidiary, any of their respective directors, officers or employees,

or (b) to the knowledge of any such Loan Party or Subsidiary, any agent of such Loan Party or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds, Transaction or other transaction contemplated by this Agreement or the other Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

(b) Each Loan Party is in compliance, in all material respects, with the USA PATRIOT Act.

SECTION 3.16 Covered Entity. No Loan Party is a Covered Entity.

SECTION 3.17 Not an EEA Financial Institution. No Loan Party is an EEA Financial Institution.

SECTION 3.18 Solvency. (a) The fair value of the assets of the Loan Parties and their Restricted Subsidiaries, at a fair valuation measure on a consolidated and going concern basis, exceeds the sums of their debts and liabilities, subordinated, contingent or otherwise, on a consolidated basis; (b) the present fair saleable value of the property of the Loan Parties and their Restricted Subsidiaries, measured on a consolidated and going concern basis, is not less than the amount that will be required to pay the probable debts and other liabilities, subordinated, contingent or otherwise, of such Loan Parties and their Restricted Subsidiaries, on a consolidated basis, as such debts and other liabilities become absolute and matured; (c) the Loan Parties and their Restricted Subsidiaries, on a consolidated basis, will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured in the ordinary course of business; and (d) the capital of the Loan Parties and their Restricted Subsidiaries, on a consolidated basis, is not unreasonably small in relation to the business of such Loan Parties and their Restricted Subsidiaries, on a consolidated basis.

SECTION 3.19 Beneficial Ownership Certificate. As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

#### ARTICLE IV

#### CONDITIONS

SECTION 4.01 Conditions to Initial Loans. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) Credit Agreement and Other Loan Documents. The Administrative Agent (or its counsel) shall have received (i) from each party hereto either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Administrative Agent (which may include fax or other electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement and (ii) duly executed copies of any other Loan Documents to be entered into as of the date hereof and such other certificates, documents, instruments and agreements as the Administrative Agent shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including any Notes requested by a Lender pursuant to Section 2.10 payable to the order of each such requesting Lender and a written opinion of the Loan Parties' counsel, addressed to the Administrative Agent, the Issuing Banks and the Lenders and in form and substance reasonably satisfactory to the Administrative Agent.

(b) Financial Statements and Projections. The Lenders shall have received (i) audited consolidated financial statements of Holdings for the two (2) most recent fiscal years ended prior to the

Effective Date as to which such financial statements are available, (ii) unaudited interim consolidated financial statements of Holdings for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to clause (i) of this paragraph as to which such financial statements are available and (iii) financial statement projections (which shall include balance sheet, income and cash flow statement projections) through and including Holdings' 2024 fiscal year.

(c) Closing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Effective Date and executed by its Secretary or Assistant Secretary or other authorized officer, which shall (A) certify the resolutions of its board of directors, members or other body authorizing the execution, delivery and performance of the Loan Documents to which it is a party, (B) identify by name and title and bear the signatures of the Financial Officers and any other officers of such Loan Party authorized to sign the Loan Documents to which it is a party, and (C) contain appropriate attachments, including the certificate or articles of incorporation or organization of each Loan Party certified by the relevant authority of the jurisdiction of organization of such Loan Party and a true and correct copy of its by-laws or operating, management or partnership agreement, and (ii) a long form good standing certificate for each Loan Party from its jurisdiction of organization.

(d) No Default Certificate. The Administrative Agent shall have received a certificate, signed by an authorized officer of Holdings on the initial Borrowing date (i) stating that no Default has occurred and is continuing and (ii) stating that the representations and warranties contained in Article III are true and correct in all material respects as of such date except that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects.

(e) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid on or before the Effective Date, and all expenses (including the reasonable fees and expenses of Latham & Watkins LLP) required to be paid hereunder or under the other Loan Documents for which invoices have been presented no later than two (2) Business Days prior to the Effective Date (or a shorter period as reasonably agreed to by the Borrower).

(f) Lien Searches. The Administrative Agent shall have received the results of recent customary lien searches, and such searches shall reveal no liens on any of the assets of the Loan Parties except for liens permitted by Section 6.02 or discharged on or prior to the Effective Date pursuant to a pay-off letter or other documentation reasonably satisfactory to the Administrative Agent.

(g) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (i) to the extent certificated, the certificates representing the shares of Equity Interests pledged pursuant to the Security Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) to the extent required to be delivered pursuant to the Security Agreement, each promissory note (if any) pledged to the Administrative Agent pursuant to the Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(h) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Collateral Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein (but only to the extent required therein), prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 6.02), shall be in proper form for filing, registration or recordation.

(i) [Reserved].

(j) Solvency. The Administrative Agent shall have received a solvency certificate from a Financial Officer substantially in the form attached hereto as Exhibit D.

(k) Refinancing. The Administrative Agent shall have received evidence that the Existing Credit Agreement has been, or concurrently with the Effective Date is being, terminated and all Liens securing obligations under the Existing Credit Agreement have been, or concurrently with the Effective Date are being, released (collectively, the "Refinancing").

(l) USA PATRIOT Act, Etc.

(i) At least three (3) days prior to the Effective Date, the Borrower and each of the other Loan Parties shall have provided to the Administrative Agent or the Lenders the documentation and other information theretofore requested in writing by the Administrative Agent or the Lenders at least ten (10) Business Days prior to the Effective Date that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including the USA PATRIOT Act.

(ii) At least three (3) days prior to the Effective Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Borrower shall deliver a Beneficial Ownership Certification to each Lender who has requested the same at least ten (10) days prior to the Effective Date.

The Administrative Agent shall notify the Borrower, the Lenders and the Issuing Banks of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make any Loan, and of the Issuing Banks to issue or increase any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of Holdings and the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Loan or the date of issuance or increase of such Letter of Credit, as applicable, except that (i) to the extent that such representations and warranties specifically refer to an earlier date, such representations and warranties shall be true and correct in all material respects as of such earlier date, (ii) any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects.

(b) At the time of and immediately after giving effect to such Loan or the issuance or increase of such Letter of Credit, as applicable, no Default shall have occurred and be continuing on such date.

(c) The Borrower shall have delivered a completed Borrowing Request or application for a Letter of Credit, as applicable.

(d) In the case of a Borrowing to be denominated in an Alternative Currency, such currency remains an Eligible Currency.

Each Loan and each issuance or increase of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in clauses (a) and (b) of this Section 4.02.

ARTICLE V

AFFIRMATIVE COVENANTS

Until Payment in Full has occurred, each Loan Party executing this Agreement covenants and agrees, jointly and severally with all of the Loan Parties, with the Lenders that:

SECTION 5.01 Financial Statements and Other Information. The Borrower will furnish to the Administrative Agent, which shall furnish to each Lender:

(a) within ninety (90) days after the end of each fiscal year of Holdings, its audited consolidated balance sheet and related statements of operations, 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, all reported on by the Accounting Firm (without a "going concern" or like qualification (other than any such qualification to the "going concern" opinion that is solely resulting from (x) the impending Maturity Date or the final stated maturity of any Indebtedness, (y) any potential inability to satisfy the Financial Covenant or any other financial covenants under any Indebtedness on a future date or in a future period or (z) limited solely to the effect of the activities, operations, financial results, assets or liabilities of any Unrestricted Subsidiaries on such Unrestricted Subsidiaries) or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidating basis in accordance with GAAP;

(b) within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Holdings, its consolidated balance sheet and related statements of operations, 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 one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of Holdings and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer in substantially the form of Exhibit B (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with the Financial Covenant and (iii) stating whether any change in GAAP or in the application thereof has occurred since the later of December 31, 2018 and the end date of the financial statements most recently delivered pursuant to Section 5.01(a) and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) [reserved];

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by Holdings to its shareholders generally, as the case may be; and

(f) promptly following any written request therefor, (i) such other information regarding the operations, business affairs and financial condition of Holdings or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent may reasonably request, on behalf of itself or any Lender hereunder; or (ii) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” requirements under the Beneficial Ownership Regulation, the USA PATRIOT Act or other applicable anti-money laundering laws.

Notwithstanding anything to the contrary in this Section 5.01, (x) Holdings and the Borrower shall be deemed to have complied with the terms of Sections 5.01(a) and (b), as applicable, with respect to the financial statements required to be delivered pursuant thereto if Holdings delivers to the Administrative Agent and the Lenders, within the same time frame required under the Securities Act and the rules and regulations of the Securities and Exchange Commission its annual report on Form 10-K for the applicable fiscal year or its quarterly report in Form 10-Q for the applicable fiscal quarter, respectively, that it (or any of its direct or indirect parent companies; provided that, in the event the holding company(s) structure of the Borrower as of the Closing Date changes (or such direct or indirect parents of Holdings otherwise cease to become passive holding companies), consolidated balance sheets, statements of profit and loss and statements of cash flows of Holdings shall also be provided) has filed with the Securities and Exchange Commission, and (y) any documents required to be delivered pursuant to Sections 5.01(a), (b) and (f) shall be deemed to have been delivered on the date on which Holdings provides notice to the Administrative Agent that such information has been posted on Holdings’ website on the Internet (with such notice containing the link thereto), or posted on Holdings’ behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

**SECTION 5.02** Notices of Material Events. The Borrower will furnish to the Administrative Agent, which shall furnish to each Lender, promptly upon any Financial Officer of the Borrower becoming aware, written notice of the following:

- (a) the occurrence of any Event of Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of a Financial Officer or another executive officer of Holdings or any Subsidiary, affecting Holdings or any Subsidiary thereof that, if adversely determined, would reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that would reasonably be expected to result in Material Adverse Effect;
- (d) the occurrence and nature of any Prohibited Transaction or any funding deficiency with respect to any Plan that would reasonably be expected to result in a Material Adverse Effect, or a transaction the IRS or Department of Labor or any other Governmental Authority is reviewing to determine whether a Prohibited Transaction might have occurred that would reasonably be expected to result in a Material Adverse Effect;
- (e) receipt by the Borrower of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor that would reasonably be expected to result in a Material Adverse Effect;
- (f) Borrower’s intention to terminate or withdraw from any Plan that, if so terminated or withdrawn, would reasonably be expected to result in a Material Adverse Effect;

(g) within two Business Days (or such longer period as the Administrative Agent may agree) after the occurrence thereof, any Loan Party entering into a Swap Agreement or an amendment to a Swap Agreement, in each case, to the extent such Swap Agreement relates to Secured Swap Agreement Obligations, together with copies of all agreements evidencing such Swap Agreement or amendment;

(h) any material notice provided to the holders of any Material Indebtedness, along with a copy of such notice;

(i) any other development that has resulted in, or would reasonably be expected to result in, a Material Adverse Effect; and

(j) the occurrence of any Specified Issuance.

Each notice delivered under this Section 5.02 shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. Each Loan Party will, and will cause each Restricted Subsidiary to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, qualifications, licenses, permits, franchises, governmental authorizations and intellectual property rights material to the conduct of its business, except in the case of clause (b) where the failure to do so would not reasonably be expected to result in a Material Adverse Effect; provided, that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04 Payment of Taxes. Each Loan Party will, and will cause each Subsidiary to pay or discharge all material amounts of Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties; Insurance; Casualty and Condemnation.

(a) Each Loan Party will, and will cause each Restricted Subsidiary to, (i) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (ii) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

(b) The Borrower will furnish to the Administrative Agent, which will furnish to the Lenders, prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or material interest therein under power of eminent domain or by condemnation or similar proceeding.

SECTION 5.06 Books and Records; Inspection Rights. Each Loan Party will, and will cause each Restricted Subsidiary to, (i) keep proper books of record and account in which entries that are full, true and correct in all material respects in conformity with all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (ii) permit any representatives designated by the Administrative Agent or any Lender (including employees of the Administrative Agent, such Lender or any consultants, accountants, lawyers, appraisers and field examiners retained by the

Administrative Agent), upon reasonable prior notice to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during normal business hours, and as often as reasonably requested (but in no event more than once each fiscal quarter of the Borrower unless an Event of Default has occurred and is continuing); provided, that the Borrower shall not be required to reimburse the Administrative Agent or any Lender for the cost of more than one such visit during any year, except during the occurrence and continuation of an Event of Default. The Loan Parties shall have the right to have a representative present at any and all inspections. The Loan Parties acknowledge that the Administrative Agent, after exercising its rights of inspection, may prepare and distribute to the Lenders certain reports pertaining to the Loan Parties' assets for internal use by the Administrative Agent and the Lenders. Notwithstanding anything to the contrary in this Section 5.06, neither the Borrower nor any other Loan Party will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by applicable law or any binding agreement (not entered into in contemplation of any request for disclosure or otherwise to evade the disclosure requirements contained in this Section 5.06), or is subject to attorney client privilege or that constitutes attorney work product (in each case, as determined in good faith by legal counsel to any Loan Party and not in contemplation of any request for disclosure or otherwise to evade the disclosure requirements contained in this Section 5.06); it being understood that the Borrower shall use its commercially reasonable efforts to communicate any requested information in a way that would not violate the applicable law or agreement or waive the applicable privilege.

SECTION 5.07 Compliance with Laws. Each Loan Party will, and will cause each Restricted Subsidiary to, comply with all Requirements of Law applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08 Use of Proceeds.

(a) The proceeds of the Loans will be used for working capital and other general corporate purposes including, but not limited to, Permitted Acquisitions, other investments, Restricted Payments and other purposes not prohibited by this Agreement. No part of the proceeds of any Loan and no Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

(b) The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that Holdings and its Subsidiaries and its and their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any joint venture partner or Person in violation of any Anti-Corruption Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country (in either case, in violation of any applicable Sanctions) or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09 Additional Collateral; Further Assurances.

(a) Subject to applicable law, Holdings, the Borrower and each other Loan Party shall cause each of its wholly-owned Material Domestic Subsidiaries formed or acquired on or after the date of this Agreement (including, without limitation, upon the formation of any Subsidiary pursuant to a division as set forth in Section 1.07) in accordance with the terms of this Agreement and each Subsidiary which hereafter becomes a wholly-owned Material Domestic Subsidiary, in each case, to become a Loan Party,

within forty five (45) days (or such later date as the Administrative Agent may agree) after the date of such formation or acquisition (or after the date on which such Subsidiary becomes a wholly-owned Material Domestic Subsidiary, as applicable), by executing the Joinder Agreement set forth as Exhibit C hereto (the “Joinder Agreement”). Upon execution and delivery thereof, each such Person shall automatically become a Loan Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents.

(b) Subject to applicable law, Holdings, the Borrower and each other Loan Party shall cause each of its wholly-owned Material Domestic Subsidiaries formed or acquired after the date of this Agreement (including, without limitation, upon the formation of any Subsidiary pursuant to a division as set forth in Section 1.07) in accordance with the terms of this Agreement and each Subsidiary who hereafter becomes a wholly-owned Material Domestic Subsidiary, in each case, within forty five (45) days (or such later date as the Administrative Agent may agree) after the date of such formation or acquisition (or after the date on which such Subsidiary becomes a wholly-owned Material Domestic Subsidiary, as applicable) to execute a joinder to the Security Agreement, pursuant to which such Material Domestic Subsidiary shall grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, in any property of such Loan Party which constitutes Collateral.

(c) Subject to the foregoing clauses (a) and (b), Holdings, the Borrower and each other wholly-owned Material Domestic Subsidiary will cause (i) 100% of the issued and outstanding Equity Interests of each of its Domestic Subsidiaries (other than any Domestic Subsidiary that is a FSHCO) and (ii) 65% of the issued and outstanding Equity Interests entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) and 100% of the issued and outstanding Equity Interests not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) of each Subsidiary that is a CFC or FSHCO (including any Subsidiary that becomes a CFC or FSHCO after the Effective Date), in each case, directly owned by the Borrower or any wholly-owned Material Domestic Subsidiary to be subject at all times to a first priority, perfected Lien in favor of the Administrative Agent pursuant to the terms and conditions of the Loan Documents or other security documents as the Administrative Agent shall reasonably request. Notwithstanding the foregoing or anything else herein or in any other Loan Document to the contrary, in no event shall (A) the assets of any CFC or FSHCO constitute security or secure, or such assets or the proceeds of such assets be required to be available for, payment of the Obligations, (B) more than sixty-five percent (65%) of the issued and outstanding Equity Interests entitled to vote of any CFC or FSHCO, in each case, owned directly by the Borrower or any wholly-owned Material Domestic Subsidiary be required to be pledged to secure the Obligations or (C) any Equity Interests of any CFC or FSHCO, in each case, not owned directly by the Borrower or any wholly-owned Material Domestic Subsidiary be required to be pledged to secure the Obligations.

(d) Without limiting the foregoing, each Loan Party will, and will cause each Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents and such other actions or deliveries of the type required by Section 4.01, as applicable), which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and, to the extent required by the Security Agreement, to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Loan Parties; *provided* that, notwithstanding anything else contained herein or in any other Loan Document to the contrary, (x) the foregoing shall not apply to any Subsidiary that is not a Material Domestic Subsidiary or property of any Subsidiary that is not Material Domestic Subsidiary or any Excluded Property (as defined in the Security Agreement), (y) any such documents and deliverables (other than certain mortgages of material real property (if required)) shall be governed by New York law and (z) no perfection actions by “control” (except with respect to Equity Interests and certain debt instruments), leasehold

mortgages or landlord waivers, estoppels or collateral access letters shall be required to be entered into hereunder or under any other Loan Document. Notwithstanding any provision set forth in this Agreement to the contrary, in no event shall any Loan Party be required to (A) make any filings or take any other action to record or perfect the Administrative Agent's interest in any intellectual property outside the U.S. or (B) take any actions in any non-U.S. jurisdiction or that are required by the laws of any non-U.S. jurisdiction in order to (x) create any security interests in such assets located or titled outside of the U.S. or (y) perfect such security interests

(e) As promptly as practicable, and in any event within the time periods after the Effective Date specified in Schedule 5.09 (or such later date as the Administrative Agent reasonably agrees to in writing), the Borrower shall deliver, or cause to be delivered, the documents or take the actions specified on Schedule 5.09.

SECTION 5.10 [Reserved].

SECTION 5.11 Compliance with Environmental Laws. Each Loan Party shall (a) comply with all Environmental Laws applicable to its operations and properties; and (b) obtain and renew all material authorizations and permits required pursuant to Environmental Law for its operations and properties, except, in each case of (a) or (b), to the extent failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.12 Intellectual Property. Each Loan Party shall maintain adequate licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, tradestyles and trade names to continue its business as heretofore conducted by it or as hereafter conducted by it unless the failure to maintain any of the foregoing would not reasonably be expected to have a Material Adverse Effect on such Loan Party.

SECTION 5.13 Designation of Subsidiaries. The Borrower may at any time designate any Subsidiary as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; provided that (i) the Borrower may not be designated as an Unrestricted Subsidiary, (ii) immediately before and after such designation, no Default or Event of Default shall have occurred and be continuing (including after giving effect to the reclassification of investments in, Indebtedness of and Liens on, the applicable Restricted Subsidiary or Unrestricted Subsidiary), (iii) the Loan Parties shall be in pro forma compliance with the Financial Covenant after giving effect to such designation (and determined with respect to the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent), (iv) as of the date of the designation thereof, no Unrestricted Subsidiary shall own any Equity Interests in Holdings or its Restricted Subsidiaries or hold any Indebtedness of, or any Lien on any property of Holdings or its Restricted Subsidiaries and (v) after giving effect to the designation of any Subsidiary as an Unrestricted Subsidiary, no Unrestricted Subsidiary shall own, or hold exclusive rights in, any intellectual property that is material to the business of Holdings and its Restricted Subsidiaries (taken as a whole) (*provided* that, for the avoidance of doubt, this shall not restrict the Borrower or its Restricted Subsidiaries from licensing of intellectual property to the extent otherwise permitted under this Agreement). The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an investment by the Borrower therein at the date of designation in an amount equal to the portion of the fair market value of the net assets of such Restricted Subsidiary attributable to the Borrower's Equity Interest therein as reasonably estimated by the Borrower (and such designation shall only be permitted to the extent such investment is permitted under Section 6.04); provided that no Subsidiary may be designated as an Unrestricted Subsidiary hereunder if (x) it has any Indebtedness or (y) it is a "restricted subsidiary" (or equivalent term) in respect of any Indebtedness of the Borrower or any Restricted Subsidiary. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute the incurrence or making at the time of designation

of any investments, Indebtedness or Liens of such Restricted Subsidiary existing at such time. As of the Effective Date, none of the Borrower's subsidiaries have been designated as Unrestricted Subsidiaries.

SECTION 5.14 Anti-Corruption Law; Anti-Money Laundering; Foreign Corrupt Practices Act.

(a) Holdings and its Restricted Subsidiaries shall not directly or indirectly, (i) knowingly deal in, or otherwise knowingly engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or any other applicable Anti-Corruption Law in violation of any applicable Anti-Corruption Law or applicable Sanctions, or (ii) knowingly engage in or conspire to engage in any transaction that violates or attempts to violate, any of the material prohibitions set forth in any applicable Anti-Corruption Law or applicable Sanctions.

(b) Not repay the Loans, or make any other payment to any Lender, using funds or properties of Holdings, the Borrower or any Restricted Subsidiaries that are, to the knowledge of the Borrower, the property of any Person that is the subject or target of applicable Sanctions or that are, to the knowledge of the Borrower, beneficially owned, directly or indirectly, by any Person that is the subject or target of applicable Sanctions, in each case, in violation of Anti-Corruption Laws or applicable Sanctions or any other applicable Requirement of Law or (ii) to the knowledge of Borrower, not permit any Person that is the subject of Sanctions to have any direct or indirect interest, in Holdings, the Borrower or any of the Subsidiaries, with the result that the investment in Holdings, the Borrower or any of the Subsidiaries (whether directly or indirectly) or the Loans made by the Lenders would be in violation of any applicable Sanctions.

ARTICLE VI

NEGATIVE COVENANTS

Until Payment in Full has occurred, the Loan Parties covenant and agree, jointly and severally, with the Lenders that:

SECTION 6.01 Indebtedness. No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(a) the Secured Obligations;

(b) Indebtedness existing on the date hereof and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof;

(c) Indebtedness of Holdings to any of its Restricted Subsidiaries and of any Restricted Subsidiary to Holdings or any other Restricted Subsidiary; provided, that (i) Indebtedness of any Restricted Subsidiary that is not a Loan Party to Holdings or to any Restricted Subsidiary that is a Loan Party shall be subject to Section 6.04 and (ii) Indebtedness of Holdings to any of its Restricted Subsidiaries and Indebtedness of any Restricted Subsidiary that is a Loan Party to any Restricted Subsidiary that is not a Loan Party shall be subordinated to the Secured Obligations on terms reasonably satisfactory to the Administrative Agent;

(d) Guarantees by Holdings of Indebtedness of any of its Restricted Subsidiaries and by any Restricted Subsidiary of Indebtedness of Holdings or any other Restricted Subsidiary; provided, that (i) the Indebtedness so Guaranteed is permitted by this Section 6.01, (ii) Guarantees by Holdings or any Restricted Subsidiary that is a Loan Party of Indebtedness of any Restricted Subsidiary that is not a Loan Party shall be subject to Section 6.04 and (iii) Guarantees permitted under this clause (d) shall be subordinated to the

Obligations on the same terms as the Indebtedness so Guaranteed is subordinated to the Obligations (if such Indebtedness is so subordinated);

(e) Indebtedness of the Borrower or any Restricted Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets (whether or not constituting purchase money Indebtedness), including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition (including by way of any Permitted Acquisition) of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided, that, (i) such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) (including any refinancing thereof permitted by clause (f)) shall not exceed \$13 million at any time outstanding;

(f) Indebtedness which represents an extension, refinancing, or renewal of any of the Indebtedness described in clauses (b), (e), (o) or (s) hereof; provided, that, (i) the aggregate principal amount of such Indebtedness does not exceed the principal amount of such Indebtedness being refinanced plus the amount of any interest, premiums or penalties required to be paid plus fees and expenses associated therewith, (ii) any Liens securing such Indebtedness are not extended to any additional property of any Loan Party, (iii) no Loan Party that is not originally obligated (or required to become obligated) with respect to repayment of such Indebtedness is required to become obligated with respect thereto, (iv) such extension, refinancing or renewal does not result in a shortening of the average weighted maturity of the Indebtedness so extended, refinanced or renewed, (v) the terms of any such extension, refinancing, or renewal are either (A) not materially less favorable to the obligor thereunder than the original terms of such Indebtedness, taken as a whole or (B) on market terms and conditions customary for the type of Indebtedness being incurred pursuant to such refinancing as of the time of incurrence of such Indebtedness, except in each case, for covenants or other provisions contained in such Indebtedness that are applicable only after the then applicable Maturity Date, and (vi) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Secured Obligations, then the terms and conditions of the refinancing, renewal, or extension Indebtedness must include subordination terms and conditions that are at least as favorable to the Administrative Agent and the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness;

(g) Indebtedness owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such person (including obligations in respect of letters of credit supporting such reimbursement or indemnification obligations for the benefit of such Person), in each case, incurred in the ordinary course of business;

(h) Indebtedness of the Borrower or any Restricted Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations, in each case provided in the ordinary course of business;

(i) Indebtedness or Guarantees of the Borrower or any Restricted Subsidiary in connection with any Swap Agreement permitted under Section 6.06;

(j) Indebtedness arising from customary agreements providing for indemnification, adjustment of purchase price, earnout, deferred purchase price or similar obligations in connection with acquisitions or dispositions of any business or assets by or of Holdings or any Restricted Subsidiary permitted hereunder;

- (k) Judgments entered against Holdings or any Restricted Subsidiary to the extent not constituting an Event of Default;
- (l) Indebtedness or Guarantees incurred in the ordinary course of business in connection with cash pooling, netting and cash management arrangements consisting of overdrafts or similar arrangements; provided, that any such Indebtedness does not consist of Indebtedness for borrowed money and is owed to the financial institutions providing such arrangements;
- (m) Indebtedness of Foreign Subsidiaries to finance the working capital needs of such Foreign Subsidiaries; provided, that the aggregate outstanding principal amount of such Indebtedness shall not exceed \$6.5 million (or the equivalent thereof) at any time;
- (n) Indebtedness owed to sellers constituting consideration for Permitted Acquisitions;
- (o) Indebtedness of a Person or Indebtedness attaching to assets of a Person that, in either case, becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) or Indebtedness attaching to assets that are acquired by Borrower or any of its Restricted Subsidiaries, in each case as the result of a Permitted Acquisition; provided, that such Indebtedness existed at the time such Person became a Restricted Subsidiary (or is so merged or consolidated) or at the time such assets were acquired and, in each case, was not created in anticipation thereof, and extensions, renewals and replacements of any such Indebtedness in accordance with clause (f) hereof; provided further, that the aggregate principal amount of Indebtedness permitted by this clause (o) shall not exceed the greater of (i) \$32.5 million and (ii) 40.0% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent;
- (p) Indebtedness of Holdings or any Restricted Subsidiary in connection with any Guarantees given by them, or any letters of credit or bank guarantees issued by any bank or financial institution, in favor of any Governmental Authority to secure the payment of Taxes owed by Holdings or any Restricted Subsidiary to such Governmental Authorities;
- (q) Indebtedness of the Borrower or any Restricted Subsidiary owed to sublessees in respect of security deposits or advances held by the Borrower or any Restricted Subsidiary in connection with the subletting sublessees of any leasehold interests of the Borrower or any Restricted Subsidiary;
- (r) other Indebtedness of Holdings or any Restricted Subsidiary in an aggregate principal amount not exceeding the greater of (i) \$26.0 million and (ii) 20% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent, at any time outstanding;
- (s) other unsecured Indebtedness of Holdings, the Borrower or any other Loan Party, including Convertible Debt and related Permitted Equity Derivatives, so long as (i) no Event of Default has occurred and is continuing or would immediately result therefrom, (ii) the Total Net Leverage Ratio for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent does not exceed 6.00 to 1.00 on a pro forma basis (after giving effect to the incurrence of such Indebtedness) and (iii) such Indebtedness shall (x) not mature earlier than 91 days after the Stated Maturity Date, (y) have terms that are customary market terms for Indebtedness of such type and (z) not be mandatorily prepayable, repurchaseable or redeemable (except for customary asset sale or change of control provisions and, in the case of Convertible Debt, customary provisions requiring Holdings or any other Loan Parties to repurchase or convert all or any portion of the Convertible Debt) prior to the date that is 91 days after the Stated Maturity Date;

(t) Indebtedness consisting of the financing of insurance premiums or take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business, in an amount not to exceed \$5.0 million;

(u) Indebtedness representing deferred compensation to employees of the Loan Parties and their respect Subsidiaries incurred in the ordinary course of business;

(v) Indebtedness consisting of reimbursement obligations with respect to the Existing Letter of Credit; provided that the Existing Letter of Credit is fully Cash Collateralized;

(w) to the extent constituting Indebtedness, advances to or from a Foreign Subsidiary in respect of transfer pricing and cost-sharing arrangements (i.e. "cost-plus" arrangements) in connection with the services provided by such Foreign Subsidiary to a Loan Party; and

(x) (i) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (a) through (w) above and (ii) customary indemnities contained in mandate, engagement and commitment letters, facility agreements, purchase agreements and indentures, in each case entered into in respect of Indebtedness permitted pursuant to this Section 6.01 and any refinancing thereof permitted by clause (f) hereof.

SECTION 6.02 Liens. No Loan Party will, nor will it permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created pursuant to any Loan Document;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of Holdings or any Restricted Subsidiary existing on the date hereof and set forth in Schedule 6.02; provided, that (i) such Lien shall not apply to any other property or asset of Holdings or such Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof or, in the case of any such obligations constituting Indebtedness, that are permitted under Section 6.01(b) in accordance with Section 6.01(f) hereof;

(d) any Lien existing on any property or asset prior to the acquisition thereof (including by way of any Permitted Acquisition) by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Restricted Subsidiary (or of any Person not previously a Restricted Subsidiary that is merged or consolidated with or into a Restricted Subsidiary in a transaction permitted hereunder) after the Effective Date prior to the time such Person becomes a Restricted Subsidiary (or is so merged or consolidated); provided, that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary (or such merger or consolidation), as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary (or is so merged or consolidated), as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof or, in the case of any such obligations constituting Indebtedness that are permitted under Section 6.01(b) in accordance with Section 6.01(f) hereof;

(e) Liens on fixed or capital assets acquired, constructed or improved (including any such assets made the subject of a Capital Lease Obligation incurred) by the Borrower or any Restricted Subsidiary; provided, that (i) such Liens secure Indebtedness permitted by clause (e) of Section 6.01 and obligations relating thereto not constituting Indebtedness, (ii) such Liens and any Indebtedness secured thereby are incurred prior to or within 180 days after such acquisition or the completion of such construction or improvement; provided that this clause (ii) shall not apply to any extensions, renewals or replacements of any such Indebtedness permitted by clause (e) of Section 6.01 or any Lien securing such Indebtedness, (iii) any Indebtedness secured thereby does not exceed 110% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or such Restricted Subsidiary;

(f) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(g) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of the Borrower or another Loan Party in respect of Indebtedness owed by such Restricted Subsidiary;

(h) Liens arising by operation of law under Article 2 of the Uniform Commercial Code in favor of a reclaiming seller of goods or buyer of goods;

(i) broker's Liens, bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by the Borrower or any Restricted Subsidiary, in each case, granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, including any such Liens or rights of setoff securing amounts owing in the ordinary course of business to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;

(j) licenses, sub-licenses and other similar encumbrances incurred in the ordinary course of business or that do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary;

(k) Liens (i) incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and (ii) in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(l) Liens on cash or Cash Equivalents constituting earnest money deposits, escrow arrangements or similar arrangements made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement for a Permitted Acquisition or other investments to the extent permitted under Section 6.04;

(m) Liens solely on Cash Collateral securing Indebtedness consisting of reimbursement obligations in respect of the Existing Letter of Credit permitted pursuant to Section 6.01(v);

(n) (i) Liens in connection with the sale or transfer of any Equity Interests or other assets in a transaction permitted under Section 6.05, customary rights and restrictions contained in agreements relating to such sale or transfer pending the completion thereof or (ii) Liens arising on property or assets subject to sales or dispositions permitted pursuant to Section 6.05 pending the consummation of such sale or

disposition; provided that if such sale or disposition is not consummated such Liens shall be released and discharged;

(o) Liens granted by a Subsidiary that is not a Loan Party in respect of Indebtedness permitted to be incurred by such Subsidiary under Section 6.01;

(p) Liens on insurance policies and the proceeds thereof granted in the ordinary course of business to secure the financing of insurance premiums with respect thereto under Section 6.01(t);

(q) purported Liens evidenced by the filing of precautionary UCC financing statements or similar precautionary public filings;

(r) Ground leases in respect of real property on which facilities owned or leased by any Loan Party or any Subsidiary are located;

(s) Liens to secure Indebtedness permitted under Section 6.01(r).

#### SECTION 6.03 Fundamental Changes.

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or all or substantially all of the stock of any of its Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve (including, in each case, pursuant to a division as set forth in Section 1.07), except that, if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing (i) any Subsidiary of the Borrower may merge into or consolidate with the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Subsidiary of the Borrower may merge into the Borrower or any Loan Party that is a Subsidiary of the Borrower in a transaction in which the surviving entity is a Loan Party, (iii) any Person may merge into or consolidate with any Loan Party or any of its Subsidiaries in a transaction so long as, in the case of a merger or consolidation involving any Loan Party or Material Foreign Subsidiary, any such Loan Party or Material Foreign Subsidiary party to such merger or consolidation is the surviving entity, (iv) any Restricted Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Borrower or to another Restricted Subsidiary, (v) any Restricted Subsidiary that is not a Loan Party may liquidate or dissolve if the Loan Party which owns such Restricted Subsidiary determines in good faith that such liquidation or dissolution is in the best interests of such Loan Party and is not materially disadvantageous to the Lenders, (vi) any Restricted Subsidiary (other than the Borrower) may merge into or consolidate with any Person in a transaction permitted under Section 6.05 in which, after giving effect to such transaction, the surviving entity is not a Restricted Subsidiary and (vii) any Restricted Subsidiary may liquidate or dissolve if in connection with such liquidation or dissolution, substantially all the assets of such Restricted Subsidiary are transferred to a Loan Party (to the extent such Restricted Subsidiary being liquidated or dissolved is a Loan Party); provided, that any such merger or consolidation involving a Person that is not a wholly-owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

Notwithstanding anything to the contrary in the foregoing, each Loan Party and each of its Restricted Subsidiaries shall be permitted to enter into an agreement to effect any transaction of merger or consolidation that is not otherwise permitted under this Section 6.03 at a future time; provided, that such agreement shall be conditioned on (i) obtaining requisite approvals permitting the respective transaction (and any related financing or other transactions) in accordance with the requirements of Section 9.02 or (ii) Payment in Full; provided, further, that such agreement shall (x) not contain any provision imposing fees or damages on any Loan Party or its Subsidiary for failure to meet the conditions set forth above and (y)

contain termination provisions which will provide for the termination of the agreement within a reasonable time if the conditions described in the preceding proviso have not been satisfied by such time.

(b) No Loan Party will, nor will it permit any of its Restricted Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses which are, in the good faith judgment of the Borrower, similar, complementary or substantially related thereto or are reasonable extensions thereof.

(c) Holdings shall not (i) engage in any business or activity or own any assets other than (1) the incurrence of Indebtedness and other obligations under this Agreement and the other Loan Documents or permitted pursuant to Sections 6.01(c) or 6.01(d) of this Agreement; (2) creating or suffering to exist any Lien upon any property or assets now owned or hereafter acquired, leased or licensed by it under the Collateral Documents to which it is a party or permitted pursuant to Sections 6.02(a) or 6.02(c); (3) the direct or indirect ownership of all outstanding Equity Interests in the Borrower and other Subsidiaries and the ownership of tradenames, patents and other related intellectual property and the licensing of patents; (4) performing its obligations and activities incidental thereto under the Loan Documents or other documents evidencing any other Indebtedness or other obligations that it is otherwise permitted to incur hereunder; (5) making and receiving Restricted Payments and investments to the extent permitted by this Agreement or documents evidencing any Indebtedness or other obligation that it is permitted to incur hereunder; (6) maintaining its corporate or other entity existence; (7) participating in tax, accounting and other administrative activities as the parent of a consolidated group of companies; (8) the performing of activities in preparation for and consummating any public offering of its common stock or any other issuance or sale of its Equity Interest; (9) the providing of indemnification to officers, managers and directors and (10) any activities incidental to the foregoing, (ii) sell or otherwise dispose of any Equity Interests of the Borrower; (iii) create or acquire any Subsidiary or make or own any investment in any Person other than the Borrower; or (iv) fail to hold itself out to the public as a legal entity separate and distinct from all other Persons.

(d) Holdings will not change its fiscal year which currently ends on December 31 of each year.

SECTION 6.04 Investments, Loans, Advances, Guarantees and Acquisitions. No Loan Party will, nor will it permit any Restricted Subsidiary to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Loan Party and a wholly-owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) investments in cash and Cash Equivalents;

(b) investments in existence on the date of this Agreement and described in Schedule 6.04;

(c) investments by Holdings, the Borrower and its Restricted Subsidiaries in the capital stock of their respective Restricted Subsidiaries; provided, that the aggregate amount of investments (together with the aggregate amount of loans and advances described in Section 6.04(d)), as of any date of determination, made by Holdings, the Borrower or the other Loan Parties in the capital stock of their respective Restricted Subsidiaries that are not Loan Parties does not at any time exceed an amount equal to \$10 million (with the amount of any such investments being the original cost of such investment, less all repayments, returns, dividends and distributions, in each case received in cash in respect of such investment

and less all liabilities effectively assumed by a person other than any Loan Party or any Restricted Subsidiary thereof in connection with the sale of any such investment);

(d) loans or advances made by Holdings, the Borrower or any of its Restricted Subsidiaries to Holdings, the Borrower or any other Restricted Subsidiary; provided, that the aggregate amount of loans and advances (together with the aggregate amount of investments described in Section 6.04(c)) made by Holdings, the Borrower or the other Loan Parties to Restricted Subsidiaries that are not Loan Parties that are at any time outstanding does not, as of any date of determination, exceed an amount equal to \$10 million;

(e) Guarantees constituting Indebtedness permitted by Section 6.01;

(f) Permitted Acquisitions;

(g) (i) loans and advances to employees of the Borrower or any Restricted Subsidiaries in the ordinary course of business (including to finance the purchase of Equity Interests of the Borrower) in an aggregate amount for the Borrower and its Restricted Subsidiaries not to exceed \$5 million at any time outstanding and (ii) payroll, travel, entertainment, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses of the Borrower or any Restricted Subsidiary for accounting purposes and that are made in the ordinary course of business;

(h) investments received in connection with the bankruptcy or reorganization of any Person or in settlement of obligations of, or disputes with, any Person arising in the ordinary course of business;

(i) Swap Agreements permitted by Section 6.06;

(j) investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business;

(k) investments made in joint ventures and Unrestricted Subsidiaries in an aggregate outstanding amount not to exceed the greater of (i) \$19.5 million and (ii) 15% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent at any time outstanding;

(l) to the extent constituting investments, performance guarantees of obligations of the Borrower's Restricted Subsidiaries in the ordinary course of business;

(m) in addition to investments otherwise expressly permitted by this Section 6.04, investments, loans and advances by the Borrower or any of its Restricted Subsidiaries in an aggregate amount (valued at cost) not to exceed the greater of (i) \$19.5 million and (ii) 15% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent at any time outstanding;

(n) additional investments by the Borrower or any of its Restricted Subsidiaries, so long as (i) (x) if such investment is made as or in connection with a Limited Condition Acquisition, no Event of Default under clauses (a), (b), (h) and (i) has occurred and is continuing or would immediately result therefrom or (y) in each other case, no Event of Default has occurred and is continuing or would immediately result therefrom and (ii) the Total Net Leverage Ratio for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent does not exceed 6.00 to 1.00 on a pro forma basis (after giving effect to the making of such investment); provided that any Limited Condition Acquisition remains subject to the terms of Section 1.08 hereof;

(o) investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with the Borrower or any Subsidiary so long as such investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(p) investments resulting from pledges or deposits described in clause (c) or (d) of the definition of the term “Permitted Encumbrance”;

(q) investments made as a result of the receipt of noncash consideration from a sale, transfer, lease or other disposition of any asset in compliance with Section 6.05;

(r) investments that result solely from the receipt by the Borrower or any Subsidiary from any of its Subsidiaries of a dividend or other Restricted Payment in the form of Equity Interests;

(s) mergers and consolidations permitted under Section 6.03 that do not involve any Person other than the Borrower and Restricted Subsidiaries that are wholly-owned Restricted Subsidiaries;

(t) to the extent constituting investments, advances to or from a Foreign Subsidiary in respect of transfer pricing and cost-sharing arrangements (i.e. “cost-plus” arrangements) in connection with the services provided by such Foreign Subsidiary to a Loan Party; and

(u) to the extent constituting investments, any Permitted Equity Derivatives.

SECTION 6.05 Asset Dispositions; Sale and Leaseback Transactions.

(a) No Loan Party will, nor will it permit any Restricted Subsidiary to, make any Disposition except:

(i) Dispositions of surplus, obsolete or worn out property, or property that is similarly no longer useful to the business whether now owned or hereafter acquired, in the ordinary course of business;

(ii) Dispositions (including non-exclusive licenses) of inventory in the ordinary course of business;

(iii) Dispositions of equipment or other assets to the extent that (A) such property is exchanged for credit against the purchase price of similar replacement property or (B) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(iv) Dispositions of property by the Borrower to any Restricted Subsidiary and by any Restricted Subsidiary to the Borrower or any other Restricted Subsidiary; provided, that the aggregate amount of such Dispositions, as of any date of determination, made by Holdings, the Borrower or the other Loan Parties to Restricted Subsidiaries that are not Loan Parties does exceed an aggregate amount equal to \$10 million;

(v) Dispositions permitted by Sections 6.03, 6.04, 6.05(b), 6.07 and 6.08;

(vi) Dispositions of overdue accounts receivable solely in connection with the collection or compromise thereof;

(vii) Dispositions pursuant to operating leases (not in connection with any sale and leaseback transactions or other Capital Lease Obligations) entered into in the ordinary course of business;

(viii) Dispositions of property and assets subject to condemnation and casualty events;

(ix) Dispositions of cash and Cash Equivalents in the ordinary course of business;

(x) Dispositions by the Borrower and any Restricted Subsidiary not otherwise permitted under this Section 6.05(a); provided, that (A) at the time of such Disposition, no Event of Default shall exist or would immediately result from such Disposition, (B) the Borrower or any of its Restricted Subsidiaries, as the case may be, receives consideration at least equal to the fair market value of the property being Disposed and (C) with respect to any Disposition (or series of related Dispositions) pursuant to this clause (C) for a purchase price in excess of \$6.5 million, the Borrower or a Restricted Subsidiary, as the case may be, shall receive not less than 75% of such consideration (determined on the date a binding commitment for such Disposition was entered into) in the form of cash or Cash Equivalents (or Designated Non-Cash Consideration); provided, that any Designated Non-Cash Consideration received by the Borrower or any such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (C) that is at that time outstanding, not in excess of \$13 million, shall be deemed to be cash, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value;

(xi) Dispositions of non-core assets in connection with Permitted Acquisitions;

(xii) in addition to Dispositions otherwise expressly permitted by this Section 6.05, Dispositions in an aggregate amount not to exceed the greater of (i) \$19.5 million and (ii) 10% of Consolidated Total Assets for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent; provided, however, that any Disposition pursuant to Section 6.05(a)(i) through (a)(iii), Section 6.05(a)(v) (except insofar as it relates to any transaction solely between the Borrower and any Subsidiary or Section 6.07), Section 6.05(a)(vi) (except to the extent determined by the applicable Person making such Disposition in good faith to be appropriate in accordance with its usual practice), Section 6.05(a)(vii) and Section 6.05(a)(x) shall be for fair market value (or, in respect of Section 6.05(a)(x), where the fair market value cannot reasonably be determined, such disposition shall otherwise be in accordance with the terms of Section 6.05(a)(x));

(xiii) the elimination or forgiving of intercompany balances in connection with intercompany restructurings (including dissolutions, liquidations and mergers) between or among the Borrower and Subsidiaries that are Loan Parties;

(xiv) Disposition of patents, trademarks, copyrights and other intellectual property (i) in the ordinary course of business or that do not materially interfere with the ordinary conduct of the business of the Borrower or any Restricted Subsidiary or (ii) which, in the reasonable judgment of the Borrower or any Subsidiary, are determined to be uneconomical, negligible or obsolete in the conduct of business; and

(xv) direct or indirect transfers or other Dispositions by any Subsidiary of any foreign assets or the Equity Interests of a Foreign Subsidiary to any other Subsidiary that is a Loan Party in connection with the consolidation of foreign operations.

(b) No Loan Party will, nor will it permit any Restricted Subsidiary to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any owned property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by the Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 180 days after the completion of the acquisition or construction of such fixed or capital asset as reasonably determined by the Borrower in good faith.

SECTION 6.06 Swap Agreements. No Loan Party will, nor will it permit any Restricted Subsidiary to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks (including foreign currency exchange risks) to which the Borrower or any Restricted Subsidiary has actual or reasonably anticipated exposure (other than those in respect of Equity Interests of the Borrower or any of its Restricted Subsidiaries), (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Restricted Subsidiary and (c) any Permitted Equity Derivatives.

SECTION 6.07 Restricted Payments. No Loan Party will, nor will it permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

(a) (i) Holdings may declare and pay dividends with respect to its Equity Interests payable solely in shares of Qualified Equity Interests, and (ii) Restricted Subsidiaries may declare and pay dividends, make other distributions or make other Restricted Payments ratably with respect to their Equity Interests (or, if not ratably, on a basis more favorable to Holdings and such Subsidiaries);

(b) the Borrower may make Restricted Payments to Holdings to permit Holdings to make, and Holdings may make any Restricted Payments paid in cash to shareholders of Holdings, so long as (i) no Event of Default has occurred and is continuing or would immediately result therefrom, (ii) immediately before and after giving effect to such Restricted Payment, the Loan Parties shall be in pro forma compliance with the Financial Covenant for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent and (iii) the Total Net Leverage Ratio for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent does not exceed 6.00 to 1.00 on a pro forma basis (after giving effect to the making of such Restricted Payment);

(c) issuances of Equity Interests to sellers of Permitted Acquisitions in satisfaction of obligations of the type described in Section 6.01(j);

(d) Holdings may repurchase, redeem, retire or otherwise acquire for value Equity Interests (including any stock appreciation rights in respect thereof or pursuant to and in accordance with stock option plans or other equity or benefit plans) of Holdings from current or former employees, officers or directors; provided, that the aggregate annual cash payments in respect of such repurchases, redemptions, retirements and acquisitions (which for the avoidance of doubt shall not include net settlements of equity awards to satisfy tax withholding obligations) shall not exceed \$5 million;

(e) in addition to Restricted Payments otherwise expressly permitted by this Section 6.07, Restricted Payments in an aggregate amount not to exceed the greater of (i) \$19.5 million and (ii) 15% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent;

(f) Holdings may make cash payments in lieu of the issuance of fractional shares representing insignificant interests in Holdings in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests in Holdings;

(g) Holdings may repurchase Equity Interests upon the exercise of stock options, deferred stock units and restricted shares if such Equity Interests represent a portion of the exercise price of such stock options, deferred stock units or restricted shares;

(h) concurrently with any issuance of Qualified Equity Interests, Holdings may redeem, purchase or retire any Equity Interests of Holdings using the proceeds of, or convert or exchange any Equity Interests of Holdings for, such Qualified Equity Interests;

(i) the purchase of any Permitted Equity Derivatives in connection with the issuance of any Convertible Debt permitted under Section 6.01 (and the replacement of any such Permitted Equity Derivatives); provided, that the purchase price for such Permitted Equity Derivatives net of any proceeds relating to any concurrent sale or termination of any Permitted Equity Derivatives, in respect of any such Convertible Debt does not exceed the net cash proceeds from such issuances of Convertible Debt;

(j) required payments of interest, repurchases, exercises, redemptions, settlements, early terminations, early cancellations or conversions of (whether in whole or in part and including by netting or set-off) any Convertible Debt permitted under Section 6.01(s), whether settled in Equity Interests (other than Disqualified Equity Interests) of Holdings, cash in lieu thereof or a combination of Equity Interests (other than Disqualified Equity Interests) of Holdings and cash in lieu thereof; provided, that any cash payment made pursuant to this Section 6.07(j), other than required payments of interest, shall also be subject to compliance with Section 6.07(b), Section 6.07(e) or Section 6.07(f);

(k) the settlement or termination of (whether in whole or in part and including by netting or set-off) any Permitted Equity Derivatives by (i) delivery of Equity Interests (other than Disqualified Equity Interests) of Holdings, (ii) the delivery of cash, or (iii) the delivery of a combination of Equity Interests (other than Disqualified Equity Interests) of Holdings and cash, in lieu of the issuance of fractional shares; provided, that the entry into such Permitted Equity Derivative was not prohibited by this Agreement; provided, further, that any cash settlement or termination consummated pursuant to clause (ii) or clause (iii) hereof shall also be subject to compliance with Section 6.07(b), Section 6.07(e) or Section 6.07(f); and

(l) Borrower or any Subsidiary of Holdings may make dividends, directly or indirectly, to Holdings (and Holdings may pay to any direct or indirect parent company of Holdings) to permit Holdings (or any such direct or indirect parent company) to pay, for any taxable period for which Holdings, Borrower or any Subsidiaries of Holdings are members of a consolidated, combined or similar income tax group for federal and/or applicable state, local or non-U.S. income tax purposes or are entities treated as disregarded from any such members for U.S. federal income tax purposes (a "Tax Group") of which Holdings (or any direct or indirect parent company of Holdings) is the common parent, any consolidated, combined or similar income Taxes of such Tax Group that are due and payable by Holdings (or such direct or indirect parent company of Holdings) for such taxable period, but only to the extent attributable to the Borrower and/or Subsidiaries of Holdings; provided, that the amount of such dividends for any taxable period shall not exceed the amount of such Taxes that Borrower and/or the applicable Subsidiaries of Holdings would have paid had Borrower and/or such Subsidiaries of Holdings, as applicable, been a stand-alone corporate taxpayer (or a stand-alone corporate tax group); and

(m) Borrower or any Subsidiary of Holdings may make dividends, directly or indirectly, to Holdings (and Holdings may pay to any direct or indirect parent company of Holdings) to permit Holdings (or any such direct or indirect parent company) to pay fees and expenses (including franchise, capital stock, minimum and other similar Taxes) required to maintain its corporate existence.

**SECTION 6.08** Restricted Debt Payments. No Loan Party will, nor will it permit any Restricted Subsidiary to pay or make, or agree to pay or make, directly or indirectly, any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Junior Indebtedness prior to the scheduled maturity thereof (it being understood that payments of regularly scheduled principal, interest, mandatory prepayments, mandatory offers to purchase, fees, expenses and

indemnification obligations shall be permitted) (any such payment, purchase, redemption, defeasance or other acquisition, a “Restricted Debt Payment”), except:

(a) Restricted Debt Payments in an aggregate amount not to exceed the greater of (i) \$19.5 million and (ii) 15% of EBITDA for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent;

(b) additional Restricted Debt Payments, so long as (i) no Event of Default has occurred and is continuing or would immediately result therefrom, (ii) immediately before and after giving effect to such Restricted Debt Payment, the Loan Parties shall be in pro forma compliance with the Financial Covenants for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent and (iii) the Total Net Leverage Ratio for the most recently ended Reference Period for which financial statements have been (or were required to be) delivered to the Administrative Agent does not exceed 6.00 to 1.00 on a pro forma basis (after giving effect to the making of such Restricted Debt Payment);

(c) refinancings of Junior Indebtedness with the proceeds of other Indebtedness permitted under Section 6.01(f);

(d) payments of Junior Indebtedness that becomes due as a result of (A) the voluntary sale or transfer of assets or (B) any casualty or condemnation proceeding (including a disposition in lieu thereof) of any assets, subject to any right held by the Lenders under this Agreement;

(e) payments of or in respect of Junior Indebtedness made solely with Equity Interests in Holdings (other than Disqualified Equity Interests);

(f) repurchases, exercises, redemptions, settlements, early terminations, early cancellations or conversions of (whether in whole or in part and including by netting or set-off) any Convertible Debt permitted under Section 6.01(s), whether settled in (i) Equity Interests (other than Disqualified Equity Interests) of Holdings, (ii) cash *in lieu* thereof or (iii) a combination of Equity Interests (other than Disqualified Equity Interests) of Holdings and cash *in lieu* thereof; provided, that any cash settlement or termination consummated pursuant to clause (ii) or clause (iii) hereof shall also be subject to compliance with Section 6.08(a), Section 6.08(b) or Section 6.08(c); and

(g) payments of or in respect of (i) Junior Indebtedness incurred by any Subsidiary that is not a Loan Party or (ii) Indebtedness incurred by any Subsidiary that is not a Loan Party which is owing to any Loan Party.

**SECTION 6.09** Transactions with Affiliates. No Loan Party will, nor will it permit any Restricted Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, if such transactions or any series of such transactions involves aggregate consideration or value in excess of \$2.0 million except (a) transactions that (i) are in the ordinary course of business and (ii) are at prices and on terms and conditions not less favorable to such Loan Party or such Restricted Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (b) transactions between or among the Loan Parties and any Restricted Subsidiary not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.07, (d) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements, (e) transactions described in Schedule 6.09, (f) loans or advances to employees and payroll, travel and similar advances to cover matters, in each case permitted under Section 6.04(g), (g) any issuances of securities or other payments, awards or grants in cash, securities

or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans and (h) employment and severance arrangements entered into in the ordinary course of business between Holdings or any Subsidiary and any employee thereof and approved by Holdings' board of directors.

SECTION 6.10 Restrictive Agreements. No Loan Party will, nor will it permit any Restricted Subsidiary to, 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 Loan Party or any of its Restricted Subsidiaries to create, incur or permit to exist any Lien upon any of its property or assets constituting Collateral (provided that the foregoing clause (a) shall not apply to (i) restrictions and conditions imposed by any agreement relating to secured Indebtedness permitted by clause (e) or (o) of Section 6.01 if such restrictions and conditions apply only to the assets securing such Indebtedness and (ii) customary restrictions in leases and other agreements restricting the assignment thereof), or (b) the ability of any Restricted Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of the Borrower or any other Restricted Subsidiary (provided that the foregoing clause (b) shall not apply to restrictions and conditions imposed by any agreement relating to Indebtedness of any Subsidiary in existence at the time such Subsidiary became a Subsidiary and otherwise permitted by clause (o) of Section 6.01 if such restrictions and conditions apply only to such Subsidiary); except for: (i) such encumbrances or restrictions existing under or by reason of applicable law or any Loan Document; (ii) restrictions and conditions existing on the date hereof identified on Schedule 6.10 (or any extension or renewal of, or any amendment or modification or replacement not expanding the scope of, any such restriction or condition); (iii) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or other property pending such sale, provided such restrictions and conditions apply only to the Subsidiary or other property that is to be sold and such sale is permitted hereunder; (iv) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness; (v) customary provisions in leases and other contracts restricting the assignment thereof; (vi) customary restrictions contained in any software licenses; (vii) without affecting the Loan Parties' obligations under Section 5.09, customary provisions in the organizational documents of a Person or asset sale or stock sale agreements or similar agreements which restrict the transfer of ownership in such Person; (viii) in the case of any joint venture permitted hereunder with a Person that is not a Loan Party, restrictions in such Person's organizational documents or pursuant to any joint venture agreement or stockholders agreement solely to the extent of the Equity Interests of or property held in the subject joint venture; (ix) restrictions imposed by any holder of a Lien permitted by Section 6.02 restricting the transfer of the property subject thereto; (x) without affecting the Loan Parties' obligations under Section 5.09, any agreement in effect at the time a Person becomes a Restricted Subsidiary of the Borrower (including any amendments thereto that are otherwise permitted by the Loan Documents and that are no more materially restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing), so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Restricted Subsidiary of Borrower and imposes restrictions only on such Person and its assets; (xi) restrictions on cash or other deposits required by suppliers or landlords under contracts entered into in the ordinary course of business; or (xii) without affecting the Loan Parties' obligations under Section 5.09, restrictions imposed solely on foreign Subsidiaries pursuant to any Swap Agreement entered into by the Borrower or any Restricted Subsidiary and permitted pursuant to Section 6.06.

SECTION 6.11 Amendment of Material Documents. No Loan Party will, nor will it permit any Restricted Subsidiary to (a) amend, modify or waive any of its rights under its certificate of incorporation, by-laws, operating or other organizational documents or (b) voluntarily amend, voluntarily modify or waive any provision of any documentation governing or evidencing any Material Indebtedness,

in each case, to the extent any such amendment, modification or waiver would be materially adverse to the Lenders.

SECTION 6.12 Financial Covenant.

(a) Beginning with the first full fiscal quarter ending after the Effective Date, the Loan Parties will not permit the Senior Secured Net Leverage Ratio, determined for the four consecutive fiscal quarter period ending on the last day of each applicable fiscal quarter, to be more than 3.50 to 1.00; provided that the maximum Senior Secured Net Leverage Ratio permitted under this Section 6.12(a) shall be increased to 4.00 to 1.00 as of the end of a Specified Quarter and the three consecutive fiscal quarters ending immediately following such Specified Quarter (the "Adjusted Covenant Period") (it being understood and agreed that following the end of the Adjusted Covenant Period, the maximum Senior Secured Net Leverage Ratio permitted under this Section 6.12 shall revert to 3.50 to 1.00 as of the end of each subsequent fiscal quarter until another Adjusted Covenant Period (if any) occurs pursuant to the terms and conditions described in this Section 6.12(a)); provided, further, that an additional Adjusted Covenant Period shall not commence until after the current Adjusted Covenant Period has expired.

(b) Beginning with the first full fiscal quarter ending after the Effective Date, permit the Consolidated Interest Coverage Ratio as of the last day of any fiscal quarter of the Borrower to be less than 3.50:1.00.

ARTICLE VII

EVENTS OF DEFAULT

If any of the following events shall occur and be continuing (each, an "Event of Default"):

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article VII) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party or any Subsidiary in or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been materially incorrect when made or deemed made (unless, in the case of any such representation and warranty made pursuant to Section 3.13 of this Agreement or Section 3.1 of the Security Agreement, such misstatement was made with respect to Collateral having a book value not exceeding \$5 million), and such false or misleading representation or warranty, to the extent capable of being cured, shall continue to be incorrect or otherwise unremedied, or shall not be waived, for a period of thirty days after receipt of written notice thereof from the Administrative Agent to the Borrower;

(d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.03 (with respect to maintaining a Loan Party's existence), 5.08 or in Article VI;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those which constitute a default under another Section of this Article VII), and such failure shall continue unremedied for a period of thirty (30) days after the earlier of any Loan Party's knowledge of such breach or receipt of written notice thereof from the Administrative Agent (which notice will be given at the request of any Lender) if such breach relates to terms or provisions of any other Section of this Agreement;

(f) any Loan Party or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness (other than (i) the Obligations and (ii) the Existing Letter of Credit to the extent the Existing Letter of Credit is fully Cash Collateralized), when and as the same shall become due and payable (after giving effect to any applicable grace period in respect of such failure under the documentation representing such Material Indebtedness);

(g) any event or condition occurs that results in any Material Indebtedness (other than (i) the Obligations and (ii) the Existing Letter of Credit to the extent the Existing Letter of Credit is fully Cash Collateralized) becoming due prior to its scheduled maturity or that enables or permits (with all applicable grace periods in respect of such event or condition under the documentation representing such Material Indebtedness having expired) the holder or holders of any such Material Indebtedness or any trustee or agent on its or their behalf to cause any such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided, that this clause (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, (ii) any Indebtedness that becomes due as a result of a voluntary refinancing thereof permitted under Section 6.01 or (iii) repurchases, exercises, redemptions, settlements, early terminations, early cancellations or conversions of (whether in whole or in part and including by netting or set-off) or the right to do any of the foregoing to any Convertible Debt permitted under Section 6.01(s) (unless any such repurchase, exercise, redemption, settlement, early termination, early cancellation or conversion occurs as a result of a default by Holdings or any other Loan Party thereunder, an event of the type that constitutes an Event of Default or the inability to satisfy Sections 6.07(b), 6.07(e), 6.07(f), 6.08(a), 6.08(b) or 6.08(c) hereunder in connection therewith);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of a Loan Party or any Restricted Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any Material Foreign Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for sixty (60) days (or ninety (90) days in the case of any Material Foreign Subsidiary) or an order or decree approving or ordering any of the foregoing shall be entered;

(i) any Loan Party or any Restricted Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation (other than any liquidation permitted under Section 6.03(a)(v)), reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article VII, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for such Loan Party or Material Foreign Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) the board of directors (or similar governing body) of any Loan Party or any Restricted Subsidiary (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the foregoing;

(j) any Loan Party or any Restricted Subsidiary of any Loan Party shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$5 million (not paid or fully covered by insurance company as to which the relevant insurance company has acknowledged coverage) shall be rendered against any Loan Party, any Restricted Subsidiary of any Loan Party or any combination thereof and the same shall remain undischarged for a period of sixty (60) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Loan Party or any Restricted Subsidiary of any Loan Party to enforce any such judgment;

(l) an ERISA Event shall have occurred that would reasonably be expected to result in Material Adverse Effect;

(m) a Change in Control shall occur;

(n) [reserved];

(o) the Loan Guaranty shall fail to remain in full force or effect or any action shall be taken by any Loan Guarantor to discontinue or to assert the invalidity or unenforceability of the Loan Guaranty or any Loan Guarantor shall deny that it has any further liability under the Loan Guaranty to which it is a party, or shall give notice to such effect; or

(p) (i) any material provision of any Collateral Document or any other Loan Document shall for any reason cease to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Collateral Document or other Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any material provision of any Collateral Document or other Loan Document has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), other than as a result of acts or omissions of the Administrative Agent, the Lenders or their respective Related Parties or any Lien purported to be created under any Collateral Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral purported to be covered thereby (other than with respect to Collateral collectively having a book value not exceeding \$5 million) with the priority required by the applicable Collateral Document, except (A) as permitted by or pursuant to the terms of any Collateral Document or other Loan Document or (B) as a result of the acts or omissions of the Administrative Agent, the Lenders or any of their Related Parties, including the Administrative Agent's failure to (1) maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Collateral Documents, or (2) file Uniform Commercial Code continuation statements;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article VII), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article VII, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest

thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

## ARTICLE VIII

### THE ADMINISTRATIVE AGENT

SECTION 8.01 Appointment. Each of the Lenders, on behalf of itself and any of its Affiliates that are Secured Parties and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf, including execution of the other Loan Documents, and to exercise such powers as are delegated to the Administrative Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. In addition, to the extent required under the laws of any jurisdiction other than the U.S., each of the Lenders and the Issuing Bank hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document governed by the laws of such jurisdiction on such Lender's or Issuing Bank's behalf. The provisions of this Article VIII are solely for the benefit of the Administrative Agent and the Lenders (including the Issuing Bank), and the Loan Parties shall not have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Documents (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. In addition, to the extent required under the laws of any jurisdiction other than the United States of America, each of the Lenders and Secured Parties hereby grants to the Administrative Agent any required powers of attorney to execute any Collateral Document or other Loan Document governed by the laws of such jurisdiction on such Lender's or Secured Party's behalf.

SECTION 8.02 Rights as a Lender. The bank serving as the Administrative 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 Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Loan Parties or any Subsidiary of a Loan Party or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03 Duties and Obligations. The Administrative Agent or the Lead Arrangers, as applicable, shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent or the Lead Arrangers, as applicable, (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), *provided* that the Administrative Agent shall not be required to take any action that, in the reasonable opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any debtor relief law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any debtor relief law and (c) shall not have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender or any

Issuing Bank, any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their Affiliates, that is communicated to, obtained or in the possession of, the Administrative Agent, the Lead Arrangers or any of their Related Parties in any capacity, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent or the Lead Arrangers, as applicable, shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a final nonappealable judgment of a court of competent jurisdiction. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection with any Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of Liens on the Collateral or the existence of the Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. None of the Lenders or other Persons identified on the facing page or signature pages of this Agreement as a “syndication agent,” “documentation agent,” “lead arranger,” “bookrunner” or other similar term shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

SECTION 8.04 Reliance. Each of the Administrative Agent and each Lead Arranger 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 believed by it to be genuine and to have been signed or sent by the proper Person. Each of the Administrative Agent and each Lead Arranger also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each of the Administrative Agent and each Lead Arranger may consult with legal counsel (who may be counsel for the Borrower), 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 8.05 Actions through Sub-Agents. The Administrative Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.06 Resignation.

(a) Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in

consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent which shall be a commercial bank or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor, unless otherwise agreed by the Borrower and such successor. Notwithstanding the foregoing, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; provided, that, solely for purposes of maintaining any security interest granted to the Administrative Agent under any Collateral Document for the benefit of the Secured Parties, the retiring Administrative Agent shall continue to be vested with such security interest as collateral agent for the benefit of the Secured Parties and, in the case of any Collateral in the possession of the Administrative Agent, shall continue to hold such Collateral, in each case until such time as a successor Administrative Agent is appointed and accepts such appointment in accordance with this paragraph (it being understood and agreed that the retiring Administrative Agent shall have no duty or obligation to take any further action under any Collateral Document, including any action required to maintain the perfection of any such security interest), and (b) the Required Lenders shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided, that (i) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (ii) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall also directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent's resignation from its capacity as such, the provisions of this Article VIII, Section 2.17(d) and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative 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 it was acting as Administrative Agent and in respect of the matters referred to in the proviso under clause (a) above. Each appointment under this Section 8.06(a) shall be subject to the prior written consent of the Borrower, which may not be unreasonably withheld but shall not be required during the continuance of a Default or Event of Default. If the Administrative Agent is an Issuing Bank, or if an Affiliate of the Administrative Agent is an Issuing Bank, and such Issuing Bank and its Affiliates shall no longer hold any Loans or Commitments, then such Issuing Bank shall be deemed to have submitted its notice of resignation as Issuing Bank concurrently with such resignation as Administrative Agent delivered pursuant to this Section 8.06(a) (and, for the avoidance of doubt, the Borrower shall be deemed to have waived any notice period that may be required).

(b) Defaulting Lender. If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clauses (d) or (e) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, with consent of the Borrower (which may not be unreasonably withheld but shall not be required during the continuance of a Default or Event of Default), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such

notice on the Removal Effective Date.

SECTION 8.07 Non-Reliance. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender shall, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its Affiliates) 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, any related agreement or any document furnished hereunder or thereunder and in deciding whether or to the extent to which it will continue as a Lender or assign or otherwise transfer its rights, interests and obligations hereunder.

SECTION 8.08 Not Partners or Co-Venturers; Administrative Agent as Representative of the Secured Parties.

(a) The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Administrative Agent) authorized to act for, any other Lender. The Administrative Agent shall have the exclusive right on behalf of the Lenders to enforce the payment of the principal of and interest on any Loan after the date such principal or interest has become due and payable pursuant to the terms of this Agreement.

(b) In its capacity, the Administrative Agent is a “representative” of the Secured Parties within the meaning of the term “secured party” as defined in the New York Uniform Commercial Code. Each Lender (and other Secured Party by its acceptance of the benefits of the Loan Documents) authorizes the Administrative Agent to enter into each of the Collateral Documents to which it is a party and to take all action contemplated by such documents. Each Lender (and other Secured Party by its acceptance of the benefits of the Loan Documents) agrees that no Secured Party (other than the Administrative Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Administrative Agent for the benefit of the Secured Parties upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Administrative Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Secured Parties any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Administrative Agent on behalf of the Secured Parties.

SECTION 8.09 Lenders Not Subject to ERISA. Each Lender as of the Effective Date represents and warrants to the Administrative Agent, the Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, for the benefit of the Borrower or any other Loan Party, that such Lender is not and will not be (a) an employee benefit plan subject to Title I of ERISA, (b) a plan or account subject to Section 4975 of the Code; (c) an entity deemed to hold “plan assets” of any such plans or accounts for purposes of ERISA or the Code; or (d) a “governmental plan” within the meaning of ERISA.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone or Electronic Systems (and subject in each case to clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by fax or sent by electronic mail, as follows:

(i) if to any Loan Party, to the Borrower at:

Ping Identity Corporation  
1001 17th Street, Suite 100  
Denver, Colorado 80202  
Attention: Raj Dani, Chief Financial Officer  
E-mail Address: rdani@pingidentity.com  
Attention: Adriana Carpenter, Vice President and Chief Accounting Officer  
E-mail Address: acarpen@pingidentity.com

with a copy to (which shall not constitute notice):

Kirkland & Ellis LLP  
555 California Street  
San Francisco, CA 94104  
Attention: Sonali S. Jindal, P.C.  
E-mail Address: sonali.jindal@kirkland.com  
Phone Number: (415) 439-1692

(ii) if to the Administrative Agent with respect to Borrowings or Interest Election Requests to Bank of America, N.A. at:

Bank of America, N.A.,  
Mail Code: TX2-984-03-23  
2380 Performance Drive, Bldg. C  
Richardson, TX 75082  
Attention: Ashley Fuller  
E-mail Address: Ashley.Fuller@bofa.com

with a copy to:

Latham & Watkins, LLP  
355 South Grand Ave., Suite 100  
Los Angeles, California 90071  
Attention: Greg Robins  
E-mail Address: Greg.Robins@lw.com  
Fax Number: (213) 891-8763

(iii) if to the Administrative Agent for any other purpose, to Bank of America, N.A. at:

Bank of America, N.A.,  
Mail Code: TX2-984-03-26  
2380 Performance Drive, Bldg. C  
Richardson, TX 75082  
Attention: Mary Lawrence  
E-mail Address: Mary.Lawrence-Agency@bofa.com  
Fax Number: (469) 201-8825  
with a copy to:

Latham & Watkins, LLP  
355 South Grand Ave., Suite 100  
Los Angeles, California 90071  
Attention: Greg Robins  
E-mail Address: Greg.Robins@lw.com  
Fax Number: (213) 891-8763

- (iv) if to Bank of America, in its capacity as Issuing Bank, to Bank of America, N.A. at:

Bank of America, N.A.,  
Trade Operations  
Mail Code: PA6-580-02-30  
1 Fleet Way  
Scranton, PA 18507  
Attention: Michael Grizzanti  
E-mail Address: Michael.A.Grizzanti@bofa.com  
Fax Number: (800) 755-8743  
with a copy to:

Latham & Watkins, LLP  
355 South Grand Ave., Suite 100  
Los Angeles, California 90071  
Attention: Greg Robins  
E-mail Address: Greg.Robins@lw.com  
Fax Number: (213) 891-8763

- (v) if to any other Lender, to it at its address, e-mail address or fax number set forth in its Administrative Questionnaire.

All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received, (ii) sent by fax shall be deemed to have been given when sent; provided, that if not given during normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, (iii) sent by electronic mail shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided, that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, or (iv) delivered

through Electronic Systems to the extent provided in clause (b) below shall be effective as provided in such clause (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by Electronic Systems pursuant to procedures approved by the Administrative Agent; provided, that the foregoing shall not apply to notices pursuant to Article II or to compliance and no Event of Default certificates delivered pursuant to Section 5.01(d) unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower (on behalf of the Loan Parties) may, in its discretion, agree to accept notices and other communications to it hereunder by Electronic Systems pursuant to procedures approved by it; provided, that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise proscribes, such notices and other communications (i) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided, that if not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) 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 (b)(i) of notification that such notice or communication is available and identifying the website address therefor; provided, that, for both clauses (i) and (ii) above, if such notice, e-mail 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 of the recipient.

(c) Any party hereto may change its address, fax number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Electronic Systems.

(i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Bank and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the 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 any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower or the other Loan Parties, any Lender, the Issuing Bank or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's, or the Administrative Agent's transmission of communications through an Electronic System. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to this Section 9.01, including through an Electronic System.

SECTION 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under any other Loan Document are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by clause (b) of this Section 9.02, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.22 and Section 2.23 (with respect to any commitment increase), neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (i) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or, (ii) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, with the consent of the Required Lenders; provided, that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (including any such Lender that is a Defaulting Lender), (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce or forgive any interest or fees payable hereunder, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (iii) postpone any scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any date for the payment of any interest, fees or other Obligations payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender (including any such Lender that is a Defaulting Lender) directly affected thereby, (iv) change Section 2.18(b) or (d) in a manner that would alter the manner in which payments are shared, without the written consent of each Lender (other than any Defaulting Lender), (v) change any of the provisions of this Section 9.02 or the definition of "Required Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (other than any Defaulting Lender) directly affected thereby, (vi) change Section 2.20, without the consent of each Lender (other than any Defaulting Lender), (vii) release any Loan Guarantor from its obligation under its Loan Guaranty (except as otherwise expressly permitted herein or in the other Loan Documents), without the written consent of each Lender (other than any Defaulting Lender), (viii) except as provided in clauses (d) and (e) of this Section 9.02 or in any Collateral Document, release all or substantially all of the Collateral, without the written consent of each Lender, or (ix) amend the definition of "Alternative Currency" without the written consent of each Lender directly affected thereby; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or the Issuing Banks hereunder without the prior written consent of the Administrative Agent or the Issuing Banks, as the case may be (it being understood that any change to Section 2.20 shall require the consent of the Administrative Agent and the Issuing Banks). The Administrative Agent may also amend the Commitment Schedule to reflect assignments entered into pursuant to Section 9.04

(c) The Lenders hereby irrevocably authorize the Administrative Agent to, and the Administrative Agent shall release any Liens granted to the Administrative Agent by the Loan Parties on

any Collateral (i) upon Payment in Full, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Equity Interest of a Subsidiary (other than a Disposition to Holdings or any other Restricted Subsidiary), the Administrative Agent is authorized to release any Loan Guaranty provided by such Subsidiary, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VII. Except as provided in the preceding sentence, the Administrative Agent will not release any Liens on Collateral without the prior written authorization of the Required Lenders; provided, that the Administrative Agent may, in its discretion, release its Liens on Collateral valued in the aggregate not in excess of \$5 million during any calendar year without the prior written authorization of the Required Lenders (it being agreed that the Administrative Agent may rely conclusively on one or more certificates of the Borrower as to the value of any Collateral to be so released, without further inquiry). Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Any execution and delivery by the Administrative Agent of documents in connection with any such release shall be without recourse to or warranty by the Administrative Agent. Notwithstanding anything herein to the contrary, a Subsidiary that is a Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Collateral Documents in Collateral owned by such Subsidiary shall be automatically released, upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary ceases to be a Subsidiary; provided that, if so required by this Agreement, the Required Lenders shall have consented to such transaction and the terms of such consent shall not have provided otherwise. Upon any sale or other transfer by any Loan Party (other than to the Borrower or any other Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Collateral Document in any Collateral pursuant to Section 9.02, the security interests in such Collateral created by the Collateral Documents shall be automatically released. In connection with any termination or release pursuant to this Section, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Administrative Agent.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but has not been obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement; provided, that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower, the Administrative Agent and the Issuing Bank shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.15 and 2.17, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.16

had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency. A copy of any such amendment, modification or supplement shall be promptly delivered by the Administrative Agent to each Lender.

(f) In addition, notwithstanding the foregoing, this Agreement, including this Section 9.02, and the other Loan Documents may be amended (or amended and restated) pursuant to Section 2.22 to add any Incremental Term Loan Facility to this Agreement and (a) to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement (including the rights of the Incremental Term Loan Lenders to share ratably in prepayments pursuant to Section 2.11), the Security Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof, (b) to include appropriately the Lenders holding such credit facility in any determination of the Required Lenders and (c) to amend other provisions of the Loan Documents so that the Incremental Term Loan Facility is appropriately incorporated (including this Section 9.02).

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Lead Arrangers and their respective Affiliates, including the reasonable and documented out-of-pocket fees, charges and disbursements of one outside counsel and one local counsel in each relevant jurisdiction for the Administrative Agent and Lead Arrangers (and, solely in the case of an actual or perceived conflict of interest, one additional counsel (and, if reasonably necessary, one firm of local counsel in each relevant jurisdiction) and any other counsel retained with the Borrower's consent), in connection with the syndication and distribution (including, without limitation, via the internet or through an Electronic System) of the credit facilities provided for herein, the preparation and administration of the Loan Documents or any amendments, modifications or waivers of the provisions of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable and documented fees, charges and disbursements of one outside counsel and one local counsel in each relevant jurisdiction for all of the foregoing (and, solely in the case of an actual or perceived conflict of interest, one additional counsel (and, if reasonably necessary, one firm of local counsel in each relevant jurisdiction)), in connection with the enforcement, collection or protection of its rights in connection with the Loan Documents, including its rights under this Section 9.03, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit. Expenses being reimbursed by the Borrower under this Section 9.03 include, without limiting the generality of the foregoing, costs and expenses incurred in connection with:

(i) Taxes, fees and other charges for (A) lien searches and (B) filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens;

(ii) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and

(iii) forwarding loan proceeds, collecting checks and other items of payment, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses may be charged to the Borrower as Loans or to another deposit account, all as described in [Section 2.18\(c\)](#).

(b) The Borrower shall indemnify the Administrative Agent, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “[Indemnitee](#)”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, penalties, liabilities and related expenses (except for Taxes, which shall be covered by [Section 2.17](#)), including the reasonable and documented out-of-pocket fees, charges and disbursements of one counsel for all Indemnitees (and, if reasonably necessary, a single local counsel for all Indemnitees taken as a whole in each relevant jurisdiction and, solely in the case of an actual or perceived conflict of interest, one additional counsel (and, if reasonably necessary, one firm of local counsel in each relevant jurisdiction) to each group of affected Indemnitees similarly situated taken as a whole and any other counsel retained with the Borrower’s consent), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties hereto of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related to the Borrower or any of its Subsidiaries, (iv) the failure of the Borrower to deliver to the Administrative Agent the required receipts or other required documentary evidence with respect to a payment made by the Borrower for Indemnified Taxes or Other Taxes pursuant to [Section 2.17](#), or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto and whether or not any such claim, litigation, investigation or proceeding is brought by the Borrower, its equity holders, its Affiliates, its creditors or any other Person; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, penalties, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or any Related Indemnitee Party of such Indemnitee, (y) result from a claim brought by the Borrower or any of its Subsidiaries against such Indemnitee or any Related Indemnitee Party of such Indemnitee for material breach of such Indemnitee’s express obligations hereunder or under any other Loan Document, if the Borrower or such Subsidiary has obtained a final and non-appealable judgment by a court of competent jurisdiction in its favor on such claim as determined by a court of competent jurisdiction or (z) result from any dispute solely among Indemnitees and does not involve any act or omission by any Loan Party or any of their Subsidiaries (other than claims against the Administrative Agent and Issuing Banks in their respective capacities as such).

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any Issuing Bank under [clause \(a\)](#) or [\(b\)](#) of this [Section 9.03](#), each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided, that the unreimbursed expense or indemnified loss, claim, damage, penalty, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each hereby waives, any claim against any Indemnitee for any damages arising from the use by unintended recipients of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), except as determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or any Related Indemnitee Party of such Indemnitee.

(e) No Indemnitee nor any Loan Party shall be liable on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided, that nothing in this clause (e) shall relieve any Loan Party of any obligation it may have pursuant to the terms of this Agreement to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(f) All amounts due under this Section 9.03 shall be payable promptly after written demand therefor.

SECTION 9.04 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 9.04. 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 (including any Affiliate of an Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in clause (c) of this Section 9.04) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in clause (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) 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) with the prior written consent (such consent not to be unreasonably withheld) of:

(A) the Borrower; provided, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within seven Business Days after having received notice thereof, and provided further that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if a Specified Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent;

(C) [reserved]; and

(D) the Issuing Banks.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5 million unless each of the Borrower and the Administrative Agent otherwise consent; provided, that no such consent of the Borrower shall be required if a Specified Event of Default has occurred and is continuing;

(B) [reserved];

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 and the tax forms required by Section 2.17(f); and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

(iii) Subject to acceptance and recording thereof pursuant to clause (b)(iv) of this Section 9.04, from and after the effective date specified in each Assignment and Assumption (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 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 clause (c) of this Section 9.04.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of interest on the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders may 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 Borrower, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice. No assignment shall be effective unless recorded in the Register. This Section 9.04(b)(iv) shall be construed at all times so that all Loans and LC Disbursements are at all times maintained in "registered form" within the meaning of Section 163(f), 871(h)(2), 881(c)(2) and 4701 of the Code and any related Treasury Regulations.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to any applicable electronic platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed

Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee and tax forms referred to in clause (b) of this Section 9.04 and any written consent to such assignment required by clause (b) of this Section 9.04, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided, that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05, 2.06(d) or (e), 2.07(b), 2.18(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") other than an Ineligible Institution in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided, that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrower, the Administrative Agent, the Issuing Banks 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 and (D) such Lender shall have provided the Borrower with prior written notice of any such participation. 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, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16 and 2.17 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender and, if any Indemnified Taxes or additional amounts are required to be paid pursuant to Sections 2.17(a) or (d), the Borrower and Administrative Agent) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section 9.04; provided, that such Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to the provisions of Sections 2.18 and 2.19 as if it were an assignee under clause (b) of this Section 9.04.

Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement or any other Loan Document (the "Participant Register"); provided, that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person (other than the Borrower to the extent required in clause (D) of the proviso to clause (c) above) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of

Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 9.04 shall not apply to any such pledge or assignment of a security interest; provided, that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any other Loan Document or any provision hereof or thereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby or thereby shall be deemed to include Electronic Signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as an original executed signature, physical delivery thereof 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 9.07 Severability. Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby 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 (other than deposits held in payroll, trust, employee benefits, or Tax withholding accounts) and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or such Loan Guarantor against any of and all the Secured Obligations held by such Lender, irrespective of whether or not such Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender shall notify the Borrower and the Administrative Agent of such setoff or application; provided, that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff or application under this Section 9.08. The rights of each Lender under this Section 9.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09 Governing Law; Jurisdiction; Consent to Service of Process.

(a) The Loan Documents (other than those containing a contrary express choice of law provision) shall be governed by and construed in accordance with the laws of the State of New York.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any U.S. Federal or New York State court sitting in New York, New York in any action or proceeding arising out of or relating to any Loan Documents, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties 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. Each party hereto agrees that the Administrative Agent and the Secured Parties retain the right to bring proceedings against any Loan Party in the courts of any other jurisdiction solely in connection with the exercise of any rights under any Collateral Document. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section 9.09. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' respective officers, directors, employees, legal counsel, independent auditors and other experts 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, (b) upon the request or demand of any regulatory authority having jurisdiction over it or any of its Affiliates (in which case (except with respect to any audit or examination conducted by bank accountants or any bank or other regulatory authority exercising examination or regulatory authority), it, to the extent practicable and permitted by law, rule or regulation, agrees to inform the Borrower promptly thereof), (c) pursuant to the order of any court or administrative agency, in any pending legal, judicial or administrative proceeding or as otherwise required by applicable law or regulation or as requested by a governmental authority (in which case (except with respect to any audit or examination conducted by bank accountants or any bank or other regulatory authority exercising examination or regulatory authority), it, to the extent practicable and permitted by law, rule or regulation, agrees to inform the Borrower promptly thereof), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under this Agreement or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.12 or otherwise reasonably acceptable to the Borrower, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement (and any of their respective advisors) or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Loan Parties and their obligations, (g) with the consent of the Borrower, (h) to holders of Equity Interests in the Borrower, (i) to the extent that such information is independently developed by it or its Affiliates, in each case, so long as not based on information obtained in a manner that would otherwise violate this Section 9.12, (j) for purposes of establishing a "due diligence" defense, (k) to ratings agencies, (l) to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers and other market identifiers with respect to the credit facilities provided hereunder, or (m) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section 9.12 or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower. For the purposes of this Section 9.12, "Information" means all information

received from the Borrower relating to the Borrower or their business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower; provided, that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.12 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

**ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.**

Each Loan Party consents to the publication by the Administrative Agent or any Lender of customary advertising material relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of such Loan Party. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the agents and the Lenders in connection with the administration of this Agreement, the other Loan Documents and the Commitments.

**SECTION 9.13 Several Obligations; Nonreliance; Violation of Law.** The respective obligations of the Lenders hereunder are several and not joint and the failure of any Lender to make any Loan or perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board) for the repayment of the Borrowings provided for herein. Anything contained in this Agreement to the contrary notwithstanding, no Issuing Bank nor any Lender shall be obligated to extend credit to the Borrower in violation of any Requirement of Law.

**SECTION 9.14 USA PATRIOT Act.** Each Lender that is subject to the requirements of the USA PATRIOT Act hereby notifies each Loan Party that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender to identify such Loan Party in accordance with the USA PATRIOT Act.

SECTION 9.15 Disclosure. Each Loan Party, each Lender and the Issuing Bank hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

SECTION 9.16 Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the other Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession or control. Should any Lender (other than the Administrative Agent) obtain possession or control of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

SECTION 9.17 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section 9.17 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.19 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured (all such

liabilities, the “Covered Liabilities”), 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 Covered Liability arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such Covered Liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such Covered Liability;
  - (ii) a conversion of all, or a portion of, such Covered 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 Covered Liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such Covered Liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 9.20 Acknowledgment Regarding any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Agreement 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 and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

- (b) As used in this Section 10.14, 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 9.21 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 Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the “Agreement Currency”), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under applicable law).

## ARTICLE X

### LOAN GUARANTY

SECTION 10.01 Guaranty. Each Loan Guarantor (other than those that have delivered a separate Guarantee) hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to the Secured Parties, the prompt payment when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Secured Obligations (for the purposes hereof, the Secured Obligations, collectively the “Guaranteed Obligations”; provided, however, that the definition of “Guaranteed Obligations” shall not create any guarantee by any Loan Guarantor of (or grant of security interest by any Loan Guarantor to support, as applicable) any Excluded Swap Obligations of such Loan Guarantor for purposes of determining any obligations of any Loan Guarantor). Each Loan Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal. All terms of this

Loan Guaranty apply to and may be enforced by or on behalf of any domestic or foreign branch or Affiliate of any Lender that extended any portion of the Guaranteed Obligations.

SECTION 10.02 Guaranty of Payment. This Loan Guaranty is a guaranty of payment and not of collection. Each Loan Guarantor waives any right to require the Administrative Agent, any Issuing Bank or any Lender to sue the Borrower, any Loan Guarantor, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an “Obligated Party”), or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 10.03 No Discharge or Diminishment of Loan Guaranty.

(a) Except as otherwise provided for herein, the obligations of each Loan Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Guaranteed Obligations (other than Unliquidated Obligations), and the Cash Collateralization of all Unliquidated Obligations in a manner satisfactory to each affected Lender), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise; (ii) any change in the corporate existence, structure or ownership of the Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any claim, setoff or other rights which any Loan Guarantor may have at any time against any Obligated Party, the Administrative Agent, any Issuing Bank, any Lender, or any other Person, whether in connection herewith or in any unrelated transactions.

(b) The obligations of each Loan Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c) Further, the obligations of any Loan Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent, any Issuing Bank or any Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of the Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by the Administrative Agent, any Issuing Bank or any Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Loan Guarantor or that would otherwise operate as a discharge of any Loan Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 10.04 Defenses Waived. To the fullest extent permitted by applicable law, each Loan Guarantor hereby waives any defense based on or arising out of any defense of the Borrower or any Loan Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of the Borrower, any Loan Guarantor or any other Obligated Party, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Loan Guarantor irrevocably waives acceptance hereof, presentment, demand,

protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Loan Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. The Administrative Agent may, at its election, foreclose on any Collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Loan Guarantor under this Loan Guaranty except to the extent the Guaranteed Obligations have been fully and indefeasibly paid in cash. To the fullest extent permitted by applicable law, each Loan Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Loan Guarantor against any Obligated Party or any security.

SECTION 10.05 Rights of Subrogation. No Loan Guarantor will assert any right, claim or cause of action, including, without limitation, a claim of subrogation, contribution or indemnification that it has against any Obligated Party, or any collateral, until the Loan Parties and the Loan Guarantors have fully performed all their obligations to the Administrative Agent, the Issuing Banks and the Lenders.

SECTION 10.06 Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of the Borrower or otherwise (including pursuant to any settlement entered into by a Secured Party in its discretion), each Loan Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not the Administrative Agent, the Issuing Banks and the Lenders are in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Loan Guarantors forthwith on demand by the Administrative Agent.

SECTION 10.07 Information. Each Loan Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Loan Guarantor assumes and incurs under this Loan Guaranty, and agrees that neither the Administrative Agent nor any Issuing Bank nor any Lender shall have any duty to advise any Loan Guarantor of information known to it regarding those circumstances or risks.

SECTION 10.08 Termination. Each of the Lenders and the Issuing Bank may continue to make loans or extend credit to the Borrower based on this Loan Guaranty until five days after it receives written notice of termination from any Loan Guarantor. Notwithstanding receipt of any such notice, each Loan Guarantor will continue to be liable to the Lenders for any Guaranteed Obligations created, assumed or committed to prior to the fifth day after receipt of the notice, and all subsequent renewals, extensions, modifications and amendments with respect to, or substitutions for, all or any part of the Guaranteed Obligations. Nothing in this Section 10.08 shall be deemed to constitute a waiver of, or eliminate, limit, reduce or otherwise impair any rights or remedies the Administrative Agent or any Lender may have in respect of, any Default or Event of Default that shall exist under clause (o) of Article VII hereof as a result of any such notice of termination.

SECTION 10.09 [Reserved].

SECTION 10.10 Maximum Liability. Notwithstanding any other provision of this Loan Guaranty, the amount guaranteed by each Loan Guarantor hereunder shall be limited to the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law. In determining the limitations, if any, on the amount of any Loan Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Loan Guarantor may have under this Loan Guaranty, any other agreement or applicable law shall be taken into account.

SECTION 10.11 Contribution.

(a) To the extent that any Loan Guarantor shall make a payment under this Loan Guaranty (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Loan Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Loan Guarantor if each Loan Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Loan Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Loan Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Guarantor Payment and the Guaranteed Obligations (other than Unliquidated Obligations that have not yet arisen), and all Commitments and Letters of Credit have terminated or expired or, in the case of all Letters of Credit, are fully collateralized on terms reasonably acceptable to the Administrative Agent and the Issuing Bank, and this Agreement, the Swap Agreement Obligations and the Banking Services Obligations have terminated, such Loan Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Loan Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of any Loan Guarantor shall be equal to the excess of the fair saleable value of the property of such Loan Guarantor over the total liabilities of such Loan Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Loan Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Loan Guarantors as of such date in a manner to maximize the amount of such contributions.

(c) This Section 10.11 is intended only to define the relative rights of the Loan Guarantors, and nothing set forth in this Section 10.11 is intended to or shall impair the obligations of the Loan Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Loan Guaranty.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Loan Guarantor or Loan Guarantors to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Loan Guarantors against other Loan Guarantors under this Section 10.11 shall be exercisable upon the full and indefeasible payment of the Guaranteed Obligations in cash (other than Unliquidated Obligations that have not yet arisen) and the termination or expiry (or, in the case of all Letters of Credit, full Cash Collateralization), on terms reasonably acceptable to the Administrative Agent and the Issuing Bank, of the Commitments and all Letters of Credit issued hereunder and the termination of this Agreement, the Swap Agreement Obligations and the Banking Services Obligations.

SECTION 10.12 Liability Cumulative. The liability of each Loan Party as a Loan Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to the Administrative Agent, the Issuing Banks and the Lenders under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

SECTION 10.13 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party or Loan Guarantor to honor all of its obligations under this Guarantee in respect of a Swap Obligation (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.13 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.13 or otherwise under this Loan Guaranty voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Except as otherwise provided herein, the obligations of each Qualified ECP Guarantor under this Section 10.13 shall remain in full force and effect until the termination of all Swap Obligations. Each Qualified ECP Guarantor intends that this Section 10.13 constitute, and this Section 10.13 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v) (II) of the Commodity Exchange Act.

*[Signature Pages Follow.]*

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

**BORROWER:**

**PING IDENTITY CORPORATION**, a Delaware corporation

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

**HOLDINGS:**

**ROARING FORK INTERMEDIATE, LLC**, a Delaware limited liability company

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

**SIGNATURE PAGE TO PING IDENTITY CREDIT AGREEMENT**

---

**OTHER LOAN GUARANTORS:**

**UNBOUNDID, LLC**, a Delaware limited liability company

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

**ELASTIC BEAM, LLC**, a Delaware limited liability company

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

**SIGNATURE PAGE TO PING IDENTITY CREDIT AGREEMENT**

---

**BANK OF AMERICA, N.A.**, individually as a Lender, as  
Administrative Agent and an Issuing Bank

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

**SIGNATURE PAGE TO PING IDENTITY CREDIT AGREEMENT**

---

**ROYAL BANK OF CANADA,**  
as a Lender

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

**CITIBANK, N.A.,**  
as a Lender

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

**SIGNATURE PAGE TO PING IDENTITY CREDIT AGREEMENT**

---

COMMITMENT SCHEDULE

<b>Lender</b>	<b>Total Commitment</b>
Bank of America, N.A.	\$60,000,000.00
Royal Bank of Canada	\$60,000,000.00
Citibank, N.A.	\$30,000,000.00
<b>Total:</b>	<b>\$150,000,000</b>

---

**Certification of the Chief Executive Officer**

**Pursuant to Rule 13a-14(a)**

I, Andre Durand, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ping Identity Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2020

/s/Andre Durand  
Andre Durand  
Chief Executive Officer

---

**Certification of the Chief Financial Officer**

**Pursuant to Rule 13a-14(a)**

I, Raj Dani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ping Identity Holding Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2020

/s/Raj Dani

Raj Dani

Chief Financial Officer

---

**Certification of the Chief Executive Officer**

**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Ping Identity Holding Corp. (the "Company") for the quarter ended June 30, 2020, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Andre Durand, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2020

/s/Andre Durand

Andre Durand

Chief Executive Officer

---

**Certification of the Chief Financial Officer**

**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Ping Identity Holding Corp. (the "Company") for the quarter ended June 30, 2020, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Raj Dani, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2020

/s/ Raj Dani

\_\_\_\_\_  
Raj Dani

Chief Financial Officer

---