

**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, 2023**
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: 001-35007



Knight-Swift Transportation Holdings Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

20-5589597
(I.R.S. Employer Identification No.)

**2002 West Waballa Lane
Phoenix, Arizona 85027**
(Address of principal executive offices and zip code)

(602) 269-2000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)
Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock \$0.01 Par Value	KNX	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	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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

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

There were approximately 161,294,000 shares of the registrant's common stock outstanding as of July 26, 2023.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
QUARTERLY REPORT ON FORM 10-Q
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KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

GLOSSARY OF TERMS

The following glossary defines certain acronyms and terms used in this Quarterly Report on Form 10-Q. These acronyms and terms are specific to our company, commonly used in our industry, or are otherwise frequently used throughout our document.

Term	Definition
Knight-Swift/the Company/Management/We/Us/Our	Unless otherwise indicated or the context otherwise requires, these terms represent Knight-Swift Transportation Holdings Inc. and its subsidiaries.
2017 Merger	The September 8, 2017 merger of Knight Transportation, Inc. and its subsidiaries and Swift Transportation Company and its subsidiaries, pursuant to which we became Knight-Swift Transportation Holdings Inc.
2021 Debt Agreement	The Company's unsecured credit agreement, entered into on September 3, 2021, consisting of the 2021 Revolver and 2021 Term Loans, which are defined below
2021 Prudential Notes	Third amended and restated note purchase and private shelf agreement, entered into on September 3, 2021 by ACT with unrelated financial entities
2021 Revolver	Revolving line of credit under the 2021 Debt Agreement, maturing on September 3, 2026
2021 Term Loans	The Company's term loans under the 2021 Debt Agreement, collectively consisting of the 2021 Term Loan A-1, 2021 Term Loan A-2 and 2021 Term Loan A-3
2021 Term Loan A-1	The Company's term loan under the 2021 Debt Agreement, which matured on December 3, 2022
2021 Term Loan A-2	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2024
2021 Term Loan A-3	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2026
2023 Term Loan	The Company's term loan entered into on June 22, 2023, maturing on September 3, 2026
2021 RSA	Fifth Amendment to the Amended and Restated Receivables Sales Agreement, entered into on April 23, 2021 by Swift Receivables Company II, LLC with unrelated financial entities.
2022 RSA	Sixth Amendment to the Amended and Restated Receivables Sales Agreement, entered into on October 3, 2022 by Swift Receivables Company II, LLC with unrelated financial entities.
ACT	AAA Cooper Transportation, and its affiliated entity
ACT Acquisition	The Company's acquisition of 100% of the securities of ACT on July 5, 2021
Annual Report	Annual Report on Form 10-K
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Board	Knight-Swift's Board of Directors
BSBY	Bloomberg Short-Term Bank Yield Index
DOE	United States Department of Energy
EPS	Earnings Per Share
Embark	Embark Technology Inc. and its related entities
ESPP	Knight-Swift Transportation Holdings Inc. Amended and Restated 2012 Employee Stock Purchase Plan
GAAP	United States Generally Accepted Accounting Principles
IRS	Internal Revenue Service
NYSE	New York Stock Exchange
LTL	Less-than-truckload
MME	RAC MME Holdings, LLC. and its subsidiaries, MME, Inc. and Midwest Motor Express, Inc.
Quarterly Report	Quarterly Report on Form 10-Q
RSU	Restricted Stock Unit
SEC	United States Securities and Exchange Commission
SOFR	Secured overnight financing rate as administered by the Federal Reserve Bank of New York
US	The United States of America
U.S. Xpress	U.S. Xpress Enterprises, Inc.
UTXL	UTXL Enterprises, Inc.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
Condensed Consolidated Balance Sheets (Unaudited)

	June 30, 2023	December 31, 2022
	(In thousands, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 228,957	\$ 196,770
Cash and cash equivalents – restricted	251,438	185,792
Restricted investments, held-to-maturity, amortized cost	3,082	7,175
Trade receivables, net of allowance for doubtful accounts of \$25,693 and \$22,980, respectively	712,197	842,294
Contract balance – revenue in transit	13,608	15,859
Prepaid expenses	100,896	108,081
Assets held for sale	59,310	40,602
Income tax receivable	17,303	58,974
Acquisition escrow	444,657	—
Other current assets	53,662	38,025
Total current assets	1,885,110	1,493,572
Gross property and equipment	5,980,256	5,740,383
Less: accumulated depreciation and amortization	(2,018,107)	(1,905,340)
Property and equipment, net	3,962,149	3,835,043
Operating lease right-of-use-assets	200,708	192,358
Goodwill	3,519,339	3,519,339
Intangible assets, net	1,744,056	1,776,569
Other long-term assets	126,530	134,785
Total assets	\$ 11,437,892	\$ 10,951,666
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 223,482	\$ 220,849
Accrued payroll and purchased transportation	159,066	171,381
Accrued liabilities	81,766	81,528
Claims accruals – current portion	366,238	311,822
Finance lease liabilities and long-term debt – current portion	73,304	71,466
Operating lease liabilities – current portion	41,565	36,961
Total current liabilities	945,421	894,007
Revolving line of credit	210,000	43,000
Long-term debt – less current portion	1,265,204	1,024,668
Finance lease liabilities – less current portion	333,009	344,377
Operating lease liabilities – less current portion	153,765	149,992
Accounts receivable securitization	338,641	418,561
Claims accruals – less current portion	205,605	201,838
Deferred tax liabilities	899,891	907,893
Other long-term liabilities	5,313	12,049
Total liabilities	4,356,849	3,996,385
Commitments and contingencies (Notes 7, 8, and 9)		
Stockholders' equity:		
Preferred stock, par value \$0.01 per share; 10,000 shares authorized; none issued	—	—
Common stock, par value \$0.01 per share; 500,000 shares authorized; 161,276 and 160,706 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.	1,613	1,607
Accumulated other comprehensive loss	(815)	(2,436)
Additional paid-in capital	4,412,069	4,392,266
Retained earnings	2,657,415	2,553,567
Total Knight-Swift stockholders' equity	7,070,282	6,945,004
Noncontrolling interest	10,761	10,277
Total stockholders' equity	7,081,043	6,955,281
Total liabilities and stockholders' equity	\$ 11,437,892	\$ 10,951,666

See accompanying notes to condensed consolidated financial statements (unaudited).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
(In thousands, except per share data)				
Revenue:				
Revenue, excluding truckload and LTL fuel surcharge	\$ 1,390,448	\$ 1,694,531	\$ 2,840,741	\$ 3,342,409
Truckload and LTL fuel surcharge	162,531	266,600	349,170	445,711
Total revenue	1,552,979	1,961,131	3,189,911	3,788,120
Operating expenses:				
Salaries, wages, and benefits	533,237	549,956	1,069,979	1,086,012
Fuel	168,300	257,146	356,059	447,635
Operations and maintenance	101,380	106,724	200,691	202,607
Insurance and claims	137,306	102,084	275,345	200,276
Operating taxes and licenses	28,332	30,204	54,222	59,241
Communications	6,184	5,744	11,933	11,614
Depreciation and amortization of property and equipment	156,381	147,482	312,347	292,526
Amortization of intangibles	16,505	16,215	32,688	32,381
Rental expense	16,073	13,492	31,141	26,893
Purchased transportation	258,259	384,910	538,988	771,356
Impairments	—	—	—	810
Miscellaneous operating expenses	36,992	21,396	67,701	32,905
Total operating expenses	1,458,949	1,635,353	2,951,094	3,164,256
Operating income	94,030	325,778	238,817	623,864
Other (expenses) income:				
Interest income	5,508	675	10,557	1,136
Interest expense	(24,354)	(9,345)	(47,445)	(16,025)
Other income (expenses), net	9,679	(25,576)	19,382	(39,981)
Total other (expenses) income, net	(9,167)	(34,246)	(17,506)	(54,870)
Income before income taxes	84,863	291,532	221,311	568,994
Income tax expense	21,959	72,090	54,694	141,264
Net income	62,904	219,442	166,617	427,730
Net loss attributable to noncontrolling interest	422	50	993	99
Net income attributable to Knight-Swift	63,326	219,492	167,610	427,829
Other comprehensive income (loss)	531	(1,862)	1,621	(2,234)
Comprehensive income	\$ 63,857	\$ 217,630	\$ 169,231	\$ 425,595
Earnings per share:				
Basic	\$ 0.39	\$ 1.35	\$ 1.04	\$ 2.61
Diluted	\$ 0.39	\$ 1.35	\$ 1.04	\$ 2.60
Dividends declared per share:				
	\$ 0.14	\$ 0.12	\$ 0.28	\$ 0.24
Weighted average shares outstanding:				
Basic	161,116	162,365	161,018	163,863
Diluted	161,940	163,166	161,917	164,801

See accompanying notes to the condensed consolidated financial statements (unaudited).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Year-to-Date June 30,	
	2023	2022
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 166,617	\$ 427,730
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment, and intangibles	345,035	324,907
Gain on sale of property and equipment	(35,180)	(57,808)
Impairments	—	810
Deferred income taxes	(8,002)	(2,439)
Non-cash lease expense	22,138	19,795
(Gain) loss on equity securities	(1,870)	50,937
Other adjustments to reconcile net income to net cash provided by operating activities	36,277	25,603
Increase (decrease) in cash resulting from changes in:		
Trade receivables	126,429	(103,740)
Income tax receivable	41,671	(5,971)
Accounts payable	5,072	2,060
Accrued liabilities and claims accrual	46,408	50,822
Operating lease liabilities	(22,187)	(19,772)
Other assets and liabilities	(218)	7,050
Net cash provided by operating activities	722,190	719,984
Cash flows from investing activities:		
Proceeds from maturities of held-to-maturity investments	3,620	4,306
Purchases of held-to-maturity investments	(30)	(6,399)
Proceeds from sale of property and equipment, including assets held for sale	98,755	104,239
Purchases of property and equipment	(517,856)	(295,522)
Expenditures on assets held for sale	(634)	(449)
Net cash, restricted cash, and equivalents invested in acquisitions	—	(1,291)
Other cash flows from investing activities	155	(9,190)
Net cash used in investing activities	(415,990)	(204,306)
Cash flows from financing activities:		
Repayments of finance leases and long-term debt	(38,148)	(66,440)
Proceeds from long-term debt	250,000	—
Borrowings (repayments) on revolving lines of credit, net	167,000	(131,000)
Repayments of accounts receivable securitization	(80,000)	—
Proceeds from common stock issued	3,222	5,057
Repurchases of the Company's common stock	—	(299,941)
Dividends paid	(45,940)	(39,721)
Other cash flows from financing activities	(19,510)	(20,316)
Net cash provided by (used in) financing activities	236,624	(552,361)
Net increase (decrease) in cash, restricted cash, and equivalents	542,824	(36,683)
Cash, restricted cash, and equivalents at beginning of period	385,345	350,023
Cash, restricted cash, and equivalents at end of period	\$ 928,169	\$ 313,340

See accompanying notes to condensed consolidated financial statements (unaudited).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
Condensed Consolidated Statements of Cash Flows (Unaudited) — Continued

	Year-to-Date June 30,			
	2023		2022	
	(In thousands)			
Supplemental disclosures of cash flow information:				
Cash paid during the period for:				
Interest	\$	45,851	\$	14,097
Income taxes		16,870		154,819
Non-cash investing and financing activities:				
Equipment acquired included in accounts payable	\$	30,789	\$	3,085
Financing provided to independent contractors for equipment sold		3,778		—
Transfers from property and equipment to assets held for sale		80,947		29,510
Purchase price adjustment on acquisition		—		2,163
Contingent consideration associated with acquisitions and investments		—		1,717
Right-of-use assets obtained in exchange for operating lease liabilities		30,564		37,897
Property and equipment obtained in exchange for finance lease liabilities		19,797		101,904
Reconciliation of Cash, Restricted Cash, and Equivalents:				
	June 30, 2023	December 31, 2022	June 30, 2022	December 31, 2021
	(In thousands)			
Consolidated Balance Sheets				
Cash and cash equivalents	\$	228,957	\$	196,770
Cash and cash equivalents – restricted ¹		251,438		185,792
Acquisition escrow ²		444,657		—
Other long-term assets ¹		3,117		2,783
Consolidated Statements of Cash Flows				
Cash, restricted cash, and equivalents	\$	928,169	\$	385,345
			\$	313,340
			\$	350,023

¹ Reflects cash and cash equivalents that are primarily restricted for claims payments.

² Reflects restricted cash for the U.S. Xpress acquisition which closed on July 1, 2023.

See accompanying notes to condensed consolidated financial statements (unaudited).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
Balances – December 31, 2022	160,706	\$ 1,607	\$ 4,392,266	\$ 2,553,567	\$ (2,436)	\$ 6,945,004	\$ 10,277	\$ 6,955,281
Common stock issued to employees	512	5	158			163		163
Common stock issued to the Board	18	—	977			977		977
Common stock issued under ESPP	40	1	2,081			2,082		2,082
Shares withheld – RSU settlement				(18,271)		(18,271)		(18,271)
Employee stock-based compensation expense			16,587			16,587		16,587
Cash dividends paid and dividends accrued (\$0.28 per share)				(45,491)		(45,491)		(45,491)
Net income				167,610		167,610	(993)	166,617
Other comprehensive income					1,621	1,621		1,621
Investment in noncontrolling interest							1,716	1,716
Distribution to noncontrolling interest							(239)	(239)
Balances – June 30, 2023	161,276	\$ 1,613	\$ 4,412,069	\$ 2,657,415	\$ (815)	\$ 7,070,282	\$ 10,761	\$ 7,081,043

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
Balances – December 31, 2021	165,980	\$ 1,660	\$ 4,350,913	\$ 2,181,142	\$ (563)	\$ 6,533,152	\$ 10,298	\$ 6,543,450
Common stock issued to employees	607	6	2,369			2,375		2,375
Common stock issued to the Board	18	—	873			873		873
Common stock issued under ESPP	35	—	1,809			1,809		1,809
Company shares repurchased	(6,001)	(60)		(299,881)		(299,941)		(299,941)
Shares withheld – RSU settlement				(20,316)		(20,316)		(20,316)
Employee stock-based compensation expense			16,952			16,952		16,952
Cash dividends paid and dividends accrued (\$0.24 per share)				(39,441)		(39,441)		(39,441)
Net income				427,829		427,829	(99)	427,730
Other comprehensive loss					(2,234)	(2,234)		(2,234)
Balances – June 30, 2022	160,639	\$ 1,606	\$ 4,372,916	\$ 2,249,333	\$ (2,797)	\$ 6,621,058	\$ 10,199	\$ 6,631,257

See accompanying notes to condensed consolidated financial statements (unaudited).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited) — Continued

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
Balances – March 31, 2023	161,009	\$ 1,610	\$ 4,401,276	\$ 2,623,373	(1,346)	\$ 7,024,913	\$ 10,681	\$ 7,035,594
Common stock issued to employees	230	2	115			117		117
Common stock issued to the Board	18	—	977			977		977
Common stock issued under ESPP	19	1	1,041			1,042		1,042
Shares withheld – RSU settlement				(6,523)		(6,523)		(6,523)
Employee stock-based compensation expense			8,660			8,660		8,660
Cash dividends paid and dividends accrued (\$0.14 per share)				(22,761)		(22,761)		(22,761)
Net income				63,326		63,326	(422)	62,904
Other comprehensive income					531	531		531
Investment in noncontrolling interest							741	741
Distribution to noncontrolling interest							(239)	(239)
Balances – June 30, 2023	<u>161,276</u>	<u>\$ 1,613</u>	<u>\$ 4,412,069</u>	<u>\$ 2,657,415</u>	<u>\$ (815)</u>	<u>\$ 7,070,282</u>	<u>\$ 10,761</u>	<u>\$ 7,081,043</u>

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
Balances – March 31, 2022	163,635	\$ 1,636	\$ 4,360,889	\$ 2,209,104	(935)	\$ 6,570,694	\$ 10,249	\$ 6,580,943
Common stock issued to employees	243	3	1,961			1,964		1,964
Common stock issued to the Board	18	—	873			873		873
Common stock issued under ESPP	21	—	1,000			1,000		1,000
Company shares repurchased	(3,278)	(33)		(155,027)		(155,060)		(155,060)
Shares withheld – RSU settlement				(4,708)		(4,708)		(4,708)
Employee stock-based compensation expense			8,193			8,193		8,193
Cash dividends paid and dividends accrued (\$0.12 per share)				(19,528)		(19,528)		(19,528)
Net income				219,492		219,492	(50)	219,442
Other comprehensive loss					(1,862)	(1,862)		(1,862)
Balances – June 30, 2022	<u>160,639</u>	<u>\$ 1,606</u>	<u>\$ 4,372,916</u>	<u>\$ 2,249,333</u>	<u>\$ (2,797)</u>	<u>\$ 6,621,058</u>	<u>\$ 10,199</u>	<u>\$ 6,631,257</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 — Introduction and Basis of Presentation

Certain acronyms and terms used throughout this Quarterly Report are specific to the Company, commonly used in the trucking industry, or are otherwise frequently used throughout this document. Definitions for these acronyms and terms are provided in the "Glossary of Terms," available in the front of this document.

Description of Business

Knight-Swift is a transportation solutions provider, headquartered in Phoenix, Arizona. During the year-to-date period ended June 30, 2023, the Company operated an average of 18,002 tractors (comprised of 16,128 company tractors and 1,874 independent contractor tractors) and 79,700 trailers within the Truckload segment and leasing activities within the non-reportable segments. The LTL segment operated an average of 3,163 tractors and 8,419 trailers. Additionally, the Intermodal segment operated an average of 631 tractors and 12,835 intermodal containers. As of June 30, 2023, the Company's four reportable segments were Truckload, LTL, Logistics, and Intermodal.

Basis of Presentation

The condensed consolidated financial statements and footnotes included in this Quarterly Report include the accounts of Knight-Swift Transportation Holdings Inc. and its subsidiaries and should be read in conjunction with the consolidated financial statements and footnotes included in Knight-Swift's 2022 Annual Report. In management's opinion, these condensed consolidated financial statements were prepared in accordance with GAAP and include all adjustments necessary (consisting of normal recurring adjustments) for the fair statement of the periods presented.

With respect to transactional/durational data, references to years pertain to calendar years. Similarly, references to quarters pertain to calendar quarters.

Seasonality

In the full truckload transportation industry, results of operations generally follow a seasonal pattern. Freight volumes in the first quarter are typically lower due to less consumer demand, customers reducing shipments following the holiday season, and inclement weather. At the same time, operating expenses generally increase, and tractor productivity of the Company's Truckload fleet, independent contractors and third-party carriers decreases during the winter months due to decreased fuel efficiency, increased cold weather-related equipment maintenance and repairs, and increased insurance claims and costs attributed to higher accident frequency from harsh weather. These factors typically lead to lower operating profitability, as compared to other parts of the year. Additionally, beginning in the latter half of the third quarter and continuing into the fourth quarter, the Company typically experiences surges pertaining to holiday shopping trends toward delivery of gifts purchased over the Internet, as well as the length of the holiday season (consumer shopping days between Thanksgiving and Christmas). However, as the Company continues to diversify its business through expansion into the LTL industry, warehousing, and other activities, seasonal volatility is becoming more tempered. Additionally, macroeconomic trends and cyclical changes in the trucking industry, including imbalances in supply and demand, can override the seasonality faced in the industry.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 2 — Recently Issued Accounting Pronouncements

Date Issued	Reference	Description	Expected Adoption Date and Method	Financial Statement Impact
March 2023	ASU No. 2023-01: Leases (ASC 842), <i>Common Control Arrangements</i>	The amendments in this ASU require that leasehold improvements associated with common control leases be amortized by the lessee over the useful life of the leasehold improvements and that leasehold improvements associated with common control leases be accounted for as a transfer between entities under common control through an adjustment to equity if the lessee no longer controls the use of the asset.	January 2024, Prospective or retrospective	Currently under evaluation, but not expected to be material
July 2023	ASU No. 2023-03: Presentation of Financial Statements (ASC 205), Income Statement—Reporting Comprehensive Income (ASC 220), Distinguishing Liabilities from Equity (ASC 480), Equity (ASC 505), and Compensation—Stock Compensation (ASC 718)	The amendments in this ASU reflect alignment to Staff Accounting Bulletin No. 120 ("SAB 120") that was issued by the SEC in November 2021. SAB 120 provides guidance to entities issuing share-based awards shortly before announcing material, nonpublic information. The guidance indicates that entities should consider such material nonpublic information to adjust the observable market if the effect of the release of the material nonpublic information is expected to affect the share price and the share-based awards are non-routine in nature.	July 2023, prospective adoption	Currently under evaluation, but not expected to be material

Note 3 — Acquisitions***U.S. Xpress***

On July 1, 2023, the Company closed on the acquisition of Chattanooga, Tennessee-based U.S. Xpress Enterprises, Inc. ("U.S. Xpress"). The transaction was partially funded using the \$444.7 million recorded as "Acquisition Escrow" on the Company's condensed consolidated balance sheet as of June 30, 2023, which was financed through the Company's existing credit facilities and the 2023 Term Loan. The Company has not completed the initial accounting for this transaction as it is still in the preliminary stages of assessing the fair value of the underlying tangible and intangible assets. The results of U.S. Xpress will be included in our consolidated results beginning in the third quarter of 2023.

See Note 6 for more information about the Company's credit facilities and the 2023 Term Loan.

The Company did not complete any other material acquisitions during the year-to-date period ended June 30, 2023.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 4 — Income Taxes

Effective Tax Rate — The quarter-to-date June 30, 2023 and June 30, 2022 effective tax rates were 25.9% and 24.7%, respectively. The year-to-date June 30, 2023 and June 30, 2022 effective tax rates were 24.7% and 24.8%, respectively.

Valuation Allowance — The Company has not established a valuation allowance as it has been determined that, based upon available evidence, a valuation allowance is not required. Management believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets.

Unrecognized Tax Benefits — During the quarter, the IRS concluded its audit of one of the Company's subsidiaries' previously filed amended federal income tax return. As a result, the Company no longer has unrecognized tax benefits.

Interest and Penalties — The Company had no accrued interest and penalties related to unrecognized tax benefits as of June 30, 2023. Accrued interest and penalties related to unrecognized tax benefits were approximately \$0.2 million as of December 31, 2022.

Tax Examinations — Certain of the Company's subsidiaries are currently under examination by various state jurisdictions for tax years ranging from 2019 to 2021. At the completion of these examinations, management does not expect any adjustments that would have a material impact on the Company's effective tax rate. Years subsequent to 2017 remain subject to examination.

Note 5 — Accounts Receivable Securitization

On October 3, 2022, the Company entered into the 2022 RSA, which further amended the 2021 RSA. The 2022 RSA is a secured borrowing that is collateralized by the Company's eligible receivables, for which the Company is the servicing agent. The Company's receivable originator subsidiaries sell, on a revolving basis, undivided interests in all of their eligible accounts receivable to Swift Receivables Company II, LLC ("SRCII") who in turn sells a variable percentage ownership in those receivables to the various purchasers. The Company's eligible receivables are included in "Trade receivables, net of allowance for doubtful accounts" in the consolidated balance sheets. As of June 30, 2023, the Company's eligible receivables generally have high credit quality, as determined by the obligor's corporate credit rating.

The 2022 RSA is subject to fees, various affirmative and negative covenants, representations and warranties, and default and termination provisions customary for facilities of this type. The Company was in compliance with these covenants as of June 30, 2023. Collections on the underlying receivables by the Company are held for the benefit of SRCII and the various purchasers and are unavailable to satisfy claims of the Company and its subsidiaries.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

The following table summarizes the key terms of the 2022 RSA (dollars in thousands):

	2022 RSA
	(Dollars in thousands)
Effective date	October 3, 2022
Final maturity date	October 1, 2025
Borrowing capacity	\$475,000
Accordion option ¹	\$100,000
Unused commitment fee rate ²	20 to 40 basis points
Program fees on outstanding balances ³	one month SOFR + credit adjustment spread 10 basis points + 82.5 basis points

¹ The accordion option increases the maximum borrowing capacity, subject to participation of the purchasers.

² The 2022 RSA commitment fee rates are based on the percentage of the maximum borrowing capacity utilized.

³ As identified within the 2022 RSA, the lender can trigger an amendment by identifying and deciding upon a replacement for SOFR.

Availability under the 2022 RSA is calculated as follows:

	June 30, 2023	December 31, 2022
	(In thousands)	
Borrowing base, based on eligible receivables	\$ 381,000	\$ 456,400
Less: outstanding borrowings ¹	(339,000)	(419,000)
Availability under accounts receivable securitization facilities	\$ 42,000	\$ 37,400

¹ Outstanding borrowings are included in "Accounts receivable securitization" in the condensed consolidated balance sheets and are offset by deferred loan costs of \$0.4 million as of June 30, 2023 and December 31, 2022, respectively. Interest accrued on the aggregate principal balance at a rate of 6.1% and 5.1% as of June 30, 2023 and December 31, 2022, respectively.

Refer to Note 12 for information regarding the fair value of the 2022 RSA.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED
Note 6 — Debt and Financing

Other than the Company's accounts receivable securitization as discussed in Note 5, the Company's long-term debt consisted of the following:

	June 30, 2023	December 31, 2022
	(In thousands)	
2021 Term Loan A-2, due September 3, 2024, net ^{1 2}	199,828	199,755
2021 Term Loan A-3, due September 3, 2026, net ^{1 2}	798,882	798,705
2023 Term Loan, due September 3, 2026, net ^{1 3}	249,002	—
Prudential Notes, net ¹	28,206	35,960
Other	2,009	3,042
Total long-term debt, including current portion	1,277,927	1,037,462
Less: current portion of long-term debt	(12,723)	(12,794)
Long-term debt, less current portion	\$ 1,265,204	\$ 1,024,668

	June 30, 2023	December 31, 2022
	(In thousands)	
Total long-term debt, including current portion	\$ 1,277,927	\$ 1,037,462
2021 Revolver, due September 3, 2026 ^{1 4}	210,000	43,000
Long-term debt, including revolving line of credit	\$ 1,487,927	\$ 1,080,462

¹ Refer to Note 12 for information regarding the fair value of debt.

² As of June 30, 2023, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.2 million and \$1.1 million in deferred loan costs, respectively. As of December 31, 2022, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.2 million and \$1.3 million in deferred loan costs, respectively.

³ As of June 30, 2023, the carrying amount of the 2023 Term Loan was net of \$1.0 million in deferred loan costs.

⁴ The Company also had outstanding letters of credit of \$11.3 million and \$15.8 million under the 2021 Revolver, primarily related to workers' compensation and self-insurance liabilities at June 30, 2023 and December 31, 2022, respectively. The Company also had outstanding letters of credit of \$245.8 million and \$173.1 million under a separate bilateral agreement which do not impact the availability of the 2021 Revolver as of June 30, 2023 and December 31, 2022, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED
Credit Agreements

2021 Debt Agreement — On September 3, 2021, the Company entered into the \$2.3 billion 2021 Debt Agreement (an unsecured credit facility) with a group of banks, replacing the Company's prior debt agreements. The following table presents the key terms of the 2021 Debt Agreement:

	2021 Term Loan A-2	2021 Term Loan A-3	2021 Revolver ²
2021 Debt Agreement Terms	(Dollars in thousands)		
Maximum borrowing capacity	\$200,000	\$800,000	\$1,100,000
Final maturity date	September 3, 2024	September 3, 2026	September 3, 2026
Interest rate margin reference rate	BSBY	BSBY	BSBY
Interest rate minimum margin ¹	0.75%	0.88%	0.88%
Interest rate maximum margin ¹	1.38%	1.50%	1.50%
Minimum principal payment — amount	\$—	\$10,000	\$—
Minimum principal payment — frequency	Once	Quarterly	Once
Minimum principal payment — commencement date	September 3, 2024	September 30, 2024	September 3, 2026

1 The interest rate margin for the 2021 Term Loans and 2021 Revolver is based on the Company's consolidated leverage ratio. As of June 30, 2023, interest accrued at 5.98% on the 2021 Term Loan A-2, 6.11% on the 2021 Term Loan A-3, and 6.17% on the 2021 Revolver.

2 The commitment fee for the unused portion of the 2021 Revolver is based on the Company's consolidated leverage ratio, and ranges from 0.1% to 0.2%. As of June 30, 2023, commitment fees on the unused portion of the 2021 Revolver accrued at 0.1% and outstanding letter of credit fees accrued at 1.0%.

Pursuant to the 2021 Debt Agreement, the 2021 Revolver and the 2021 Term Loans contain certain financial covenants with respect to a maximum net leverage ratio and a minimum consolidated interest coverage ratio. The 2021 Debt Agreement provides flexibility regarding the use of proceeds from asset sales, payment of dividends, stock repurchases, and equipment financing. In addition to the financial covenants, the 2021 Debt Agreement includes usual and customary events of default for a facility of this nature and provides that, upon the occurrence and continuation of an event of default, payment of all amounts payable under the 2021 Debt Agreement may be accelerated, and the lenders' commitments may be terminated. The 2021 Debt Agreement contains certain usual and customary restrictions and covenants relating to, among other things, dividends (which are restricted only if a default or event of default occurs and is continuing or would result therefrom), liens, affiliate transactions, and other indebtedness. As of June 30, 2023, the Company was in compliance with the covenants under the 2021 Debt Agreement.

Borrowings under the 2021 Debt Agreement are made by Knight-Swift Transportation Holdings Inc. and are guaranteed by certain of the Company's material domestic subsidiaries (other than its captive insurance subsidiaries, driving academy subsidiary, and bankruptcy-remote special purpose subsidiary).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

2023 Term Loan — On June 22, 2023, the Company entered into the \$250.0 million 2023 Term Loan (an unsecured credit facility) with a group of banks. The 2023 Term Loan matures on September 3, 2026. There are no scheduled principal payments due until maturity. The 2023 Term Loan contains terms similar to the 2021 Debt Agreement. The proceeds received from the 2023 Term Loan were used to pay fees, commissions and expenses in connection with the Company's acquisition of U.S. Xpress. The interest rate applicable to the 2023 Term Loan is subject to a leverage-based grid and as of June 30, 2023 is equal to SOFR plus the 0.1% SOFR adjustment plus 1.375%. As of June 30, 2023, interest accrued at 6.58% on the 2023 Term Loan.

ACT's Prudential Notes — The 2021 Prudential Notes allow ACT to borrow up to \$125.0 million, less amounts currently outstanding with Prudential Capital Group, provided that certain financial ratios are maintained. The 2021 Prudential Notes have interest rates ranging from 4.05% to 4.40% and various maturity dates ranging from October 2023 through January 2028. The 2021 Prudential Notes are unsecured and contain usual and customary restrictions on, among other things, the ability to make certain payments to stockholders, similar to the provisions of the Company's 2021 Debt Agreement. As of June 30, 2023, ACT had \$98.2 million available for issuance under the agreement.

Fair Value Measurement — See Note 12 for fair value disclosures regarding the Company's debt instruments.

Note 7 — Defined Benefit Pension Plan

Net periodic pension income and benefits paid during the quarters ended June 30, 2023 and 2022 were immaterial.

Assumptions

A weighted-average discount rate of 4.86% was used to determine benefit obligations as of June 30, 2023.

The following weighted-average assumptions were used to determine net periodic pension cost:

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
Discount rate	4.65 %	3.38 %	4.76 %	2.89 %
Expected long-term rate of return on pension plan assets	6.00 %	6.00 %	6.00 %	6.00 %

Refer to Note 12 for additional information regarding fair value measurements of the Company's investments.

Note 8 — Purchase Commitments

As of June 30, 2023, the Company had outstanding commitments to purchase revenue equipment of \$533.2 million in the remainder of 2023 (\$351.4 million of which were tractor commitments), and none thereafter. These purchases may be financed through any combination of finance leases, operating leases, debt, proceeds from sales of existing equipment, and cash flows from operations.

As of June 30, 2023, the Company had outstanding commitments to purchase facilities and non-revenue equipment of \$47.4 million in the remainder of 2023, \$15.9 million from 2024 through 2025, \$1.0 million from 2026 through 2027, and none thereafter. Factors such as costs and opportunities for future terminal expansions may change the amount of such expenditures.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Note 9 — Contingencies and Legal Proceedings**Legal Proceedings**

The Company is party to certain legal proceedings incidental to its business. The majority of these claims relate to bodily injury, property damage, cargo and workers' compensation incurred in the transportation of freight, as well as certain class action litigation related to personnel and employment matters. We record a liability when we believe that it is probable that a loss has been incurred and the amount can be reasonably estimated.

Information is provided below regarding the nature, status, and contingent loss amounts, if any, associated with pending legal matters that may be material to the Company. There are inherent uncertainties in these legal matters, some of which are beyond management's control, making the ultimate outcomes difficult to predict. Moreover, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Cash flows or results of operations could be materially affected in any particular period by the resolution of one or more of these contingencies.

The Company has made accruals with respect to its legal matters where appropriate, which are included in "Accrued liabilities" in the condensed consolidated balance sheets. The Company has recorded an aggregate accrual of approximately \$11.0 million, relating to the Company's outstanding legal proceedings as of June 30, 2023.

EMPLOYEE COMPENSATION AND PAY PRACTICES MATTERS**California Wage, Meal, and Rest Class Actions**

The plaintiffs generally allege one or more of the following: that the Company 1) failed to pay the California minimum wage; 2) failed to provide proper meal and rest periods; 3) failed to timely pay wages upon separation from employment; 4) failed to pay for all hours worked; 5) failed to pay overtime; 6) failed to properly reimburse work-related expenses; and 7) failed to provide accurate wage statements.

Plaintiff(s)	Defendant(s)	Date instituted	Court or agency currently pending in
John Burnell ¹	Swift Transportation Co., Inc	March 22, 2010	United States District Court for the Central District of California
James R. Rudsell ¹	Swift Transportation Co. of Arizona, LLC and Swift Transportation Company	April 5, 2012	United States District Court for the Central District of California

Recent Developments and Current Status

In April 2019, the parties reached settlement of this matter. In January 2020, the court granted final approval of the settlement. Two objectors appealed the court's decision granting final approval of the settlement. The likelihood that a loss has been incurred is probable and estimable, and the loss has accordingly been accrued as of June 30, 2023. The Company paid this settlement on July 10, 2023.

¹ Individually and on behalf of all others similarly situated.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED
Note 10 — Share Repurchase Plans

On April 25, 2022, the Company announced that the Board approved the repurchase of up to \$350.0 million of the Company's outstanding common stock (the "2022 Knight-Swift Share Repurchase Plan"). With the adoption of the 2022 Knight-Swift Share Repurchase Plan, the Company terminated the 2020 Knight-Swift Share Repurchase Plan, which had approximately \$42.8 million of authorized purchases remaining upon termination.

The Company made no share repurchases during the quarter and year-to-date periods ended June 30, 2023.

The following table presents the Company's repurchases of its common stock during 2022 under the respective share repurchase plans, excluding advisory fees:

Share Repurchase Plan		Quarter-to-Date June 30, 2022		Year-to-Date June 30, 2022	
Board Approval Date	Authorized Amount	Shares	Amount	Shares	Amount
(shares and dollars in thousands)					
November 24, 2020	\$250,000	98	\$ 5,101	2,821	\$ 149,982
April 19, 2022 ¹	\$350,000	3,180	\$ 149,959	3,180	\$ 149,959
		3,278	\$ 155,060	6,001	\$ 299,941

¹ \$200.0 million remained available under the 2022 Knight-Swift Repurchase Plan as of June 30, 2023 and December 31, 2022.

Note 11 — Weighted Average Shares Outstanding

Earnings per share, basic and diluted, as presented in the condensed consolidated statements of comprehensive income, are calculated by dividing net income attributable to Knight-Swift by the respective weighted average common shares outstanding during the period.

The following table reconciles basic weighted average shares outstanding to diluted weighted average shares outstanding:

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
(In thousands)				
Basic weighted average common shares outstanding	161,116	162,365	161,018	163,863
Dilutive effect of equity awards	824	801	899	938
Diluted weighted average common shares outstanding	161,940	163,166	161,917	164,801
Anti-dilutive shares excluded from earnings per diluted share ¹	110	575	61	341

¹ Shares were excluded from the dilutive-effect calculation because the outstanding awards' exercise prices were greater than the average market price of the Company's common stock for the periods presented.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED
Note 12 — Fair Value Measurement

The following table presents the carrying amounts and estimated fair values of the Company's major categories of financial assets and liabilities:

Condensed Consolidated Balance Sheets Caption		June 30, 2023		December 31, 2022	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
(In thousands)					
Financial Assets:					
Equity method investments	Other long-term assets	\$ 90,095	\$ 90,095	\$ 103,517	\$ 103,517
Investments in equity securities	Other long-term assets	3,054	3,054	1,668	1,668
Convertible note	Other current assets	11,936	11,936	11,341	11,341
Financial Liabilities:					
2021 Term Loan A-2, due September 2024 ¹	Long-term debt – less current portion	199,828	200,000	199,755	200,000
2021 Term Loan A-3, due September 2026 ¹	Long-term debt – less current portion	798,882	800,000	798,705	800,000
2023 Term Loan, due September 2026 ²	Long-term debt – less current portion	249,002	250,000	—	—
2021 Revolver, due September 2026	Revolving line of credit	210,000	210,000	43,000	43,000
2021 Prudential Notes ³	Finance lease liabilities and long-term debt – current portion, Long-term debt – less current portion	28,206	28,242	35,960	36,014
2022 RSA, due October 2025 ⁴	Accounts receivable securitization	338,641	339,000	418,561	419,000
Contingent consideration	Accrued liabilities, Other long-term liabilities	1,717	1,717	4,217	4,217

¹ As of June 30, 2023, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.2 million and \$1.1 million in deferred loan costs, respectively. As of December 31, 2022, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.2 million and \$1.3 million in deferred loan costs, respectively.

² As of June 30, 2023, the carrying amount of the 2023 Term Loan was net of \$1.0 million in deferred loan costs.

³ As of June 30, 2023, the carrying amount of the 2021 Prudential Notes was net of approximately \$36,000 in deferred loan costs and included \$1.4 million in fair value adjustments. As of December 31, 2022, the carrying amount of the 2021 Prudential Notes was net of \$0.1 million in deferred loan costs and included \$1.7 million in fair value adjustments.

⁴ The carrying amount of the 2022 RSA was net of \$0.4 million in deferred loan costs as of June 30, 2023 and December 31, 2022.

Recurring Fair Value Measurements (Assets) — The following table depicts the level in the fair value hierarchy of the inputs used to estimate the fair value of assets measured on a recurring basis as of June 30, 2023 and December 31, 2022:

	Fair Value Measurements at Reporting Date Using						Unrealized Gain (Loss) Position
	Estimated Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs			
		(In thousands)					
As of June 30, 2023							
Convertible notes ¹	\$ 11,936	\$ —	\$ —	\$ 11,936	\$ 1,936		
Investments in equity securities ²	3,054	3,054	—	—	(49,532)		
As of December 31, 2022							
Convertible notes ¹	\$ 11,341	\$ —	\$ —	\$ 11,341	\$ 1,341		
Investments in equity securities ²	1,668	1,668	—	—	(50,918)		

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

1 **Convertible notes** — The condensed consolidated statements of comprehensive income include the fair value activities from the Company's convertible notes within "Other income (expenses), net". The estimated fair value is based on probability-weighted discounted cash flow analysis of the corresponding pay-off/redemption.

- **Quarter-to-date Gain (Loss) Activities:** The Company recognized unrealized gains of \$0.3 million during the quarters ended June 30, 2023 and 2022.
- **Year-to-date Gain (Loss) Activities:** The Company recognized unrealized gains of \$0.6 million during the year-to-date periods ended June 30, 2023 and 2022.

2 **Investments in equity securities** — The condensed consolidated statements of comprehensive income include the fair value activities from the Company's investments in equity securities within "Other income (expenses), net". The estimated fair value is based on quoted prices in active markets that are readily and regularly obtainable.

- **Quarter-to-date Gain (Loss) Activities:** During the quarter ended June 30, 2023, the Company recognized unrealized gains of \$0.1 million from the Company's various investments in equity securities. During the quarter ended June 30, 2022, the Company recognized a loss of \$30.7 million, which consisted of \$35.1 million in unrealized losses, primarily from mark-to-market adjustments of the Company's equity investment in Embark. This was partially offset by \$4.4 million in realized gains from the Company's other investments in equity securities.
- **Year-to-date Gain (Loss) Activities:** During the year-to-date period ended June 30, 2023, the Company recognized unrealized gains of \$1.4 million from the Company's various investments in equity securities. During the year-to-date period ended June 30, 2022, the Company recognized a loss of \$51.5 million, which consisted of \$55.9 million, primarily from mark-to-market adjustments of the Company's investment in Embark. This was partially offset by \$4.4 million realized gains from the Company's other investments in equity securities.

Recurring Fair Value Measurements (Liabilities) — The following table depicts the level in the fair value hierarchy of the inputs used to estimate the fair value of liabilities measured on a recurring basis as of June 30, 2023 and December 31, 2022:

	Estimated Fair Value	Fair Value Measurements at Reporting Date Using						Total Gain (Loss)		
		Level 1 Inputs		Level 2 Inputs		Level 3 Inputs				
		(In thousands)								
As of June 30, 2023										
Contingent consideration ¹	\$	1,717	\$	—	\$	—	\$	1,717	\$	2,500
As of December 31, 2022										
Contingent consideration ¹	\$	4,217	\$	—	\$	—	\$	4,217	\$	—

1 Contingent consideration is associated with acquisitions and investments. The Company recognized a gain of \$2.5 million during the quarter and year-to-date periods ended June 30, 2023 and did not recognize any gains (losses) in the quarter and year-to-date periods ended June 30, 2022 related to the revaluation of these liabilities. Refer to Note 3 for information regarding material components of these liabilities.

Nonrecurring Fair Value Measurements (Assets) — As of June 30, 2023, the Company had no major categories of assets estimated at fair value that were measured on a nonrecurring basis.

The following table depicts the level in the fair value hierarchy of the inputs used to estimate fair value of assets measured on a nonrecurring basis as of December 31, 2022:

	Fair Value Measurements at Reporting Date Using									
	Estimated Fair Value	Level 1 Inputs		Level 2 Inputs		Level 3 Inputs		Total Loss		
		(In thousands)								
As of December 31, 2022										
Buildings ¹	\$	—	\$	—	\$	—	\$	—	\$	(810)

1 Reflects the non-cash impairment of building improvements (within the non-reportable segments).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

Nonrecurring Fair Value Measurements (Liabilities) — As of June 30, 2023 and December 31, 2022, the Company had no major categories of liabilities estimated at fair value that were measured on a nonrecurring basis.

Gain on Sale of Revenue Equipment — Net gains on disposals, including disposals of property and equipment classified as assets held for sale, are reported in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income. The Company recorded net gains on disposals of:

- \$14.3 million and \$23.0 million for the quarters ended June 30, 2023 and 2022, respectively.
- \$35.2 million and \$57.8 million for the year-to-date periods ended June 30, 2023 and 2022, respectively.

Fair Value of Pension Plan Assets — The following table sets forth by level the fair value hierarchy of ACT's pension plan financial assets accounted for at fair value on a recurring basis. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. ACT's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and their placement within the fair value hierarchy levels.

	Estimated Fair Value	Fair Value Measurements at Reporting Date Using:			
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
		(In thousands)			
As of June 30, 2023					
US equity funds	\$ 7,469	\$ 7,469	\$ —	\$ —	
International equity funds	3,680	3,680	—	—	
Fixed income funds	42,824	42,824	—	—	
Cash and cash equivalents	576	576	—	—	
Total pension plan assets	<u>\$ 54,549</u>	<u>\$ 54,549</u>	<u>\$ —</u>	<u>\$ —</u>	
As of December 31, 2022					
US equity funds	\$ 10,901	\$ 10,901	\$ —	\$ —	
International equity funds	4,828	4,828	—	—	
Fixed income funds	34,728	34,728	—	—	
Cash and cash equivalents	2,078	2,078	—	—	
Total pension plan assets	<u>\$ 52,535</u>	<u>\$ 52,535</u>	<u>\$ —</u>	<u>\$ —</u>	

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED
Note 13 — Related Party Transactions

	Quarter-to-Date June 30,				Year-to-Date June 30,			
	2023		2022		2023		2022	
	Provided by Knight-Swift	Received by Knight-Swift	Provided by Knight-Swift	Received by Knight-Swift	Provided by Knight-Swift	Received by Knight-Swift	Provided by Knight-Swift	Received by Knight-Swift
	(In thousands)							
Facility and Equipment Leases	\$ —	\$ 21	\$ —	\$ 108	\$ —	\$ 46	\$ —	\$ 186
Other Services	\$ —	\$ 259	\$ 33	\$ 9	\$ 27	\$ 393	\$ 38	\$ 18

	June 30, 2023		December 31, 2022	
	Receivable	Payable	Receivable	Payable
	(In thousands)			
Certain affiliates ¹	\$ —	\$ 53	\$ 24	\$ 39

¹ "Certain affiliates" includes entities that are associated with various board members and executives and require approval by the Audit Committee of the Board prior to completing transactions. Transactions with these entities generally include facility and equipment leases, equipment sales, and other services.

Note 14 — Financial Information by Segment and Geography
Segment Information

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
	(In thousands)			
Revenue:				
Truckload	\$ 953,659	\$ 1,188,809	\$ 1,965,904	\$ 2,269,340
LTL	267,105	283,847	522,409	538,972
Logistics	119,943	248,662	258,226	530,701
Intermodal	104,327	132,871	214,899	242,093
Subtotal	\$ 1,445,034	\$ 1,854,189	\$ 2,961,438	\$ 3,581,106
Non-reportable segments	130,110	128,112	272,096	245,751
Intersegment eliminations	(22,165)	(21,170)	(43,623)	(38,737)
Total revenue	\$ 1,552,979	\$ 1,961,131	\$ 3,189,911	\$ 3,788,120

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
	(In thousands)			
Operating income (loss):				
Truckload	\$ 67,911	\$ 206,296	\$ 183,810	\$ 411,413
LTL	30,238	43,767	56,820	70,144
Logistics	9,566	43,749	22,386	83,350
Intermodal	(6,632)	14,172	(1,530)	29,342
Subtotal	\$ 101,083	\$ 307,984	\$ 261,486	\$ 594,249
Non-reportable segments	(7,053)	17,794	(22,669)	29,615
Operating income	\$ 94,030	\$ 325,778	\$ 238,817	\$ 623,864

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
<i>Depreciation and amortization of property and equipment:</i>	(In thousands)			
Truckload	\$ 116,430	\$ 112,719	\$ 233,232	\$ 223,068
LTL	16,820	15,321	33,008	30,581
Logistics	987	546	2,030	1,142
Intermodal	4,777	4,236	9,209	8,100
Subtotal	\$ 139,014	\$ 132,822	\$ 277,479	\$ 262,891
Non-reportable segments	17,367	14,660	34,868	29,635
Depreciation and amortization of property and equipment	\$ 156,381	\$ 147,482	\$ 312,347	\$ 292,526

Geographical Information

In the aggregate, total revenue from the Company's international operations was less than 5.0% of consolidated total revenue for the quarter and year-to-date periods ended June 30, 2023 and 2022. Additionally, long-lived assets on the Company's international subsidiary balance sheets were less than 5.0% of consolidated total assets as of June 30, 2023 and December 31, 2022.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains certain statements that may be considered "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 27A of the Securities Act of 1933, as amended. All statements, other than statements of historical or current fact, are statements that could be deemed forward-looking statements, including without limitation:

- any projections of or guidance regarding earnings, earnings per share, revenues, cash flows, dividends, capital expenditures, or other financial items,
- any statement of plans, strategies, and objectives of management for future operations,
- any statements concerning proposed acquisition plans, new services, or developments,
- any statements regarding future economic conditions or performance, and
- any statements of belief and any statements of assumptions underlying any of the foregoing.

In this Quarterly Report, forward-looking statements include, but are not limited to, statements we make concerning:

- our ability to gain market share and adapt to market conditions, the ability of our infrastructure to support future growth, and the ability, desire, and effects of expanding our service offerings (including expansion of our LTL network), whether we grow organically or through potential acquisitions,
- our ability to recruit and retain qualified driving associates,
- future safety performance,
- future performance of our segments or businesses,
- future capital expenditures, equipment prices (including used equipment) and availability, our equipment purchasing or leasing plans (including containers in our Intermodal segment), and mix of our owned versus leased revenue equipment, and our equipment turnover,
- the impact of pending legal proceedings,
- future insurance claims, coverage, coverage limits, premiums, and retention limits, including exposure through our Iron Insurance line of business,
- the expected freight environment, including freight demand, capacity, seasonality, and volumes,
- economic conditions and growth, including future inflation, consumer spending, supply chain conditions, labor supply and relations, and US Gross Domestic Product ("GDP") changes,
- expected liquidity and methods for achieving sufficient liquidity, including our expected need or desire to incur indebtedness and our ability to comply with debt covenants,
- future fuel prices and availability and the expected impact of fuel efficiency initiatives,
- future expenses, including depreciation and amortizations, interest rates, cost structure, and our ability to control costs,
- future rates, operating profitability and margin, asset utilization, and return on capital,
- future third-party service provider relationships and availability, including pricing terms,
- future contracted pay rates with independent contractors, ability to lease equipment to independent contractors, and compensation arrangements with driving associates,
- future capital allocation, capital structure, capital requirements, and growth strategies and opportunities,
- future share repurchases and dividends,
- future tax rates,
- expected tractor and trailer fleet age, fleet size, and demand for trailer fleet,
- future investment in and deployment of new or updated technology or services,

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

- political conditions and regulations, including conflicts, trade regulation, quotas, duties, or tariffs, and any future changes to the foregoing,
- future purchased transportation expense,
- the U.S. Xpress transaction, including integration efforts and any future effects of the acquisition, and
- others.

Such statements may be identified by their use of terms or phrases such as "believe," "may," "could," "will," "would," "should," "expects," "estimates," "designed," "likely," "foresee," "goals," "seek," "target," "forecast," "projects," "anticipates," "plans," "intends," "hopes," "strategy," "potential," "objective," "mission," "continue," "outlook," "feel," and similar terms and phrases. Forward-looking statements are based on currently available operating, financial, and competitive information. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to materially differ from those set forth in, contemplated by, or underlying the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in Part II, Item 1A "Risk Factors" of our Quarterly Report for the quarter period ended March 31, 2023, Part I, Item 1A "Risk Factors" in our 2022 Annual Report, and various disclosures in our press releases, stockholder reports, and other filings with the SEC.

All such forward-looking statements speak only as of the date of this Quarterly Report. You are cautioned not to place undue reliance on such forward-looking statements. We expressly disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein, to reflect any change in our expectations with regard thereto, or any change in the events, conditions, or circumstances on which any such statement is based.

Reference to Glossary of Terms

Certain acronyms and terms used throughout this Quarterly Report are specific to our company, commonly used in our industry, or are otherwise frequently used throughout our document. Definitions for these acronyms and terms are provided in the "Glossary of Terms," available in the front of this document.

Reference to Annual Report

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements (unaudited) and footnotes included in this Quarterly Report, as well as the consolidated financial statements and footnotes included in our 2022 Annual Report.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Executive Summary

Company Overview

Knight-Swift Transportation Holdings Inc. is one of North America's largest and most diversified freight transportation companies, providing multiple full truckload, LTL, intermodal, and other complementary services. Our objective is to operate our business with industry-leading margins and continued organic growth and growth through acquisitions while providing safe, high-quality, cost-effective solutions for our customers. Knight-Swift uses a nationwide network of business units and terminals in the US and Mexico to serve customers throughout North America. In addition to operating the country's largest truckload fleet, Knight-Swift also contracts with third-party equipment providers to provide a broad range of transportation services to our customers while creating quality driving jobs for our driving associates and successful business opportunities for independent contractors. Our four reportable segments are Truckload, LTL, Logistics, and Intermodal. Additionally, we have various non-reportable segments.

Key Financial Highlights — First Half of 2023

Consolidated operating income decreased 61.7% to \$238.8 million in the first half of 2023, as compared to the same period last year. Net income attributable to Knight-Swift decreased 60.8% to \$167.6 million.

- **Truckload** — 90.7% operating ratio during the first half of 2023. The Adjusted Operating Ratio¹ was 89.1%, with an 11.8% year-over-year decrease in revenue, excluding fuel surcharge and intersegment transactions, driven by a 3.0% decrease in miles per tractor and an 11.8% decrease in revenue per tractor.
- **LTL** — 89.1% operating ratio during the first half of 2023. The Adjusted Operating Ratio¹ was 85.4%, a 320 basis point increase year-over-year, as a result of softer volumes, higher wages, and the decline in fuel surcharge revenue year-over-year.
- **Logistics** — 91.3% operating ratio during the first half of 2023. The Adjusted Operating Ratio¹ was 90.9%, while load count decreased 29.2%.
- **Intermodal** — 100.7% operating ratio during the first half of 2023, with a 16.3% decrease in average revenue per load, partially offset by an increase in load count of 6.1% year-over-year.
- **Non-reportable Segments** — Revenue grew 10.7% year-over-year, though operating income fell to a loss of \$22.7 million driven by a \$37.8 million operating loss (or \$0.18 per diluted share) in our third-party insurance business primarily as a result of increased frequency and unfavorable claim development during the first half of the year and premium collection issues associated with small carriers.
- **Acquisition of U.S. Xpress** — Having closed on July 1, 2023, our synergy teams of leaders from Knight, Swift, and U.S. Xpress are now fully engaged in sharing information, best practices, and further defining opportunities for improvement, and action plans to execute on those opportunities are well under way. We expect to apply a similar approach to integration as we used successfully in the Knight-Swift merger, using cross-functional teams composed of leaders from Knight, Swift, and U.S. Xpress, and we remain encouraged given the positive outcome of the Knight-Swift merger and certain similarities in this transaction.
- **Liquidity and Capital** — During the year-to-date period ended June 30, 2023, we generated \$722.2 million in operating cash flows and Free Cash Flow¹ of \$303.1 million. We paid down \$29.3 million in finance lease liabilities, \$22.2 million in operating lease liabilities, and \$123.0 million on our revolving credit facilities prior to obtaining financing of \$250.0 million under the 2023 Term Loan and \$210.0 million from our revolving credit facilities to fund the \$444.7 million set aside for escrow associated with the closing of the U.S. Xpress acquisition. As of June 30, 2023, we had a balance of \$229.0 million in unrestricted cash and cash equivalents, \$1.3 billion face value outstanding on the 2021 Term Loans and 2023 Term Loan, and \$7.1 billion of stockholders' equity. We do not foresee material liquidity constraints or any issues with our ongoing ability to meet our debt covenants. See discussion under "Liquidity and Capital Resources" for additional information.

¹ Refer to "Non-GAAP Financial Measures" below.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Key Financial Data and Operating Metrics

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP financial data:				
	(Dollars in thousands, except per share data)			
Total revenue	\$ 1,552,979	\$ 1,961,131	\$ 3,189,911	\$ 3,788,120
Revenue, excluding truckload and LTL fuel surcharge	\$ 1,390,448	\$ 1,694,531	\$ 2,840,741	\$ 3,342,409
Net income attributable to Knight-Swift	\$ 63,326	\$ 219,492	\$ 167,610	\$ 427,829
Earnings per diluted share	\$ 0.39	\$ 1.35	\$ 1.04	\$ 2.60
Operating ratio	93.9 %	83.4 %	92.5 %	83.5 %
Non-GAAP financial data:				
Adjusted Net Income Attributable to Knight-Swift ¹	\$ 78,618	\$ 230,189	\$ 197,109	\$ 455,052
Adjusted EPS ¹	\$ 0.49	\$ 1.41	\$ 1.22	\$ 2.76
Adjusted Operating Ratio ¹	91.8 %	79.9 %	90.2 %	80.3 %
Revenue equipment statistics by segment:				
Truckload				
Average tractors ²	17,851	18,055	18,002	18,010
Average trailers ³	79,911	73,010	79,700	72,111
LTL				
Average tractors ⁴	3,163	3,129	3,163	3,110
Average trailers ⁵	8,452	8,402	8,419	8,352
Intermodal				
Average tractors	656	623	631	603
Average containers	12,842	11,491	12,835	11,259

- 1 Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, and Adjusted Operating Ratio are non-GAAP financial measures and should not be considered alternatives, or superior to, the most directly comparable GAAP financial measures. However, management believes that presentation of these non-GAAP financial measures provides useful information to investors regarding the Company's results of operations. Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, and Adjusted Operating Ratio are reconciled to the most directly comparable GAAP financial measures under "Non-GAAP Financial Measures," below.
- 2 Our tractor fleet within the Truckload segment had a weighted average age of 2.6 years and 2.7 years as of June 30, 2023 and 2022, respectively.
- 3 Our average trailers includes 8,377 and 6,014 trailers related to leasing activities recorded within our non-reportable segments for the quarters ended June 30, 2023 and 2022, respectively. Our trailer fleet within the Truckload segment had a weighted average age of 10.0 years and 8.6 years as of June 30, 2023 and 2022, respectively.
Our average trailers includes 8,683 and 6,783 trailers related to leasing activities recorded within our non-reportable segments for the year-to-date period June 30, 2023 and 2022, respectively.
- 4 Our LTL tractor fleet had a weighted average age of 4.2 years and 4.6 years as of June 30, 2023 and 2022, respectively. Our LTL tractor fleet includes 604 and 700 tractors from ACT's and MME's dedicated and other businesses for the quarters ended June 30, 2023 and 2022, respectively. Our LTL tractor fleet includes 611 and 698 tractors from ACT's and MME's dedicated and other businesses for the year-to-date period June 30, 2023 and 2022, respectively.
- 5 Our LTL trailer fleet had a weighted average age of 8.4 years and 8.0 years as of June 30, 2023 and 2022, respectively. Our LTL trailer fleet includes 778 and 962 trailers from ACT's and MME's dedicated and other businesses for the quarters ended June 30, 2023 and 2022, respectively. Our LTL trailer fleet includes 778 and 935 trailers from ACT's and MME's dedicated and other businesses for the year-to-date period June 30, 2023 and 2022, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Market Trends and Outlook

The national unemployment rate was 3.6%¹ as of June 30, 2023, as compared to 3.6%¹ as of June 30, 2022. The US gross domestic product, which is the broadest measure of goods and services produced across the economy, increased by 2.4%² on a year-over-year basis, per preliminary third-party forecasts. The increase, compared to the 2022 decrease of 0.9%, reflected increases in consumer spending, nonresidential fixed investment, state and local government spending, private inventory investment, and federal government spending that were partly offset by decreases in exports and residential fixed investment. Early estimates of the second quarter 2023 US employment cost index indicate a year-over-year increase of 4.5%¹ and a sequential increase of 1.0%¹.

The freight market outlook for the remainder of 2023 includes the following:

- Continued softness in freight demand through the third quarter with modest seasonal uplift in the fourth quarter;
- Non-contract rates improve modestly after bottoming in the second quarter but remain below contract rates through the third quarter while contract rate declines slow sequentially;
- Capacity continues to exit at an accelerating rate;
- Expect trailer pool service, which facilitates preloaded trailer pick-ups and/or drop trailer deliveries, to continue to be a differentiator when demand recovers;
- LTL demand under modest pressure but remains more stable than truckload;
- LTL year-over-year improvement in revenue, excluding fuel surcharge per hundredweight;
- Cost per mile stabilizes on a year-over-year basis in the back half of the year;
- Equipment availability continues to improve;
- Demand for used tractors weakens as small carriers struggle; and
- Labor alternatives in the general economy remain attractive, providing a headwind to hiring and utilization until freight conditions improve.

Based on the above market factors, our Company outlook for the remainder of 2023 includes the following:

Legacy Knight-Swift business

- Truckload rates continue to be pressured, with a year-over-year decrease in overall revenue per mile of high single to low double digits for the full year;
- Truckload tractor count down modestly with miles per tractor improving on a year-over-year basis in the second half of the year;
- LTL revenue, excluding fuel surcharge increases modestly year-over-year with relatively stable margin profile and typical seasonality;
- Logistics volume and revenue per load remains under pressure into the third quarter before improving sequentially in the fourth quarter, with an operating ratio of approximately 90% for the year;
- Intermodal operating ratio roughly breakeven for the full year with volumes up year over year; and
- Non-reportable segments to have modest revenue growth for the year and operating income in the second half roughly in line on a year-over-year basis as insurance losses are expected to moderate.

Combined Knight-Swift and U.S. Xpress

- Equipment gains to be in the range of \$10 million to \$15 million quarterly;
- Expect approximately \$20 million increase in interest expense in the second half of 2023 as compared to the first half, reflecting approximately \$800 million additional debt from U.S. Xpress acquisition and assuming the Federal Reserve rate hiking cycle is nearly complete;
- Net cash capital expenditures for the full year 2023 expected range of \$700 million – \$750 million, which has been updated from \$640 million to \$690 million to include anticipated expenditures for U.S. Xpress; and
- Expected tax rate of 25% to 26% for the full year 2023.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

In addition to the above, we expect the Truckload segment will continue to operate efficiently and the Logistics segment will continue to provide value to our customers through our power-only and traditional brokerage service offerings. Our ACT and MME teams are working together to further build out a super-regional network that we expect will provide additional yield and revenue opportunities. As of the fourth quarter of 2022, ACT and MME are on the same platform. We experienced some challenges in the integration, but believe the material challenges were addressed during the first quarter of 2023. The Intermodal segment continues to build out its network that aligns with our new rail partners. Our non-reportable segments are further expanding to complement our other service offerings even as we work to improve the underwriting profitability of our insurance program as well as reduce our exposure to small carrier risk in the current market.

We anticipate that rent expense as a percentage of revenue, excluding truckload and LTL fuel surcharge, will increase over the remainder of 2023 as we incorporate equipment from U.S. Xpress's lease portfolio into our fleet. We anticipate that depreciation and amortization expense will increase, as a percentage of revenue, excluding truckload and LTL fuel surcharge, as we intend to purchase, rather than enter into operating leases, for a majority of our revenue equipment, terminal improvements, or terminal expansions in the remainder of 2023. With significant tightening in the insurance markets, we may also experience changes in premiums, retention limits, and excess coverage limits in the remainder of 2023. While fuel expense is generally offset by fuel surcharge revenue, our fuel expense, net of truckload and LTL fuel surcharge revenue, may increase in the future, particularly during periods of sharply rising fuel prices. In periods of declining prices the opposite is true. Overall, we remain committed to long-term profitability as we continue to leverage opportunities across the Knight-Swift brands, and efficiently deploy our assets, while maintaining a relentless focus on cost control. This includes seeking acquisition opportunities to improve earnings, gain customers, and reach more professional drivers, as illustrated by the acquisition of U.S. Xpress and our intention to expand the geographic footprint of our LTL network.

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- 1 Source: bls.gov
2 Source: bea.gov

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Results of Operations — Summary**Operating Results: Second Quarter 2023 Compared to Second Quarter 2022**

The \$156.2 million decrease in net income attributable to Knight-Swift to \$63.3 million during the second quarter of 2023 from \$219.5 million during the same period last year includes the following:

- **Contributor** — \$138.4 million decrease in operating income within our Truckload segment. Quarter-over-quarter miles per tractor decreased 3.3% during the second quarter of 2023, and revenue, excluding fuel surcharge and intersegment transactions declined by 15.5%.
- **Contributor** — \$34.2 million decrease in operating income within our Logistics segment due to 35.0% decline in load count.
- **Contributor** — \$20.8 million decrease in operating income within our Intermodal segment, driven by a 24.5% decrease in revenue per load, partially offset by a 4.0% increase in load count.
- **Contributor** — \$24.8 million decrease in operating income within the non-reportable segments, primarily due to a \$15.0 million operating loss from our Iron Insurance line of business.
- **Contributor** — \$13.5 million decrease in operating income within our LTL segment partly due to a 3.9% decrease in shipments per day.
- **Contributor** — \$15.0 million increase in consolidated interest expense primarily driven by higher interest rates.
- **Offset** — \$35.3 million increase in "Other income (expenses), net," primarily driven by an unrealized loss on our investment in Embark recorded in the second quarter of 2022 and a net gain recorded within our portfolio of investments during the second quarter of 2023.
- **Offset** — \$50.1 million decrease in consolidated income tax expense, primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of 25.9% for the second quarter of 2023, and 24.7% for the second quarter of 2022.

Operating Results: First Half 2023 Compared to First Half 2022

The \$260.2 million decrease in net income attributable to Knight-Swift to \$167.6 million during the first half of 2023 from \$427.8 million during the same period last year includes the following:

- **Contributor** — \$227.6 million decrease in operating income within our Truckload segment. Miles per tractor decreased 3.0% during the first half of 2023, and revenue, excluding fuel surcharge and intersegment transactions declined by 11.8%.
- **Contributor** — \$61.0 million decrease in operating income within our Logistics segment due to a 29.2% decline in load count.
- **Contributor** — \$30.9 million decrease in operating income within our Intermodal segment, driven by a 16.3% decrease in revenue per load.
- **Contributor** — \$52.3 million decrease in operating income within the non-reportable segments, primarily due to a \$37.8 million operating loss from our Iron Insurance line of business.
- **Contributor** — \$31.4 million increase in consolidated interest expense primarily driven by higher interest rates.
- **Contributor** — \$13.3 million decrease in operating income within our LTL segment partly due to a 4.7% decrease in shipments per day.
- **Offset** — \$59.4 million increase in "Other income (expenses), net," primarily driven by an unrealized loss on our investment in Embark recorded in the first half of 2022 and a net gain recorded within our portfolio of investments during the first half of 2023.
- **Offset** — \$86.6 million decrease in consolidated income tax expense was primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of 24.7% for the first half of 2023, and 24.8% for the first half of 2022.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Results of Operations — Segment Review

The Company has four reportable segments: Truckload, LTL, Logistics, and Intermodal, as well as certain non-reportable segments.

Consolidating Tables for Total Revenue and Operating Income (Loss)

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
Revenue:	(In thousands)			
Truckload	\$ 953,659	\$ 1,188,809	\$ 1,965,904	\$ 2,269,340
LTL	267,105	283,847	522,409	538,972
Logistics	119,943	248,662	258,226	530,701
Intermodal	104,327	132,871	214,899	242,093
Subtotal	\$ 1,445,034	\$ 1,854,189	\$ 2,961,438	\$ 3,581,106
Non-reportable segments	130,110	128,112	272,096	245,751
Intersegment eliminations	(22,165)	(21,170)	(43,623)	(38,737)
Total revenue	<u>\$ 1,552,979</u>	<u>\$ 1,961,131</u>	<u>\$ 3,189,911</u>	<u>\$ 3,788,120</u>

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
Operating income (loss):	(In thousands)			
Truckload	\$ 67,911	\$ 206,296	\$ 183,810	\$ 411,413
LTL	30,238	43,767	56,820	70,144
Logistics	9,566	43,749	22,386	83,350
Intermodal	(6,632)	14,172	(1,530)	29,342
Subtotal	\$ 101,083	\$ 307,984	\$ 261,486	\$ 594,249
Non-reportable segments	(7,053)	17,794	(22,669)	29,615
Operating income	<u>\$ 94,030</u>	<u>\$ 325,778</u>	<u>\$ 238,817</u>	<u>\$ 623,864</u>

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Revenue

- Our truckload services include irregular route and dedicated, refrigerated, expedited, flatbed, and cross-border transportation of various products, goods, and materials for our diverse customer base with approximately 13,500 irregular route and 4,500 dedicated tractors.
- Our LTL business, which was initially established in 2021 through the ACT acquisition and later the MME acquisition, provides our customers with regional LTL transportation service through our growing network of approximately 100 facilities and a door count of approximately 4,400. Our LTL segment operates approximately 3,200 tractors and approximately 8,500 trailers and also provides national coverage to our customers by utilizing partner carriers for areas outside of our direct network.
- Our Logistics and Intermodal segments provide a multitude of shipping solutions, including additional sources of truckload capacity and alternative transportation modes, by utilizing our vast network of third-party capacity providers and rail providers, as well as certain logistics and freight management services. We continue to offer power-only services through our Logistics segment leveraging our fleet of over 80,000 trailers.
- Our non-reportable segments include support services provided to our customers and third-party carriers including insurance, equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services. Our non-reportable segments also include certain corporate expenses (such as legal settlements and accruals, certain impairments, and amortization of intangibles related to the 2017 Merger and various acquisitions).
- In addition to the revenues earned from our customers for the trucking and non-trucking services discussed above, we also earn fuel surcharge revenue from our customers through our fuel surcharge programs, which serve to recover a majority of our fuel costs. This generally applies only to loaded miles for our Truckload and LTL segments and typically does not offset non-paid empty miles, idle time, and out-of-route miles driven. Fuel surcharge programs involve a computation based on the change in national or regional fuel prices. These programs may update as often as weekly, but typically require a specified minimum change in fuel cost to prompt a change in fuel surcharge revenue. Therefore, many of these programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue for our Truckload and LTL segments.

Expenses

Our most significant expenses typically vary with miles traveled and include fuel, driving associate-related expenses (such as wages and benefits), and services purchased from third-party service providers (including other trucking companies, railroad and drayage providers, and independent contractors). Maintenance and tire expenses, as well as the cost of insurance and claims generally vary with the miles we travel, but also have a controllable component based on safety performance, fleet age, operating efficiency, and other factors. Our primary fixed costs are depreciation and lease expense for revenue equipment and terminals, non-driver employee compensation, amortization of intangible assets, and interest expenses.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Operating Statistics

We measure our consolidated and segment results through the operating statistics listed in the table below. Our chief operating decision makers monitor the GAAP results of our reportable segments, supplemented by certain non-GAAP information. Refer to "Non-GAAP Financial Measures" for more details. Additionally, we use a number of primary indicators to monitor our revenue and expense performance and efficiency.

Operating Statistic	Relevant Segment(s)	Description
Average Revenue per Tractor	Truckload	Measures productivity and represents revenue (excluding fuel surcharge and intersegment transactions) divided by average tractor count
Total Miles per Tractor	Truckload	Total miles (including loaded and empty miles) a tractor travels on average
Average Length of Haul	Truckload, LTL	For our Truckload segment this is calculated as average miles traveled with loaded trailer cargo per order. For our LTL segment this is calculated as average miles traveled from the origin service center to the destination service center.
Non-paid Empty Miles Percentage	Truckload	Percentage of miles without trailer cargo
Shipments per Day	LTL	Average number of shipments completed each business day
Weight per Shipment	LTL	Total weight (in pounds) divided by total shipments
Revenue per shipment	LTL	Total revenue divided by total shipments
Revenue xFSC per shipment	LTL	Total revenue, excluding fuel surcharge, divided by total shipments
Revenue per hundredweight	LTL	Measures yield and is calculated as total revenue divided by total weight (in pounds) times 100
Revenue xFSC per hundredweight	LTL	Total revenue, excluding fuel surcharge, divided by total weight (in pounds) times 100
Average Tractors	Truckload, LTL, Intermodal	Average tractors in operation during the period including company tractors and tractors provided by independent contractors
Average Trailers	Truckload, LTL	Average trailers in operation during the period
Average Revenue per Load	Logistics, Intermodal	Total revenue (excluding intersegment transactions) divided by load count
Gross Margin Percentage	Logistics	Logistics gross margin (revenue, excluding intersegment transactions, less purchased transportation expense, excluding intersegment transactions) as a percentage of logistics revenue, excluding intersegment transactions
Average Containers	Intermodal	Average containers in operation during the period
GAAP Operating Ratio	Truckload, LTL, Logistics, Intermodal	Measures operating efficiency and is widely used in our industry as an assessment of management's effectiveness in controlling all categories of operating expenses. Calculated as operating expenses as a percentage of total revenue, or the inverse of operating margin.
Non-GAAP Adjusted Operating Ratio	Truckload, LTL, Logistics, Intermodal	Measures operating efficiency and is widely used in our industry as an assessment of management's effectiveness in controlling all categories of operating expenses. Consolidated and segment Adjusted Operating Ratios are reconciled to their corresponding GAAP operating ratios under "Non-GAAP Financial Measures," below.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Segment Review
Truckload Segment

We generate revenue in the Truckload segment primarily through irregular route, dedicated, refrigerated, expedited, flatbed, and cross-border service operations across our brands. We operated approximately 13,500 irregular route tractors and approximately 4,500 dedicated route tractors in use during the quarter ended June 30, 2023. Generally, we are paid a predetermined rate per mile or per load for our truckload services. Additional revenues are generated by charging for tractor and trailer detention, loading and unloading activities, dedicated services, and other specialized services, as well as through the collection of fuel surcharge revenue to mitigate the impact of increases in the cost of fuel. The main factors that affect the revenue generated by our Truckload segment are rate per mile from our customers, the percentage of miles for which we are compensated, and the number of loaded miles we generate with our equipment.

The most significant expenses in the Truckload segment are primarily variable and include fuel and fuel taxes, driving associate-related expenses (such as wages, benefits, training, and recruitment), and costs associated with independent contractors primarily included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. Maintenance expense (which includes costs for replacement tires for our revenue equipment) and insurance and claims expenses have both fixed and variable components. These expenses generally vary with the miles we travel, but also have a controllable component based on safety, fleet age, efficiency, and other factors. The main fixed costs in the Truckload segment are depreciation and rent expense from tractors, trailers, and terminals, as well as compensating our non-driver employees.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands, except per tractor data)				Increase (Decrease)	
Total revenue	\$ 953,659	\$ 1,188,809	\$ 1,965,904	\$ 2,269,340	(19.8 %)	(13.4 %)
Revenue, excluding fuel surcharge and intersegment transactions	\$ 829,373	\$ 981,479	\$ 1,695,353	\$ 1,923,013	(15.5 %)	(11.8 %)
GAAP: Operating income	\$ 67,911	\$ 206,296	\$ 183,810	\$ 411,413	(67.1 %)	(55.3 %)
Non-GAAP: Adjusted Operating Income ¹	\$ 68,210	\$ 206,619	\$ 184,452	\$ 412,060	(67.0 %)	(55.2 %)
Average revenue per tractor ²	\$ 46,461	\$ 54,361	\$ 94,176	\$ 106,775	(14.5 %)	(11.8 %)
GAAP: Operating ratio ²	92.9 %	82.6 %	90.7 %	81.9 %	1,030 bps	880 bps
Non-GAAP: Adjusted Operating Ratio ^{1 2}	91.8 %	78.9 %	89.1 %	78.6 %	1,290 bps	1,050 bps
Non-paid empty miles percentage	15.2 %	14.6 %	15.1 %	14.4 %	60 bps	70 bps
Average length of haul (miles) ²	385	392	388	393	(1.8 %)	(1.3 %)
Total miles per tractor ²	18,904	19,542	37,304	38,460	(3.3 %)	(3.0 %)
Average tractors ^{2 3}	17,851	18,055	18,002	18,010	(1.1 %)	— %
Average trailers ^{2 4}	79,911	73,010	79,700	72,111	9.5 %	10.5 %

1 Refer to "Non-GAAP Financial Measures" below.

2 Defined under "Operating Statistics," above.

3 Includes 15,995 and 16,172 average company-owned tractors for the second quarter of 2023 and 2022, respectively.

Includes 16,128 and 16,165 average company-owned tractors for the first half of 2023 and 2022, respectively.

4 Our average trailers includes 8,377 and 6,014 trailers related to leasing activities recorded within our non-reportable operating segments for the quarters ended June 30, 2023 and 2022, respectively. Our average trailers includes 8,683 and 6,783 trailers related to leasing activities recorded within our non-reportable operating segments for the year-to-date period June 30, 2023 and 2022, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The Truckload segment experienced an extremely difficult environment, operating with a 91.8% Adjusted Operating Ratio as soft demand and a slight uptick in driver turnover were headwinds to volumes and utilization. Revenue per loaded mile, excluding fuel surcharge and intersegment transactions, declined 11.0% year-over-year as new rates continue to take effect throughout our portfolio and as pricing pressure intensified in the softer volume environment. Revenue, excluding fuel surcharge and intersegment transactions, was \$829.4 million, a decrease of 15.5% year-over-year. Miles per tractor decreased 3.3%, and revenue per tractor decreased 14.5% year-over-year as the improving revenue per tractor in our dedicated division was more than offset by declines in the over-the-road business. Cost per mile, net of fuel surcharge recovery, increased 2.7% year-over-year but was stable sequentially.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The Truckload segment operated with an 89.1% Adjusted Operating Ratio. Revenue, excluding fuel surcharge and intersegment transactions, was \$1.7 billion, a decrease of 11.8% year-over-year. Miles per tractor decreased 3.0%, and revenue per tractor decreased 11.8% year-over-year as the improving revenue per tractor in our dedicated division was more than offset by declines in the over-the-road business. Cost per mile, net of fuel surcharge recovery, increased 3.2% year-over-year.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
LTL Segment

Dothan, Alabama-based ACT and Bismarck, North Dakota-based MME, both acquired in 2021, comprise our LTL segment. We provide regional direct service and serve our customers' national transportation needs by utilizing key partner carriers for coverage areas outside of our network. We primarily generate revenue by transporting freight for our customers through our core LTL services.

Our revenues are impacted by shipment volume and tonnage levels that flow through our network. Additional revenues are generated through fuel surcharges and accessorial services provided during transit from shipment origin to destination. We focus on the following multiple revenue generation factors when reviewing revenue yield: revenue per hundredweight, revenue per shipment, weight per shipment, and length of haul. Fluctuations within each of these metrics are analyzed when determining the revenue quality of our customers' shipment density.

Our most significant expense is related to direct costs associated with the transportation of our freight moves including direct salary, wage and benefit costs, fuel expense, and depreciation expense associated with revenue equipment costs. Other expenses associated with revenue generation that can fluctuate and impact operating results are insurance and claims expenses, as well as maintenance costs of our revenue equipment. These expenses can be influenced by multiple factors including our safety performance, equipment age, and other factors. A key component of lowering our operating costs is labor efficiency within our network. We continue to focus on technological advances to improve the customer experience and reduce our operating costs.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands, except per tractor data)				Increase (Decrease)	
Total revenue	\$ 267,105	\$ 283,847	\$ 522,409	\$ 538,972	(5.9 %)	(3.1 %)
Revenue, excluding fuel surcharge and intersegment transactions	\$ 228,578	\$ 224,178	\$ 442,507	\$ 438,853	2.0 %	0.8 %
GAAP: Operating income	\$ 30,238	\$ 43,767	\$ 56,820	\$ 70,144	(30.9 %)	(19.0 %)
Non-GAAP: Adjusted Operating Income ¹	\$ 34,158	\$ 47,762	\$ 64,660	\$ 78,084	(28.5 %)	(17.2 %)
GAAP: Operating ratio ²	88.7 %	84.6 %	89.1 %	87.0 %	410 bps	210 bps
Non-GAAP: Adjusted Operating Ratio ¹	85.1 %	78.7 %	85.4 %	82.2 %	640 bps	320 bps
LTL shipments per day ²	18,898	19,657	18,308	19,220	(3.9 %)	(4.7 %)
LTL weight per shipment ²	1,058	1,068	1,059	1,083	(0.9 %)	(2.2 %)
LTL average length of haul (miles) ²	545	522	540	522	4.4 %	3.4 %
LTL revenue per shipment ²	\$ 187.92	\$ 191.30	\$ 188.59	\$ 185.01	(1.8 %)	1.9 %
LTL revenue xFSC per shipment ²	\$ 160.66	\$ 151.64	\$ 159.60	\$ 151.18	5.9 %	5.6 %
LTL revenue per hundredweight ²	\$ 17.77	\$ 17.91	\$ 17.80	\$ 17.09	(0.8 %)	4.2 %
LTL revenue xFSC per hundredweight	\$ 15.19	\$ 14.20	\$ 15.07	\$ 13.97	7.0 %	7.9 %
LTL average tractors ^{2 3}	3,163	3,129	3,163	3,110	1.1 %	1.7 %
LTL average trailers ^{2 4}	8,452	8,402	8,419	8,352	0.6 %	0.8 %

1 Refer to "Non-GAAP Financial Measures" below.

2 Defined under "Operating Statistics," above.

3 Our LTL tractor fleet includes 604 and 700 tractors from ACT's and MME's dedicated and other businesses for the second quarter of 2023 and 2022, respectively. Our LTL tractor fleet includes 611 and 698 tractors from ACT's and MME's dedicated and other businesses for the year-to-date period June 30, 2023 and 2022, respectively.

4 Our LTL trailer fleet includes 778 and 962 trailers from ACT's and MME's dedicated and other businesses for the second quarter of 2023 and 2022, respectively. Our LTL trailer fleet includes 778 and 935 trailers from ACT's and MME's dedicated and other businesses for the year-to-date period June 30, 2023 and 2022, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Comparison Between the Quarters Ended June 30, 2023 and 2022 — Our LTL segment operated well, producing an 85.1% Adjusted Operating Ratio during the second quarter of 2023, which represents a slight improvement sequentially but a 640 basis point degradation from the second quarter of 2022 as softer volumes, higher wages, and the decline in fuel surcharge revenues over the past year have pressured the Adjusted Operating Ratio. Shipments per day decreased 3.9% year-over-year with softer demand. Revenue per hundredweight increased 7.0% excluding fuel surcharge, while revenue per shipment increased by 5.9%, excluding fuel surcharge, reflecting a 0.9% decrease in weight per shipment.

We expect our connected LTL network and the expanding use of shipment dimensioning technology will provide additional opportunities for revenue growth. During the second quarter, we increased our door count by 50, and we expect door capacity to continue to grow by an additional 100 doors through the remainder of 2023. We remain encouraged by the strong performance within our LTL segment, and we continue to look for both organic and inorganic opportunities to geographically expand our footprint within the LTL market.

Comparison Between Year-to-Date June 30, 2023 and 2022 — Our LTL segment produced an 85.4% Adjusted Operating Ratio during the first half of 2023, a 320 basis point degradation over the first half of 2022. Shipments per day decreased 4.7% with softer demand. Revenue per hundredweight increased 7.9% excluding fuel surcharge, while revenue per shipment increased by 5.6%, excluding fuel surcharge, reflecting a 2.2% decrease in weight per shipment.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Logistics Segment

The Logistics segment is less asset-intensive than the Truckload and LTL segments and is dependent upon capable non-driver employees, modern and effective information technology, and third-party capacity providers. Logistics revenue is generated by its brokerage operations. We generate additional revenue by offering specialized logistics solutions (including, but not limited to, trailing equipment, origin management, surge volume, disaster relief, special projects, and other logistic needs). Logistics revenue is mainly affected by the rates we obtain from customers, the freight volumes we ship through third-party capacity providers, and our ability to secure third-party capacity providers to transport customer freight.

The most significant expense in the Logistics segment is purchased transportation that we pay to third-party capacity providers, which is primarily a variable cost and is included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. Variability in this expense depends on truckload capacity, availability of third-party capacity providers, rates charged to customers, current freight demand, and customer shipping needs. Fixed Logistics operating expenses primarily include non-driver employee compensation and benefits recorded in "Salaries, wages, and benefits" and depreciation and amortization expense recorded in "Depreciation and amortization of property and equipment" in the condensed consolidated statements of comprehensive income.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands, except per load data)				Increase (Decrease)	
Total revenue	\$ 119,943	\$ 248,662	\$ 258,226	\$ 530,701	(51.8 %)	(51.3 %)
Revenue, excluding intersegment transactions	\$ 117,782	\$ 247,319	\$ 254,559	\$ 527,490	(52.4 %)	(51.7 %)
GAAP: Operating income	\$ 9,566	\$ 43,749	\$ 22,386	\$ 83,350	(78.1 %)	(73.1 %)
Non-GAAP: Adjusted Operating Income ^{1 2}	\$ 9,900	\$ 44,083	\$ 23,054	\$ 84,018	(77.5 %)	(72.6 %)
Revenue per load ²	\$ 1,652	\$ 2,257	\$ 1,685	\$ 2,471	(26.8 %)	(31.8 %)
Gross margin percentage ²	19.4 %	24.4 %	19.6 %	22.2 %	(500 bps)	(260 bps)
GAAP: Operating ratio ²	92.0 %	82.4 %	91.3 %	84.3 %	960 bps	700 bps
Non-GAAP: Adjusted Operating Ratio ^{1 2}	91.6 %	82.2 %	90.9 %	84.1 %	940 bps	680 bps

1 Refer to "Non-GAAP Financial Measures" below.

2 Defined under "Operating Statistics," above.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The Logistics segment Adjusted Operating Ratio was 91.6%, with a gross margin of 19.4% in the second quarter of 2023, down from 24.4% in the second quarter of 2022 as pressure on top-line pricing is no longer being offset by corresponding reductions in purchased transportation costs. The brokerage space continues to endure soft demand, causing our load count to decline by 35.0% year-over-year, though our traditional brokerage volumes are seeing greater declines than our power-only service offering. The soft demand resulted in revenue per load decreasing by 26.8% year-over-year. We continue to leverage our consolidated fleet of approximately 80,000 trailers as we build out our power-only service. We continue to innovate with technology intended to remove friction and allow seamless connectivity, leading to services that we expect will capture new opportunities for revenue growth.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The Logistics segment Adjusted Operating Ratio was 90.9%, with a gross margin of 19.6% in the first half of 2023, down slightly from 22.2% in the first half of 2022. The brokerage space continues to endure soft demand, causing our load count to decline by 29.2% and revenue per load to decrease by 31.8% during the first half of 2023 when compared to the first half of 2022.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Intermodal Segment

The Intermodal segment complements our regional operating model, allows us to better serve customers in longer haul lanes, and reduces our investment in fixed assets. Through the Intermodal segment, we generate revenue by moving freight over the rail in our containers and other trailing equipment, combined with revenue for drayage to transport loads between railheads and customer locations. The most significant expense in the Intermodal segment is the cost of purchased transportation that we pay to third-party capacity providers (including rail providers), which is primarily variable and included in "Purchased transportation" in the condensed consolidated statements of comprehensive income. While rail pricing is determined on an annual basis, purchased transportation varies as it relates to rail capacity, freight demand, and customer shipping needs. The main fixed costs in the Intermodal segment are depreciation of our company tractors related to drayage, containers, and chassis, as well as non-driver employee compensation and benefits.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands, except per load data)				Increase (Decrease)	
Total revenue	\$ 104,327	\$ 132,871	\$ 214,899	\$ 242,093	(21.5 %)	(11.2 %)
Revenue, excluding intersegment transactions	\$ 104,327	\$ 132,854	\$ 214,899	\$ 242,046	(21.5 %)	(11.2 %)
GAAP: Operating income	\$ (6,632)	\$ 14,172	\$ (1,530)	\$ 29,342	(146.8 %)	(105.2 %)
Average revenue per load ¹	\$ 2,749	\$ 3,642	\$ 2,979	\$ 3,560	(24.5 %)	(16.3 %)
GAAP: Operating ratio ¹	106.4 %	89.3 %	100.7 %	87.9 %	1,710 bps	1,280 bps
Load count	37,945	36,474	72,138	67,989	4.0 %	6.1 %
Average tractors ²	656	623	631	603	5.3 %	4.6 %
Average containers ²	12,842	11,491	12,835	11,259	11.8 %	14.0 %

¹ Defined under "Operating Statistics," above.

² Includes 595 and 558 company-owned tractors for the second quarter of 2023 and 2022, respectively.

Includes 568 and 546 company-owned tractors for the year-to-date periods ended June 30, 2023 and 2022, respectively.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The Intermodal segment operated with a 106.4% operating ratio while total revenue decreased 21.5% to \$104.3 million. While load count increased year-over-year by 4.0%, revenue per load declined 24.5% as a result of soft demand, competitive truck capacity, and the winding down of a container leasing project. With improved rail pricing going into effect in the second half of the year, initiatives to reduce chassis costs, and volume support from new bid awards and improved rail service, we expect to improve the operating results of this segment moving forward. We remain focused on growing our load count and improving the efficiency of our assets as Intermodal continues to provide value to our customers and is complementary to the many services we offer.

We expect to continue to grow with new customers and expand with existing customers. With our container fleet count now approximately 12,800, we do not expect to order additional containers until we achieve meaningful improvement in our turns per container. Our capex strategy is shifting to chassis moving forward as we work to better optimize our operation and reduce equipment costs. We remain focused on growing our load count and improving the efficiency of our assets as Intermodal continues to provide value to our customers and is complementary to the many services we offer.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The Intermodal segment operated with a 100.7% operating ratio while revenue excluding intersegment transactions decreased 11.2% to \$214.9 million. Load count increased year-over-year by 6.1%, reflecting continued load growth since transitioning western rail partners in January 2022.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Non-reportable Segments

Our non-reportable segments include support services provided to our customers and third-party carriers including insurance, equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services. Our non-reportable segments also include certain corporate expenses (such as legal settlements and accruals, certain impairments, and \$12.0 million in quarterly amortization of intangibles related to the 2017 Merger and various acquisitions).

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Total revenue	\$ 130,110	\$ 128,112	\$ 272,096	\$ 245,751	1.6 %	10.7 %
Operating (loss) income	\$ (7,053)	\$ 17,794	\$ (22,669)	\$ 29,615	(139.6 %)	(176.5 %)

Revenue growth slowed to 1.6% year-over-year, largely as a result of our actions designed to address the recent challenges within our third-party insurance program, producing a \$7.1 million operating loss within our non-reportable segments. Our efforts to improve our Iron Insurance line of business reduced its operating loss by \$7.8 million since the first quarter to a \$15.0 million operating loss (or \$0.07 per diluted share) during the second quarter of 2023. We have made progress reducing the exposure basis of third party carrier risk, and we are applying more stringent underwriting criteria and higher premiums for any retained risk as policies come up for renewal. The current operating loss is primarily due to ongoing claims development and the time it takes to work higher premiums through the portfolio.

Revenue growth of 10.7% between the first half of 2023 and the first half of 2022 was offset by the challenges within our third-party insurance program, resulting in a \$22.7 million operating loss within our non-reportable segments. Overall, our Iron Insurance line of business produced a \$37.8 million operating loss (or \$0.18 per diluted share) during the first half of 2023, primarily due to increased frequency and unfavorable claim development as well as insurance premium collection issues associated with small carriers who are struggling given the soft freight market conditions.

As noted previously, it will take some time for this pivot to fully materialize in the results, but we expect sequential income growth and a positive contribution for the non-reportable segments as a whole in the second half of the year, supported by continued revenue growth from the other activities within our non-reportable segments moving forward.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Results of Operations — Consolidated Operating and Other Expenses

Consolidated Operating Expenses

The following tables present certain operating expenses from our condensed consolidated statements of comprehensive income, including each operating expense as a percentage of total revenue and as a percentage of revenue, excluding truckload and LTL fuel surcharge. Truckload and LTL fuel surcharge revenue can be volatile and is primarily dependent upon the cost of fuel, rather than operating expenses unrelated to fuel. Therefore, we believe that revenue, excluding truckload and LTL fuel surcharge is a better measure for analyzing many of our expenses and operating metrics.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Salaries, wages, and benefits	\$ 533,237	\$ 549,956	\$ 1,069,979	\$ 1,086,012	(3.0 %)	(1.5 %)
% of total revenue	34.3 %	28.0 %	33.5 %	28.7 %	630 bps	480 bps
% of revenue, excluding truckload and LTL fuel surcharge	38.4 %	32.5 %	37.7 %	32.5 %	590 bps	520 bps

Salaries, wages, and benefits expense is primarily affected by the total number of miles driven by and rates we pay to our company driving associates, and employee benefits including healthcare, workers' compensation, and other benefits. To a lesser extent, non-driver employee headcount, compensation, and benefits affect this expense. Driving associate wages represent the largest component of salaries, wages, and benefits expense.

Several ongoing market factors have reduced the pool of available driving associates, contributing to a challenging driver sourcing market, which we believe will continue. Having a sufficient number of qualified driving associates is a significant headwind, although we continue to seek ways to attract and retain qualified driving associates, including heavily investing in our recruiting efforts, our driving academies, technology, our equipment, and our terminals that improve the experience of driving associates. We expect labor costs (related to both driving associates and non-driver employees) to remain inflationary, which we expect will result in additional pay increases in the future, thereby increasing our salaries, wages, and benefits expense.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — Consolidated salaries, wages, and benefits decreased by \$16.7 million for the second quarter of 2023, as compared to the second quarter of 2022. This decrease primarily pertained to a 4.2% decrease in miles driven by company driving associates as well as a decrease in non-driver salaries and wages.

Comparison Between Year-to-Date June 30, 2023 and 2022 — Consolidated salaries, wages, and benefits decreased by \$16.0 million for the first half of 2023, as compared to the first half of 2022. This decrease primarily pertained to a 3.3% decrease in miles driven by company driving associates as well as a decrease in non-driver salaries and wages.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Fuel	\$ 168,300	\$ 257,146	\$ 356,059	\$ 447,635	(34.6 %)	(20.5 %)
% of total revenue	10.8 %	13.1 %	11.2 %	11.8 %	(230 bps)	(60 bps)
% of revenue, excluding truckload and LTL fuel surcharge	12.1 %	15.2 %	12.5 %	13.4 %	(310 bps)	(90 bps)

Fuel expense consists primarily of diesel fuel expense for our company-owned tractors. The primary factors affecting our fuel expense are the cost of diesel fuel, the fuel economy of our equipment, and the miles driven by company driving associates.

Our fuel surcharge programs help to offset increases in fuel prices, but generally apply only to loaded miles for our Truckload and LTL segments and typically do not offset non-paid empty miles, idle time, or out-of-route miles driven. Typical fuel surcharge programs involve a computation based on the change in national or regional fuel prices. These programs may update as often as weekly, but typically require a specified minimum change in fuel cost to prompt a change in fuel surcharge revenue for our Truckload and LTL segments. Therefore, many of these programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue. Due to this time lag, our fuel expense, net of fuel surcharge, negatively impacts our operating income during periods of sharply rising fuel costs and positively impacts our operating income during periods of falling fuel costs. We continue to utilize our fuel efficiency initiatives such as trailer blades, idle-control, management of tractor speeds, fleet updates for more fuel-efficient engines, management of fuel procurement, and driving associate training programs that we believe contribute to controlling our fuel expense.

Comparison Between Quarters Ended June 30, 2023 and 2022 — The \$88.8 million decrease in consolidated fuel expense for the second quarter is due to a decrease in total miles driven by company driving associates as well as lower average DOE fuel prices for the second quarter of 2023 as compared to the second quarter of 2022. Average DOE fuel prices were \$3.94 per gallon for the second quarter of 2023 and \$5.53 per gallon for the second quarter of 2022.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$91.6 million decrease in consolidated fuel expense for the first half is due to a decrease in total miles driven by company driving associates as well as lower average DOE fuel prices for the first half of 2023 as compared to the second quarter of 2022. Average DOE fuel prices were \$4.16 per gallon for the first half of 2023 and \$4.95 per gallon for the first half of 2022.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Operations and maintenance	\$ 101,380	\$ 106,724	\$ 200,691	\$ 202,607	(5.0 %)	(0.9 %)
% of total revenue	6.5 %	5.4 %	6.3 %	5.3 %	110 bps	100 bps
% of revenue, excluding truckload and LTL fuel surcharge	7.3 %	6.3 %	7.1 %	6.1 %	100 bps	100 bps

Operations and maintenance expense consists of direct operating expenses, such as driving associate hiring and recruiting expenses, equipment maintenance, and tire expense. Operations and maintenance expenses are typically affected by the age of our company-owned fleet of tractors and trailers and the miles driven. We expect the driver market to remain competitive throughout 2023, which could increase future driving associate development and recruiting costs and negatively affect our operations and maintenance expense. We expect to continue refreshing our tractor and trailer fleet in the coming quarters, subject to availability of new revenue equipment, to maintain the average age of our equipment.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Operations and maintenance expense decreased \$5.3 million for the second quarter of 2023 and \$1.9 million for the first half of 2023 as compared to the same periods last year. The decrease was attributed to lower hiring and labor expense as well as lower road expense due to the decrease in total company miles discussed above. This was partially offset by higher maintenance expenses due to the reintegration of leased assets into our fleet.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Insurance and claims	\$ 137,306	\$ 102,084	\$ 275,345	\$ 200,276	34.5 %	37.5 %
% of total revenue	8.8 %	5.2 %	8.6 %	5.3 %	360 bps	330 bps
% of revenue, excluding truckload and LTL fuel surcharge	9.9 %	6.0 %	9.7 %	6.0 %	390 bps	370 bps

Insurance and claims expense consists of premiums for liability, physical damage, and cargo, and will vary based upon the frequency and severity of claims, our level of self-insurance, and premium expense. In recent years, insurance carriers have raised premiums for many businesses, including transportation companies, and as a result, our insurance and claims expense could increase in the future, or we could raise our self-insured retention limits or reduce excess coverage limits when our policies are renewed or replaced. In addition, our Iron Insurance line of business offers insurance products to third-party carriers, earning additional premium revenues, which are partially offset by increased insurance reserves, but does increase our exposure to claims and inability to collect premiums. Insurance and claims expense also varies based on the number of miles driven by company driving associates and independent contractors, the frequency and severity of accidents, trends in development factors used in actuarial accruals, and developments in large, prior-year claims. In future periods, our higher self-insured retention limits, lower excess coverage limits, and exposure through Iron Insurance may cause increased volatility in our consolidated insurance and claims expense.

Consolidated insurance and claims expense increased by \$35.2 million for the second quarter of 2023 and \$75.1 million for the first half of 2023, as compared to the same periods last year. The increase was predominately due to increased frequency and unfavorable claim development during the periods within our Iron Insurance line of business as well as negative developments within our self-insured retention limits.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Operating taxes and licenses	\$ 28,332	\$ 30,204	\$ 54,222	\$ 59,241	(6.2 %)	(8.5 %)
% of total revenue	1.8 %	1.5 %	1.7 %	1.6 %	30 bps	10 bps
% of revenue, excluding truckload and LTL fuel surcharge	2.0 %	1.8 %	1.9 %	1.8 %	20 bps	10 bps

Operating taxes and licenses include state franchise taxes, state and federal highway use taxes, property taxes, vehicle license and registration fees, and fuel and mileage taxes, among others. The expense is impacted by changes in the tax rates and registration fees associated with our tractor fleet and regional operating facilities.

Operating taxes and licenses expenses decreased by \$1.9 million for the second quarter of 2023 and \$5.0 million for the first half of 2023 but remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same periods last year.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Communications	\$ 6,184	\$ 5,744	\$ 11,933	\$ 11,614	7.7 %	2.7 %
% of total revenue	0.4 %	0.3 %	0.4 %	0.3 %	10 bps	10 bps
% of revenue, excluding truckload and LTL fuel surcharge	0.4 %	0.3 %	0.4 %	0.3 %	10 bps	10 bps

Communications expense is comprised of costs associated with our tractor and trailer tracking systems, information technology systems, and phone systems.

Communications expense increased \$0.4 million for the second quarter of 2023 and \$0.3 million for the first half of 2023 but remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same periods last year.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Depreciation and amortization of property and equipment	\$ 156,381	\$ 147,482	\$ 312,347	\$ 292,526	6.0 %	6.8 %
% of total revenue	10.1 %	7.5 %	9.8 %	7.7 %	260 bps	210 bps
% of revenue, excluding truckload and LTL fuel surcharge	11.2 %	8.7 %	11.0 %	8.8 %	250 bps	220 bps

Depreciation relates primarily to our owned tractors, trailers, buildings, electronic logging devices, other communication units, and other similar assets. Changes to this fixed cost are generally attributed to increases or decreases to company-owned equipment, the relative percentage of owned versus leased equipment, and fluctuations in new equipment purchase prices. Depreciation can also be affected by the cost of used equipment that we sell or trade and the replacement of older used equipment. Management periodically reviews the condition, average age, and reasonableness of estimated useful lives and salvage values of our equipment and considers such factors in light of our experience with similar assets, used equipment market conditions, and prevailing industry practices.

Consolidated depreciation and amortization of property and equipment increased by \$8.9 million for the second quarter of 2023 and \$19.8 million for the first half of 2023, as compared to the same periods last year. This increase was related to an increase in owned versus leased equipment and higher depreciation for capital improvements made to our terminals.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Amortization of intangibles	\$ 16,505	\$ 16,215	\$ 32,688	\$ 32,381	1.8 %	0.9 %
% of total revenue	1.1 %	0.8 %	1.0 %	0.9 %	30 bps	10 bps
% of revenue, excluding truckload and LTL fuel surcharge	1.2 %	1.0 %	1.2 %	1.0 %	20 bps	20 bps

Amortization of intangibles relates to intangible assets identified with the 2017 Merger and various acquisitions. See Note 3 in Part I, Item 1, of this Quarterly Report for more details regarding details of our acquisitions.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Rental expense	\$ 16,073	\$ 13,492	\$ 31,141	\$ 26,893	19.1 %	15.8 %
% of total revenue	1.0 %	0.7 %	1.0 %	0.7 %	30 bps	30 bps
% of revenue, excluding truckload and LTL fuel surcharge	1.2 %	0.8 %	1.1 %	0.8 %	40 bps	30 bps

Rental expense consists primarily of payments for our terminals and other real estate leases and, to a lesser extent, payments for revenue equipment from operating leases. The primary factors affecting the expense are the size and location of our leased properties.

Consolidated rental expense increased \$2.6 million for the second quarter of 2023 and \$4.2 million for the first half of 2023, as compared to the same periods last year. The increase is primarily related to the incorporation of new facilities as we expand our network and was partially offset by a decrease in the rental expense for revenue equipment. We anticipate that rent expense as a percentage of revenue, excluding truckload and LTL fuel surcharge, will increase over the remainder of 2023 as we incorporate equipment from U.S. Xpress's lease portfolio into our fleet.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Purchased transportation	\$ 258,259	\$ 384,910	\$ 538,988	\$ 771,356	(32.9 %)	(30.1 %)
% of total revenue	16.6 %	19.6 %	16.9 %	20.4 %	(300 bps)	(350 bps)
% of revenue, excluding truckload and LTL fuel surcharge	18.6 %	22.7 %	19.0 %	23.1 %	(410 bps)	(410 bps)

Purchased transportation expense is comprised of payments to independent contractors in our trucking operations, as well as payments to third-party capacity providers related to logistics, freight management, and non-trucking services in our logistics and intermodal businesses. Purchased transportation is generally affected by capacity in the market as well as changes in fuel prices. As capacity tightens, our payments to third-party capacity providers and to independent contractors tend to increase. Additionally, as fuel prices increase, payments to third-party capacity providers and independent contractors increase.

Consolidated purchased transportation expense decreased by \$126.7 million for the second quarter of 2023 and \$232.4 million for the first half of 2023, as compared to the same periods last year, primarily due to decreased load volume within our logistics business and lower miles driven by independent contractors, partially offset by increased intermodal load volume.

We expect that consolidated purchased transportation will increase as a percentage of revenue if we grow our logistics and intermodal businesses faster than our full truckload and LTL businesses. The increase could be partially offset if independent contractors exit the market due to regulatory changes.

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Impairments	\$ —	\$ —	\$ —	\$ 810	— %	(100.0 %)

In 2022, we incurred impairment charges associated with building improvements (within our non-reportable segments).

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Miscellaneous operating expenses	\$ 36,992	\$ 21,396	\$ 67,701	\$ 32,905	72.9 %	105.7 %

Miscellaneous operating expenses primarily consist of legal and professional services fees, general and administrative expenses, other costs, as well as net gain on sales of equipment.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The \$15.6 million increase in net consolidated miscellaneous operating expenses is primarily due to a \$8.7 million decrease in gain on sales of equipment and \$5.3 million in transaction fees related to the acquisition of U.S. Xpress.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$34.8 million increase in net consolidated miscellaneous operating expenses is primarily due to a \$22.6 million decrease in gain on sales of equipment and \$6.9 million in transaction fees related to the acquisition of U.S. Xpress.

Consolidated Other Expenses (Income)

	Quarter-to-Date June 30,		Year-to-Date June 30,		QTD 2023 vs.	YTD 2023 vs.
	2023	2022	2023	2022	QTD 2022	YTD 2022
	(Dollars in thousands)				Increase (Decrease)	
Interest expense	\$ 24,354	\$ 9,345	\$ 47,445	\$ 16,025	160.6 %	196.1 %
Other (income) expenses, net	(9,679)	25,576	(19,382)	39,981	(137.8 %)	(148.5 %)
Income tax expense	21,959	72,090	54,694	141,264	(69.5 %)	(61.3 %)

Interest expense — Interest expense is comprised of debt and finance lease interest expense as well as amortization of deferred loan costs. The increase in interest expense during the second quarter and the first half of 2023 was primarily due to higher interest rates. We expect interest expense to increase by approximately \$20.0 million in the second half of 2023 as compared to the first half, reflecting approximately \$800.0 million of additional debt for the U.S. Xpress acquisition and assuming the Federal Reserve rate hiking cycle is nearly completed. Additional details regarding our debt are discussed in Note 6 in Part I, Item 1 of this Quarterly Report.

Other (income) expenses, net — Other (income) expenses, net is primarily comprised of losses and (gains) from our various equity investments, including our investment in Embark, as well as certain other non-operating income and expense items that may arise outside of the normal course of business.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The \$35.3 million increase in other (income) expenses, net is primarily driven by an unrealized loss on our investment in Embark recorded in the second quarter of 2022 and a net gain recorded within our portfolio of investments during the second quarter of 2023.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$59.4 million increase in other (income) expenses, net is primarily driven by an unrealized loss on our investment in Embark recorded in the first half of 2022 and a net gain recorded within our portfolio of investments during the first half of 2023.

Income tax expense — In addition to the discussion below, Note 4 in Part I, Item 1 of this Quarterly Report provides further analysis related to income taxes.

Comparison Between the Quarters Ended June 30, 2023 and 2022 — The \$50.1 million decrease in consolidated income tax expense was primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of 25.9% for the second quarter of 2023, and 24.7% for the second quarter of 2022.

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$86.6 million decrease in consolidated income tax expense was primarily due to a reduction of pre-tax income. This resulted in an effective tax rate of 24.7% for the first half of 2023, and 24.8% for the first half of 2022.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Non-GAAP Financial Measures

The terms "Adjusted Net Income Attributable to Knight-Swift," "Adjusted EPS," "Adjusted Operating Income," "Adjusted Operating Ratio," and "Free Cash Flow," as we define them, are not presented in accordance with GAAP. These financial measures supplement our GAAP results in evaluating certain aspects of our business. We believe that using these measures improves comparability in analyzing our performance because they remove the impact of items from our operating results that, in our opinion, do not reflect our core operating performance. Management and the Board focus on Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, Adjusted Operating Income, and Adjusted Operating Ratio as key measures of our performance, all of which are reconciled to the most comparable GAAP financial measures and further discussed below. Management and the Board use Free Cash Flow as a key measure of our liquidity. Free Cash Flow does not represent residual cash flow available for discretionary expenditures. We believe our presentation of these non-GAAP financial measures is useful because it provides investors and securities analysts the same information that we use internally for purposes of assessing our core operating performance.

Adjusted Net Income Attributable to Knight-Swift, Adjusted EPS, Adjusted Operating Income, Adjusted Operating Ratio, and Free Cash Flow are not substitutes for their comparable GAAP financial measures, such as net income, cash flows from operating activities, operating income, or other measures prescribed by GAAP. There are limitations to using non-GAAP financial measures. Although we believe that they improve comparability in analyzing our period to period performance, they could limit comparability to other companies in our industry if those companies define these measures differently. Because of these limitations, our non-GAAP financial measures should not be considered measures of income generated by our business or discretionary cash available to us to invest in the growth of our business. Management compensates for these limitations by primarily relying on GAAP results and using non-GAAP financial measures on a supplemental basis.

Pursuant to the requirements of Regulation G, the following tables reconcile GAAP consolidated net income attributable to Knight-Swift to non-GAAP consolidated Adjusted Net Income attributable to Knight-Swift, GAAP consolidated earnings per diluted share to non-GAAP consolidated Adjusted EPS, GAAP consolidated operating ratio to non-GAAP consolidated Adjusted Operating Ratio, GAAP reportable segment operating income to non-GAAP reportable segment Adjusted Operating Income, GAAP reportable segment operating ratio to non-GAAP reportable segment Adjusted Operating Ratio, and GAAP cash flow from operations to non-GAAP Free Cash Flow.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
	(In thousands)			
GAAP: Net income attributable to Knight-Swift	\$ 63,326	\$ 219,492	\$ 167,610	\$ 427,829
Adjusted for:				
Income tax expense attributable to Knight-Swift	21,959	72,090	54,694	141,264
Income before income taxes attributable to Knight-Swift	85,285	291,582	222,304	569,093
Amortization of intangibles ¹	16,505	16,215	32,688	32,381
Impairments ²	—	—	—	810
Legal accruals ³	1,300	(2,000)	1,000	3,055
Transaction fees ⁴	5,332	—	6,868	—
Severance expense ⁵	—	—	1,452	—
Change in fair value of deferred earnout ⁶	(2,500)	—	(2,500)	—
Adjusted income before income taxes	105,922	305,797	261,812	605,339
Provision for income tax expense at effective rate	(27,304)	(75,608)	(64,703)	(150,287)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	\$ 78,618	\$ 230,189	\$ 197,109	\$ 455,052

Note: Since the numbers reflected in the table below are calculated on a per share basis, they may not foot due to rounding.

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP: Earnings per diluted share	\$ 0.39	\$ 1.35	\$ 1.04	\$ 2.60
Adjusted for:				
Income tax expense attributable to Knight-Swift	0.14	0.44	0.34	0.86
Income before income taxes attributable to Knight-Swift	0.53	1.79	1.37	3.45
Amortization of intangibles ¹	0.10	0.10	0.20	0.20
Impairments ²	—	—	—	—
Legal accruals ³	0.01	(0.01)	0.01	0.02
Transaction fees ⁴	0.03	—	0.04	—
Severance expense ⁵	—	—	0.01	—
Change in fair value of deferred earnout ⁶	(0.02)	—	(0.02)	—
Adjusted income before income taxes	0.65	1.87	1.62	3.67
Provision for income tax expense at effective rate	(0.17)	(0.46)	(0.40)	(0.91)
Non-GAAP: Adjusted EPS	\$ 0.49	\$ 1.41	\$ 1.22	\$ 2.76

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the 2017 Merger, the ACT Acquisition, and other acquisitions. Refer to Note 3 in Part I, Item 1 of this Quarterly Report for additional details regarding our acquisitions.

2 "Impairments" reflects the non-cash impairment of building improvements (within our non-reportable segments).

3 "Legal accruals" are included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income and reflect the following:

- Second quarter 2023 legal accrual reflects the increased estimated exposure for an accrued legal matter based on a recent settlement agreement. First quarter 2023 legal accrual reflects a decrease in the estimated exposure related to an accrued legal matter previously identified as probable and estimable in prior periods based on a recent settlement agreement.
- During the second quarter of 2022, the company decreased the estimated exposure related to an accrued legal matter previously identified as probable and estimable in prior periods based on a recent settlement agreement.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

- 4 "Transaction fees" consists of legal and professional fees associated with the July 1, 2023 acquisition of U.S. Xpress. The transaction fees are included within "Miscellaneous operating expenses" in the condensed statements of comprehensive income.
- 5 "Severance expense" is included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.
- 6 "Change in fair value of deferred earnout" reflects the expense for the change in fair value of a deferred earnout related to the acquisition of UTXL, which is recorded in "Miscellaneous operating expenses."

Non-GAAP Reconciliation: Consolidated Adjusted Operating Income and Adjusted Operating Ratio

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 1,552,979	\$ 1,961,131	\$ 3,189,911	\$ 3,788,120
Total operating expenses	(1,458,949)	(1,635,353)	(2,951,094)	(3,164,256)
Operating income	\$ 94,030	\$ 325,778	\$ 238,817	\$ 623,864
Operating ratio	93.9 %	83.4 %	92.5 %	83.5 %
Non-GAAP Presentation				
Total revenue	\$ 1,552,979	\$ 1,961,131	\$ 3,189,911	\$ 3,788,120
Truckload and LTL fuel surcharge	(162,531)	(266,600)	(349,170)	(445,711)
Revenue, excluding truckload and LTL fuel surcharge	1,390,448	1,694,531	2,840,741	3,342,409
Total operating expenses	1,458,949	1,635,353	2,951,094	3,164,256
Adjusted for:				
Truckload and LTL fuel surcharge	(162,531)	(266,600)	(349,170)	(445,711)
Amortization of intangibles ¹	(16,505)	(16,215)	(32,688)	(32,381)
Impairments ²	—	—	—	(810)
Legal accruals ³	(1,300)	2,000	(1,000)	(3,055)
Transaction fees ⁴	(5,332)	—	(6,868)	—
Severance expense ⁵	—	—	(1,452)	—
Change in fair value of deferred earnout ⁶	2,500	—	2,500	—
Adjusted Operating Expenses	1,275,781	1,354,538	2,562,416	2,682,299
Adjusted Operating Income	\$ 114,667	\$ 339,993	\$ 278,325	\$ 660,110
Adjusted Operating Ratio	91.8 %	79.9 %	90.2 %	80.3 %

- 1 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 1.
- 2 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 2.
- 3 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 3.
- 4 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 4.
- 5 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 5.
- 6 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 6.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Non-GAAP Reconciliation: Reportable Segment Adjusted Operating Income and Adjusted Operating Ratio
Truckload Segment

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP Presentation				
	(Dollars in thousands)			
Total revenue	\$ 953,659	\$ 1,188,809	\$ 1,965,904	\$ 2,269,340
Total operating expenses	(885,748)	(982,513)	(1,782,094)	(1,857,927)
Operating income	\$ 67,911	\$ 206,296	\$ 183,810	\$ 411,413
Operating ratio	92.9 %	82.6 %	90.7 %	81.9 %
Non-GAAP Presentation				
Total revenue	\$ 953,659	\$ 1,188,809	\$ 1,965,904	\$ 2,269,340
Fuel surcharge	(124,004)	(206,931)	(269,268)	(345,592)
Intersegment transactions	(282)	(399)	(1,283)	(735)
Revenue, excluding fuel surcharge and intersegment transactions	829,373	981,479	1,695,353	1,923,013
Total operating expenses	885,748	982,513	1,782,094	1,857,927
Adjusted for:				
Fuel surcharge	(124,004)	(206,931)	(269,268)	(345,592)
Intersegment transactions	(282)	(399)	(1,283)	(735)
Amortization of intangibles ¹	(299)	(323)	(642)	(647)
Adjusted Operating Expenses	761,163	774,860	1,510,901	1,510,953
Adjusted Operating Income	\$ 68,210	\$ 206,619	\$ 184,452	\$ 412,060
Adjusted Operating Ratio	91.8 %	78.9 %	89.1 %	78.6 %

¹ "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in historical Knight acquisitions.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
LTL Segment

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 267,105	\$ 283,847	\$ 522,409	\$ 538,972
Total operating expenses	(236,867)	(240,080)	(465,589)	(468,828)
Operating income	\$ 30,238	\$ 43,767	\$ 56,820	\$ 70,144
Operating ratio	88.7 %	84.6 %	89.1 %	87.0 %
Non-GAAP Presentation				
Total revenue	\$ 267,105	\$ 283,847	\$ 522,409	\$ 538,972
Fuel surcharge	(38,527)	(59,669)	(79,902)	(100,119)
Revenue, excluding fuel surcharge and intersegment transactions	228,578	224,178	442,507	438,853
Total operating expenses	236,867	240,080	465,589	468,828
Adjusted for:				
Fuel surcharge	(38,527)	(59,669)	(79,902)	(100,119)
Amortization of intangibles ¹	(3,920)	(3,995)	(7,840)	(7,940)
Adjusted Operating Expenses	194,420	176,416	377,847	360,769
Adjusted Operating Income	\$ 34,158	\$ 47,762	\$ 64,660	\$ 78,084
Adjusted Operating Ratio	85.1 %	78.7 %	85.4 %	82.2 %

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified with the ACT and MME acquisitions.

Logistics Segment

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 119,943	\$ 248,662	\$ 258,226	\$ 530,701
Total operating expenses	(110,377)	(204,913)	(235,840)	(447,351)
Operating income	\$ 9,566	\$ 43,749	\$ 22,386	\$ 83,350
Operating ratio	92.0 %	82.4 %	91.3 %	84.3 %
Non-GAAP Presentation				
Total revenue	\$ 119,943	\$ 248,662	\$ 258,226	\$ 530,701
Intersegment transactions	(2,161)	(1,343)	(3,667)	(3,211)
Revenue, excluding intersegment transactions	117,782	247,319	254,559	527,490
Total operating expenses	110,377	204,913	235,840	447,351
Adjusted for:				
Intersegment transactions	(2,161)	(1,343)	(3,667)	(3,211)
Amortization of intangibles ¹	(334)	(334)	(668)	(668)
Adjusted Operating Expenses	107,882	203,236	231,505	443,472
Adjusted Operating Income	\$ 9,900	\$ 44,083	\$ 23,054	\$ 84,018
Adjusted Operating Ratio	91.6 %	82.2 %	90.9 %	84.1 %

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the UTXL acquisition.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED
Intermodal Segment

	Quarter-to-Date June 30,		Year-to-Date June 30,	
	2023	2022	2023	2022
GAAP Presentation	(Dollars in thousands)			
Total revenue	\$ 104,327	\$ 132,871	\$ 214,899	\$ 242,093
Total operating expenses	(110,959)	(118,699)	(216,429)	(212,751)
Operating income	\$ (6,632)	\$ 14,172	\$ (1,530)	\$ 29,342
Operating ratio	106.4 %	89.3 %	100.7 %	87.9 %
Non-GAAP Presentation				
Total revenue	\$ 104,327	\$ 132,871	\$ 214,899	\$ 242,093
Intersegment transactions	—	(17)	—	(47)
Revenue, excluding intersegment transactions	104,327	132,854	214,899	242,046
Total operating expenses	110,959	118,699	216,429	212,751
Adjusted for:				
Intersegment transactions	—	(17)	—	(47)
Adjusted Operating Expenses	110,959	118,682	216,429	212,704
Adjusted Operating Income	\$ (6,632)	\$ 14,172	\$ (1,530)	\$ 29,342
Adjusted Operating Ratio	106.4 %	89.3 %	100.7 %	87.9 %

Non-GAAP Reconciliation: Free Cash Flow

	Year-to-Date June 30, 2023
GAAP: Cash flows from operations	\$ 722,190
Adjusted for:	
Proceeds from sale of property and equipment, including assets held for sale	98,755
Purchases of property and equipment	(517,856)
Non-GAAP: Free Cash Flow	\$ 303,089

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Liquidity and Capital Resources

Sources of Liquidity

Our primary sources of liquidity are funds provided by operations and the following:

Source	June 30, 2023 (In thousands)
Cash and cash equivalents, excluding restricted cash	\$ 228,957
Availability under 2021 Revolver, due September 2026 ¹	878,760
Availability under 2022 RSA, due April 2024 ²	42,000
Total unrestricted liquidity	\$ 1,149,717
Cash and cash equivalents – restricted ³	699,212
Restricted investments, held-to-maturity, amortized cost ³	3,082
Total liquidity, including restricted cash and restricted investments	\$ 1,852,011

- As of June 30, 2023, we had \$210.0 million borrowings under our \$1.1 billion 2021 Revolver. We additionally had \$11.2 million in outstanding letters of credit (discussed below) issued under the 2021 Revolver, leaving \$878.8 million available under the 2021 Revolver.
- Based on eligible receivables at June 30, 2023, our borrowing base for the 2022 RSA was \$381.0 million, while outstanding borrowings were \$339.0 million, leaving \$42.0 million available under the 2022 RSA. Refer to Note 5 in Part I, Item 1 of this Quarterly Report for more information regarding the 2022 RSA.
- Restricted cash and restricted investments includes \$444.7 million restricted for our acquisition of U.S. Xpress with the remaining amount primarily held by our captive insurance companies for claims payments. "Cash and cash equivalents – restricted" consists of \$444.7 million included in "Acquisition escrow" on the condensed consolidated balance sheet held for the U.S. Xpress acquisition and \$251.4 million included in "Cash and cash equivalents – restricted" on the condensed consolidated balance sheet held by Mohave and Red Rock for claims payments. The remaining \$3.1 million is included in "Other long-term assets" and is held in escrow accounts to meet statutory requirements.

Uses of Liquidity

Our business requires substantial amounts of cash for operating activities, including salaries and wages paid to our employees, contract payments to independent contractors, insurance and claims payments, tax payments, and others. We also use large amounts of cash and credit for the following activities:

Capital Expenditures — When justified by customer demand, as well as our liquidity and our ability to generate acceptable returns, we make substantial cash capital expenditures to maintain a modern company tractor fleet, refresh and expand our trailer fleet, expand our network of LTL service centers, and, to a lesser extent, fund upgrades to our terminals and technology in our various service offerings. In connection with our business strategy, we regularly evaluate acquisition and strategic partnership opportunities. We expect net cash capital expenditures, will be in the range of \$700.0 – \$750.0 million for full-year 2023, which has been updated from \$640.0 million to \$690.0 million to include anticipated expenditures for U.S. Xpress. This range excludes cash outlays for potential acquisitions. We believe we have ample flexibility in our trade cycle and purchase agreements to alter our current plans if economic and other conditions warrant.

Over the long-term, we will continue to have significant capital requirements, which may require us to seek additional borrowing, lease financing, or equity capital. The availability of financing or equity capital will depend upon our financial condition and results of operations as well as prevailing market conditions. If such additional borrowing, lease financing, or equity capital is not available at the time we need it, then we may need to borrow more under the 2021 Revolver (if not then fully drawn), extend the maturity of then-outstanding debt, rely on alternative financing arrangements, engage in asset sales, limit our fleet size, or operate our revenue equipment for longer periods.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

There can be no assurance that we will be able to obtain additional debt under our existing financial arrangements to satisfy our ongoing capital requirements. However, we believe the combination of our expected cash flows, financing available through operating and finance leases, available funds under our accounts receivable securitization, and availability under the 2021 Revolver will be sufficient to fund our expected capital expenditures for at least the next twelve months.

Principal and Interest Payments — As of June 30, 2023, we had debt, accounts receivable securitization, and finance lease obligations of \$2.2 billion, which are discussed under "Material Debt Agreements," below. Certain cash flows from operations are committed to minimum payments of principal and interest on our debt and lease obligations. Additionally, when our financial position allows, we periodically make voluntary prepayments on our outstanding debt balances.

Letters of Credit — Pursuant to the terms of the 2021 Debt Agreement and the 2022 RSA, our lenders may issue standby letters of credit on our behalf. When we have certain letters of credit outstanding, the availability under the 2021 Revolver or 2022 RSA is reduced accordingly. As of June 30, 2023, we also had outstanding letters of credit of \$245.8 million pursuant to a bilateral agreement which do not impact the availability of the 2021 Revolver and 2022 RSA. Standby letters of credit are typically issued for the benefit of regulatory authorities, insurance companies and state departments of insurance for the purpose of satisfying certain collateral requirements, primarily related to our automobile, workers' compensation, and general insurance liabilities.

Share Repurchases — From time to time, and depending on Free Cash Flow¹ availability, debt levels, common stock prices, general economic and market conditions, as well as internal approval requirements, we may repurchase shares of our outstanding common stock. As of June 30, 2023, the Company had \$200.0 million remaining under the 2022 Knight-Swift Share Repurchase Plan. Additional details regarding our share repurchase plans are discussed in Note 10 in Part I, Item 1 of this Quarterly Report.

Working Capital

We had a working capital surplus of \$939.7 million as of June 30, 2023 and \$599.6 million as of December 31, 2022. The increase in our working capital surplus is primarily due to the \$444.7 million acquisition escrow related to the U.S. Xpress acquisition.

Material Debt Agreements

As of June 30, 2023, we had \$2.2 billion in material debt obligations at the following carrying values:

- \$199.8 million: 2021 Term Loan A-2, due September 2024, net of \$0.2 million in deferred loan costs
- \$798.9 million: 2021 Term Loan A-3, due September 2026, net of \$1.1 million in deferred loan costs
- \$249.0 million: 2023 Term Loan, due September 2026, net of \$1.0 million in deferred loan costs
- \$338.6 million: 2022 RSA outstanding borrowings, net of \$0.4 million in deferred loan costs
- \$393.6 million: Finance lease obligations
- \$210.0 million: 2021 Revolver, due September 2026
- \$30.2 million: Other, net of approximately \$36,000 in deferred loan costs

As of December 31, 2022, we had \$1.9 billion in material debt obligations at the following carrying values:

- \$199.8 million: 2021 Term Loan A-2, due September 2024, net of \$0.2 million in deferred loan costs
- \$798.7 million: 2021 Term Loan A-3, due September 2026, net of \$1.3 million in deferred loan costs
- \$418.6 million: 2022 RSA outstanding borrowings, net of \$0.4 million in deferred loan costs
- \$403.0 million: Finance lease obligations
- \$43.0 million: 2021 Revolver, due September 2026
- \$39.0 million: Other, net of \$0.1 million in deferred loan costs

¹ Refer to "Non-GAAP Financial Measures."

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS — CONTINUED

Cash Flow Analysis

	Year-to-Date June 30,		Change
	2023	2022	
	(In thousands)		
Net cash provided by operating activities	\$ 722,190	\$ 719,984	\$ 2,206
Net cash used in investing activities	(415,990)	(204,306)	(211,684)
Net cash provided by (used in) financing activities	236,624	(552,361)	788,985

Net Cash Provided by Operating Activities

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$2.2 million increase in net cash provided by operating activities included a \$385.0 million decrease in operating income for year-to-date June 30, 2023, and a \$31.8 million increase in cash paid for interest and was partially offset by a \$137.9 million decrease in cash paid for taxes and a \$230.2 million decrease in our trade receivables balances resulting in higher cash receipts. **Note:** Factors affecting the increase in operating income are discussed in "Results of Operations — Consolidated Operating and Other Expenses."

Net Cash Used in Investing Activities

Comparison Between Year-to-Date June 30, 2023 and 2022 — The \$211.7 million increase in net cash used in investing activities was primarily due to a \$227.8 million increase in net cash capital expenditures.

Net Cash Used in Financing Activities

Comparison Between Year-to-Date June 30, 2023 and 2022 — Net cash provided by (used in) financing activities increased by \$789.0 million, primarily due to \$250.0 million in proceeds from the 2023 Term Loan, \$298.0 million in net proceeds from our 2021 Revolver, and a \$299.9 million decrease in repurchases of our common stock. This was partially offset by in \$80.0 million net repayments on our 2021 RSA.

Seasonality

Discussion regarding the impact of seasonality on our business is included in Note 1 in the notes to the condensed consolidated financial statements, included in Part I, Item 1 of this Quarterly Report, incorporated by reference herein.

Inflation

Most of our operating expenses are inflation-sensitive, with inflation generally leading to increased costs of operations. Price increases in manufacturer revenue equipment has impacted the cost for us to acquire new equipment. Cost increases have also impacted the cost of parts for equipment repairs and maintenance. The qualified driver shortage experienced by the trucking industry overall has had the effect of increasing compensation paid to our driving associates. We have also experienced inflation in insurance and claims cost related to health insurance and claims as well as auto liability insurance and claims. Prolonged periods of inflation have recently and could continue to cause interest rates, fuel, wages, and other costs to increase as well. Any of these factors could adversely affect our results of operations unless freight rates correspondingly increase.

Recently Issued Accounting Pronouncements

See Note 2 in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference, for the impact of recently issued accounting pronouncements on the Company's condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***Interest Rate Risk***

We have exposure from variable interest rates, primarily related to our 2021 Debt Agreement, 2023 Term Loan, and 2022 RSA. These variable interest rates are impacted by changes in short-term interest rates. We primarily manage interest rate exposure through a mix of variable rate debt (weighted average rate of 6.2% as of June 30, 2023) and fixed rate equipment lease financing. Assuming the level of borrowings as of June 30, 2023, a hypothetical one percentage point increase in interest rates would increase our annual interest expense by \$18.3 million.

Commodity Price Risk

We have commodity exposure with respect to fuel used in company-owned tractors. Increases in fuel prices would continue to raise our operating costs, even after applying fuel surcharge revenue. Historically, we have been able to recover a majority of fuel price increases from our customers in the form of fuel surcharges. The weekly average diesel price per gallon in the US decreased to \$3.94 for the second quarter of 2023 from an average of \$5.53 in the second quarter of 2022. The weekly average diesel price per gallon decreased to \$4.16 for year-to-date June 30, 2023 from an average price of \$4.95 for year-to-date June 30, 2022. We cannot predict the extent or speed of potential changes in fuel price levels in the future, the degree to which the lag effect of our fuel surcharge programs will impact us as a result of the timing and magnitude of such changes, or the extent to which effective fuel surcharges can be maintained and collected to offset such increases. We generally have not used derivative financial instruments to hedge our fuel price exposure in the past, but continue to evaluate this possibility. To mitigate the impact of rising fuel costs, we contract with some of our fuel suppliers to buy fuel at a fixed price or within banded pricing for a specified period, usually not exceeding twelve months. However, these purchase commitments only cover a small portion of our fuel consumption. Accordingly, fuel price fluctuations may still negatively impact us.

ITEM 4. CONTROLS AND PROCEDURES***Disclosure Controls and Procedures***

We have established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) to ensure that material information relating to us, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and the Board. Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures. Based on this evaluation, as of the end of the period covered by this Quarterly Report on Form 10-Q our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and (2) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We base our internal control over financial reporting on the criteria set forth in the 2013 COSO Internal Control: Integrated Framework.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

We have confidence in our disclosure controls and procedures and internal control over financial reporting. Nevertheless, our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures and internal control over financial reporting will prevent all errors, misstatements, or 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. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. 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.

PART II OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

Information about our legal proceedings is included in Note 9 of the notes to our condensed consolidated financial statements, included in Part I, Item 1, of this Quarterly Report for the period ended June 30, 2023, and is incorporated by reference herein.

ITEM 1A. RISK FACTORS

While we attempt to identify, manage, and mitigate risks and uncertainties associated with our business, some level of risk and uncertainty will always be present. Our 2022 Annual Report and our Quarterly Report for the quarter period ended March 31, 2023 in the sections entitled "Item 1A. Risk Factors," describe some of the risks and uncertainties associated with our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value That May Yet be Purchased Under the Plans or Programs ¹
(in thousands, except per share data)				
April 1, 2023 to April 30, 2023	—	\$ —	—	\$ 200,041
May 1, 2023 to May 31, 2023	—	\$ —	—	\$ 200,041
June 1, 2023 to June 30, 2023	—	\$ —	—	\$ 200,041
Total	—	\$ —	—	\$ 200,041

¹ On April 25, 2022, we announced that the Board had approved the \$350.0 million 2022 Knight-Swift Share Repurchase Plan, replacing the 2020 Knight-Swift Share Repurchase Plan. There is no expiration date associated with the 2022 Knight-Swift Share Repurchase Plan. See Note 10 in Part I, Item 1 of this Quarterly Report regarding our share repurchase plans.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended June 30, 2023, no director or officer adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

ITEM 6. EXHIBITS

Exhibit Number	Description	Page or Method of Filing
3.1	Fourth Amended and Restated Certificate of Incorporation of Knight-Swift Transportation Holdings Inc.	Incorporated by reference to Exhibit 3.1 of Form 10-Q for the quarter ended June 30, 2020
3.2	Fourth Amended and Restated By-laws of Knight-Swift Transportation Holdings Inc.	Incorporated by reference to Exhibit 3.1 of Form 8-K filed on February 9, 2022
10.1	Credit Agreement, dated as of June 22, 2023, by and among Knight-Swift Transportation Holdings Inc., the Lender referred to therein, Bank of America, N.A., as Administrative Agent, and PNC Bank National Association and Wells Fargo Bank, National Association as Lenders and Co-Syndication Agents	Filed herewith
31.1	Certification pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, by David A. Jackson, the Company's Chief Executive Officer (principal executive officer).	Filed herewith
31.2	Certification pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, by Adam W. Miller, the Company's Chief Financial Officer (principal financial officer).	Filed herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by David A. Jackson, the Company's Chief Executive Officer.	Furnished herewith
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Adam W. Miller, the Company's Chief Financial Officer.	Furnished herewith
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Calculation Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Label Linkbase Document	Filed herewith
101.PRE	XBRL Taxonomy Presentation Linkbase Document	Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Document	Filed herewith
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	Filed herewith

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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 hereunto duly authorized.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

Date: August 2, 2023

/s/ David A. Jackson

David A. Jackson
Chief Executive Officer and President, in his capacity as
such and on behalf of the registrant

Date: August 2, 2023

/s/ Adam W. Miller

Adam W. Miller
Chief Financial Officer, in his capacity as such and on
behalf of the registrant

\$250,000,000

CREDIT AGREEMENT

dated as of June 22, 2023

by and among

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.,
as Borrower,

the Lenders referred to herein,
as Lenders,

PNC BANK, NATIONAL ASSOCIATION, and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Co-Syndication Agents

THE TORONTO-DOMINION BANK, NEW YORK BRANCH,
as Documentation Agent

and

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

BOFA SECURITIES, INC., PNC CAPITAL MARKETS LLC, and **WELLS FARGO SECURITIES, LLC**, as Joint Lead Arrangers and
Joint Bookrunners

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CREDIT AGREEMENT, dated as of June 22, 2023, by and among Knight-Swift Transportation Holdings Inc., a Delaware corporation, as Borrower, the lenders who are party to this Agreement and the lenders who may become a party to this Agreement pursuant to the terms hereof, as Lenders, and BANK OF AMERICA, N.A., a national banking association, as Administrative Agent for the Lenders.

STATEMENT OF PURPOSE

The Borrower has requested, and subject to the terms and conditions set forth in this Agreement, the Administrative Agent and the Lenders have agreed to extend, certain credit facilities to the Borrower.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, such parties hereby agree as follows:

Article I

DEFINITIONS

Section 1.1 **Definitions.** The following terms when used in this Agreement shall have the meanings assigned to them below:

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the Closing Date, by which any Credit Party or any of its Subsidiaries (a) acquires any business or all or substantially all of the assets of any Person, or division thereof, whether through purchase of assets, merger or otherwise or (b) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of members of the board of directors or the equivalent governing body (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

“Acquisition Agreement” means that Agreement and Plan of Merger, dated as of March 20, 2023, by and among the Target, the Borrower and Liberty Merger Sub Inc.

“Acquisition Agreement Representations” means such of the representations and warranties made by or with respect to the Target in the Acquisition Agreement to the extent a breach of such representations and warranties is material to the interests of the Lenders (in their capacities as such).

“Administrative Agent” means Bank of America, in its capacity as Administrative Agent hereunder, and any successor thereto appointed pursuant to Section 11.6.

“Administrative Agent’s Office” means the office of the Administrative Agent specified in or determined in accordance with the provisions of Section 12.1(c).

“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 Person specified.

“Agent Parties” has the meaning assigned thereto in Section 12.1(e)(ii).

“Agreement” means this Credit Agreement.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977.

“Anti-Money Laundering Laws” means any and all laws, statutes, regulations or obligatory government orders, decrees, ordinances or rules applicable to a Credit Party, its Subsidiaries or Affiliates related to terrorism financing or money laundering, including any applicable provision of the PATRIOT Act and The Currency and Foreign Transactions Reporting Act (also known as the “Bank Secrecy Act,” 31 U.S.C. §§ 5311-5330 and 12U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

“Applicable Law” means all applicable provisions of constitutions, laws, statutes, ordinances, rules, treaties, regulations, permits, licenses, approvals, interpretations and orders of Governmental Authorities.

“Applicable Margin” means, from and after the Closing Date, the corresponding percentages per annum as set forth below based on the Consolidated Total Net Leverage Ratio:

Pricing Level	Consolidated Total Net Leverage Ratio	Applicable Margin for Term SOFR Loans	Applicable Margin for Base Rate Loans
I	Less than or equal to 1.75 to 1.00	1.375%	0.375%
II	Greater than 1.75 to 1.00, but less than or equal to 2.25 to 1.00	1.500%	0.500%
III	Greater than 2.25 to 1.00	1.750%	0.750%

The Applicable Margin shall be determined and adjusted quarterly on the next Business Day after the day on which the Borrower provides an Officer’s Compliance Certificate pursuant to Section 8.2(a) for the most recently ended fiscal quarter of the Borrower (each such date, a “Calculation Date”); provided that (a) the Applicable Margin shall be based on Pricing Level I level until the Calculation Date occurring for the fiscal quarter of the Borrower ending June 30, 2023 and, thereafter the Pricing Level shall be determined by reference to the Consolidated Total Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date, and (b) if the Borrower fails to provide an Officer’s Compliance Certificate when due as required by Section 8.2(a) for the most recently ended fiscal quarter of the Borrower preceding the applicable Calculation Date, the Applicable Margin from the date on which such Officer’s Compliance Certificate was required to have been delivered shall be based on Pricing Level III until such time as such Officer’s Compliance Certificate is delivered, at which time the Pricing Level shall be determined by reference to the Consolidated Total Net Leverage Ratio as of the last day of the most recently ended fiscal quarter of the Borrower preceding such Calculation Date. The applicable Pricing Level shall be effective from one Calculation Date until the next Calculation Date. Any adjustment in the Pricing Level shall be applicable to all Extensions of Credit then existing or subsequently made or issued.

Notwithstanding the foregoing, in the event that any financial statement or Officer’s Compliance Certificate delivered pursuant to Section 8.1 or Section 8.2(a) is shown to be inaccurate (regardless of whether (i) this Agreement is in effect, (ii) any Commitments are in effect, or (iii) any Extension of Credit is outstanding when such inaccuracy is discovered or such financial statement or Officer’s Compliance Certificate was delivered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an “Applicable Period”) than the Applicable Margin applied for such Applicable Period, then (A) the Borrower shall immediately deliver to the Administrative Agent a corrected Officer’s Compliance Certificate for such Applicable Period, (B) the Applicable Margin for such Applicable Period shall be determined as if the Consolidated Total Net Leverage Ratio in the

corrected Officer's Compliance Certificate were applicable for such Applicable Period, and (C) the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent the accrued additional interest and fees owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly applied by the Administrative Agent in accordance with Section 5.4. Nothing in this paragraph shall limit the rights of the Administrative Agent and Lenders with respect to Section 5.1(b) and Section 10.2 nor any of their other rights under this Agreement or any other Loan Document. The Borrower's obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

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

"Asset Disposition" means the sale, transfer, license, lease or other disposition of any Property (including any disposition of Equity Interests other than the Equity Interests of the Borrower) by any Credit Party or any Subsidiary thereof.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.9), and accepted by the Administrative Agent, in substantially the form attached as Exhibit G or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date of determination, (a) in respect of any Finance Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP and (b) in respect of any Synthetic Lease, the capitalized amount or principal amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Finance Lease Obligation.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2022, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"Availability Period" means, the period from the Closing Date to the earlier of (i) the Termination Date and (ii) the date of termination of the Term Loan Commitments pursuant to the terms of this Agreement (whether or not the entire Term Loan Commitment is borrowed during the Availability Period).

"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.

"Bankruptcy Code" means 11 U.S.C. §§ 101 *et seq.*

"BAS" means BofA Securities, Inc., in its capacity as a joint lead arranger and joint bookrunner.

“Base Rate” means for any day a fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate *plus* 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) the Term SOFR *plus* 1.00%, subject to the interest rate floors set forth therein; *provided* that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. 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 Base Rate is being used as an alternate rate of interest pursuant to Section 5.8 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Base Rate Loan” means any Loan bearing interest at a rate based upon the Base Rate as provided in Section 5.1(a).

“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.

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

“BHC Act Affiliate” has the meaning assigned thereto in Section 12.24.

“Borrower” means Knight-Swift Transportation Holdings Inc., a Delaware corporation.

“Borrower Materials” has the meaning assigned thereto in Section 8.2.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“Calculation Date” has the meaning assigned thereto in the definition of Applicable Margin.

“Captive Insurance Company” means each of Mohave Transportation Insurance Company, Inc., an Arizona corporation, Red Rock Risk Retention Group, Inc., an Arizona corporation, each of its Subsidiaries, if any, and each other Subsidiary of the Borrower formed from time to time that engages primarily in the business of being a captive insurance subsidiary for the Borrower and its Subsidiaries.

“Cash Equivalents” means, at any time, collectively, (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency thereof maturing within one year from such time, (b) commercial paper maturing no more than 270 days from the date of creation thereof and currently having the highest rating obtainable from either S&P or Moody’s, (c) certificates of deposit and time deposits maturing no more than one year from the date of creation thereof issued by commercial banks incorporated under the laws of the United States, each having combined capital, surplus and undivided profits of not less than \$500,000,000 and having a rating of “A” or better by a nationally recognized rating agency, (d) any repurchase agreement having a term of 30 days or less entered into with any Lender or any commercial banking institution satisfying the criteria set forth in clause (c) which (i) is secured by a fully perfected security interest in any obligation of the type described in clause (a), and (ii) has a market value at the time such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such commercial banking institution thereunder; (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a) through (d) above, (ii) has net assets of not less than \$500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody’s, (f) other investments described in the

Borrower's investment policy or (g) investments by Foreign Subsidiaries in any foreign equivalent of the investments described in clauses (a) through (f) above.

"Cash Management Agreement" means any agreement between or among any Credit Party or its Subsidiaries and any Cash Management Bank to provide cash management services, including treasury, depository, overdraft, credit or debit card (including non-card electronic payables and purchasing cards), electronic funds transfer and other cash management arrangements.

"Cash Management Bank" means any Person that, (a) at the time it enters into a Cash Management Agreement with a Credit Party or any of its Subsidiaries, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent, or (b) at the time it (or its Affiliate) becomes a Lender or the Administrative Agent (including on the Closing Date), is a party to a Cash Management Agreement with a Credit Party or any of its Subsidiaries, in each case in its capacity as a party to such Cash Management Agreement.

"CFC" means any "controlled foreign corporation" within the meaning of Section 957 of the Code.

"Change in Control" means an event or series of events by which (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a "person" or "group" shall be deemed to have "beneficial ownership" of all Equity Interests that such "person" or "group" has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the Equity Interests of the Borrower entitled to vote in the election of members of the board of directors (or equivalent governing body) of the Borrower, (ii) during any period of twelve (12) consecutive months, a majority of the members of the board of directors (or other equivalent governing body) of the Borrower shall not constitute Continuing Directors or (iii) there shall have occurred under any indenture or other instrument evidencing any Indebtedness in excess of the Threshold Amount any "change in control" or similar provision (as set forth in the indenture, agreement or other evidence of such Indebtedness) obligating the Borrower or any of its Subsidiaries to repurchase, redeem or repay all or any part of the Indebtedness provided for therein.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented or issued.

"Closing Date" means June 22, 2023.

"CME" means CME Group Benchmark Administration Limited.

"Code" means the Internal Revenue Code of 1986.

"Commitment Percentage" means, as to any Lender, such Lender's Term Loan Percentage.

"Commitments" means, collectively, as to all Lenders, the Term Loan Commitments of such Lenders.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.).

“Communication” means this Agreement, any Loan Document and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to any Loan Document.

“Competitor” means any Person that is a bona fide direct competitor of the Borrower or any of its Subsidiaries in the same industry or a substantially similar industry which offers a substantially similar product or service as the Borrower or any of its Subsidiaries.

“Conforming Changes” means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate or Term SOFR, as applicable, any conforming changes to the definitions of Base Rate, SOFR, Term SOFR, Interest Period, the timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, the timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption and implementation of such applicable rate, 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 rate exists, in such other manner of administration as the Administrative Agent, in consultation with the Borrower, determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated” means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with applicable principles of consolidation under GAAP.

“Consolidated EBITDA” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries in accordance with GAAP: (a) Consolidated Net Income for such period plus (b) the sum of the following, without duplication, to the extent deducted in determining Consolidated Net Income for such period: (i) Federal, state, local and foreign income taxes, (ii) Consolidated Interest Expense, (iii) amortization and depreciation (including amortization of goodwill, other intangibles, financing fees and related expenses), (iv) non-cash impairment charges, (v) non-cash expenses resulting from the grant of stock and stock options and other compensation to management personnel of the Borrower and its Subsidiaries pursuant to a written incentive plan or agreement, (vi) any expenses or charges related to any equity offering, any proposed incurrence, redemption, repayment, prepayment, refinancing or amendment, in each case after July 1, 2022, of any Indebtedness permitted under this Agreement, any acquisition after July 1, 2022 permitted under this Agreement and any disposition or investment, in each case after July 1, 2022, permitted under this Agreement, (vii) any losses or expenses resulting from any Hedge Termination Value, (viii) any losses attributable to non-cash mark-to-market adjustments on Hedge Agreements, (ix) losses recorded under the equity method related an investment, (x) Transaction and Specified Acquisition transaction expenses or charges, (xi) the amount of any one-time restructuring costs incurred in connection with the Specified Acquisition and other Acquisitions consummated on or after July 1, 2022 in an amount with respect to such Acquisitions not to exceed \$20,000,000 in the aggregate during the term of this Agreement, (xii) extraordinary or non-recurring losses or charges (excluding extraordinary losses from discontinued operations) and (xiii) non-cash losses or non-cash items decreasing Consolidated Net Income less (c) the sum of the following, without duplication, to the extent included in determining Consolidated Net Income for such period: (i) interest income, (ii) any extraordinary gains, (iii) any income or gain resulting from any Hedge Termination Value, (iv) any income or gain attributable to non-cash mark-to-market adjustments of Hedge Agreements, and (v) non-cash gains or non-cash items increasing Consolidated Net Income. For purposes of this Agreement, Consolidated EBITDA shall be adjusted on a Pro Forma Basis.

“Consolidated Funded Indebtedness” means, as of any date of determination with respect to the Borrower and its Subsidiaries on a Consolidated basis without duplication, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments (but excluding any obligations arising under Hedge Agreements), (b) all purchase money Indebtedness, (c) all drawn amounts arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments, (d) all Attributable Indebtedness with respect to such Person’s Finance Lease Obligations and Synthetic Leases, (e) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (d) above of Persons other than the Borrower or any Subsidiary, and (f) all Indebtedness of the types referred to in clauses (a) through (e) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date to (b) Consolidated Interest Expense for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

“Consolidated Interest Expense” means, for any period, the sum of the following determined on a Consolidated basis, without duplication, for the Borrower and its Subsidiaries: (a) all interest, premium payments, fees, charges and related expenses in connection with borrowed money 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 capitalized leases that is treated as interest in accordance with GAAP, in each case that is either paid or required to be paid in cash during such period and net of interest income received or receivable during such period, provided there shall be excluded (i) any non-cash interest expense attributable to the movement in the mark to market valuation of Hedge Agreements or other derivative instruments pursuant to “Financial Accounting Standards Board Statement No. 133—Accounting for Derivative Instruments and Hedging Activities” and any other applicable accounting standard and non-cash interest expense attributable to the amortization of gains or losses resulting from the termination prior to or reasonably contemporaneously with the closing date of Hedge Agreements, (ii) any amortization or write-off of financing or other debt issuance costs otherwise included therein, and (iii) any change in Hedge Termination Value (provided that there shall be included in the calculation of Consolidated Interest Expense payments made or received under any interest rate Hedge Agreements (excluding payments from the termination of any interest rate Hedge Agreement)).

“Consolidated Net Income” means, for any period, the net income (or loss) of the Borrower and its Subsidiaries for such period, determined on a Consolidated basis, without duplication, in accordance with GAAP; provided, that in calculating Consolidated Net Income of the Borrower and its Subsidiaries for any period, there shall be excluded (a) the net income of any Subsidiary during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its organizational documents or any agreement, instrument or Applicable Law (it is understood that the review and approval process of the applicable state department of insurance for dividends by Captive Insurance Companies shall not constitute such a restriction) to such Subsidiary during such period, except that the Borrower’s equity in any net loss of any such Subsidiary for such period shall be included in determining Consolidated Net Income, and (b) any income (or loss) for such period of any Person if such Person is not a Subsidiary, except that the Borrower’s equity in the net income of any such Person for such period shall be included in Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Borrower or a Subsidiary as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to the Borrower as described in clause (a) of this proviso).

“Consolidated Net Tangible Assets” means, at any time, the aggregate amount of assets (less applicable accumulated depreciation, depletion and amortization and other reserves and other properly deductible items) of the Borrower and its Subsidiaries, minus (a) all current liabilities of the Borrower and

its Subsidiaries (excluding (i) liabilities that by their terms are extendable or renewable at the option of the obligor to a date more than 12 months after the date of determination and (ii) the current portion of long term Indebtedness and all Indebtedness consisting of revolver and swingline borrowing and the Credit Facility (and refinancing thereof)) and (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense (less unamortized premium).

“Consolidated Total Net Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness (minus the unrestricted cash and Cash Equivalents of the Borrower and its Subsidiaries and, for purposes of calculating the Applicable Margin only, the Operating Lease Opportunistic Prepayment Amounts) on such date to (b) Consolidated EBITDA for the period of four (4) consecutive fiscal quarters ending on or immediately prior to such date.

“Continuing Directors” means the directors (or equivalent governing body) of the Borrower on the Closing Date and each other director (or equivalent) of the Borrower, if, in each case, such other Person’s election or nomination to the board of directors (or equivalent governing body) of the Borrower is approved by at least a majority of the then Continuing Directors.

“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.

“Covered Entity” has the meaning assigned thereto in Section 12.24.

“Covered Party” has the meaning assigned thereto in Section 12.24.

“Credit Facility” means the Term Loan Facility.

“Credit Parties” means, collectively, the Borrower and the Subsidiary Guarantors.

“Daily Simple SOFR” with respect to any applicable determination date means SOFR on the Federal Reserve Bank of New York’s website (or any successor source).

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any of the events specified in Section 10.1 which with the passage of time, the giving of notice or any other condition, would constitute an Event of Default.

“Default Right” has the meaning assigned thereto in Section 12.24.

“Defaulting Lender” means, subject to Section 5.15(b), any Lender that (a) has failed to (i) fund all or any portion of the Term Loan required to be funded by it hereunder within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations

hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the FDIC or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 5.15(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disqualified Institution” means, on any date, (a) any Person designated by the Borrower as a “Disqualified Institution” by written notice delivered to the Administrative Agent on or prior to the Closing Date and (b) any other Person that is a Competitor (and an Affiliate of a Competitor to the extent reasonably identifiable on the basis of the similarity of such Affiliate’s name and the name of an entity so identified in writing) of the Borrower or any of its Subsidiaries, which Person has been designated by the Borrower as a “Disqualified Institution” by written notice to the Administrative Agent (which such notice shall specify such Person by exact legal name) and the Lenders (including by posting such notice to the Platform) not less than five (5) Business Days prior to such date; provided that “Disqualified Institutions” shall exclude any Person that the Borrower has designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent from time to time; provided, further, that any bona fide debt fund or investment vehicle that is primarily engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of business which is managed, sponsored or advised by any Person Controlling, Controlled by or under common Control with such Competitor or its Controlling owner and for which no personnel involved with the competitive activities of such Competitor or Controlling owner (i) makes any investment decisions for such debt fund or (ii) has access to any confidential information (other than publicly available information) relating to the Borrower and its Subsidiaries shall be deemed not to be a Competitor of the Borrower or any of its Subsidiaries.

“Dollars” or “\$” means, unless otherwise qualified, dollars in lawful currency of the United States.

“Domestic Subsidiary” means any Subsidiary organized under the laws of any political subdivision of the United States.

“DQ List” has the meaning assigned thereto in Section 12.9(f)(iv).

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

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

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any credit institution or investment firm established in any EEA Member Country.

“Electronic Copy” has the meaning specified in Section 12.16(b).

“Electronic Record” and “Electronic Signature” shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 12.9 (subject to such consents, if any, as may be required under Section 12.9(b)(iii) and Section 12.9(f)).

“Employee Benefit Plan” means (a) any employee benefit plan within the meaning of Section 3(3) of ERISA that is maintained for employees of any Credit Party or any ERISA Affiliate or (b) any Pension Plan or Multiemployer Plan that has at any time within the preceding six (6) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliate.

“Environmental Claims” means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation or proceedings relating in any way to any actual or alleged violation of or liability under any Environmental Law or relating to any permit issued, or any approval given, under any such Environmental Law, including, without limitation, any and all claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to public health or the environment.

“Environmental Laws” means any and all federal, foreign, state, provincial and local laws, statutes, ordinances, codes, rules, regulations, permits, licenses, approvals and orders of courts or Governmental Authorities, relating to the protection of public health or the environment, including, but not limited to, legally enforceable requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Materials.

“Equity Interests” means (a) in the case of a corporation, capital stock, (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of capital stock, (c) in the case of a partnership, partnership interests (whether general or limited), (d) in the case of a limited liability company, membership interests, (e) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person and (f) any and all warrants, rights or options to purchase any of the foregoing.

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

“ERISA Affiliate” means any Person who together with any Credit Party or any of its Subsidiaries is treated as a single employer within the meaning of Section 414(b) and (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code), or Section 4001(b) of ERISA.

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

“Event of Default” means any of the events specified in Section 10.1; provided that any requirement for passage of time, giving of notice, or any other condition, has been satisfied.

“Exchange Act” means the Securities Exchange Act of 1934.

“Excluded Subsidiaries” means:

(a) any Subsidiary of the Borrower (x) that would be prohibited or restricted by Applicable Law or contract from becoming a Subsidiary Guarantor (including any requirement to obtain the consent, approval, license or authorization of any Governmental Authority or third party, unless such consent, approval, license or authorization has been received, but excluding any restriction in any organizational documents of such Subsidiary) so long as (i) in the case of Subsidiaries of the Borrower existing on the Closing Date, such contractual obligation is in existence on the Closing Date and (ii) in the case of Subsidiaries of the Borrower acquired after the Closing Date, such contractual obligation is in existence at the time of such acquisition, or (y) that if it became a Subsidiary Guarantor would result in material adverse tax consequences as reasonably determined by the Borrower;

(a) any Foreign Subsidiary of the Borrower that is (i) a CFC or (ii) a direct or indirect Subsidiary of a CFC;

(b) any Domestic Subsidiary of the Borrower substantially all of the assets of which consist (directly or indirectly through entities that are treated as a disregarded entities for U.S. federal income tax purposes) of Equity Interests and/or Indebtedness of one or more Foreign Subsidiaries that are CFCs (a “CFC Holdco”);

(c) any Domestic Subsidiary of the Borrower that is a direct or indirect Subsidiary of (i) a Foreign Subsidiary or (ii) a CFC Holdco;

(d) any Captive Insurance Company;

(e) any not-for-profit Subsidiary of the Borrower;

(f) any Subsidiary of the Borrower acquired with pre-existing Indebtedness permitted to remain outstanding hereunder (to the extent the guarantee of the Obligations by such Subsidiary would be prohibited by or require consent pursuant to the terms of such Indebtedness);

(g) any Subsidiary of the Borrower to the extent that the burden or cost of providing a guarantee outweighs the benefit afforded thereby as reasonably determined by the Borrower and the Administrative Agent;

(h) any Receivables Subsidiary; and

(i) Swift Academy LLC and its Subsidiaries, if any.

“Excluded Swap Obligation” means, with respect to any Credit Party, any Swap Obligation if, and to the extent that, all or a portion of the liability of such Credit Party for or the guarantee of such Credit Party of, or the grant by such Credit Party of a security interest to secure, such Swap Obligation (or any liability or 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 Credit Party’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the liability for or the guarantee of such Credit Party or the grant of such security interest becomes effective with respect to such Swap Obligation (such determination being made after giving effect to any applicable keepwell, support or other agreement for the benefit of the applicable Credit Party, including under the keepwell provisions in the Subsidiary Guaranty Agreement). 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 for the reasons identified in the immediately preceding sentence of this definition.

“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 organized under the laws of, or having its principal office or, in the

case of any Lender, its applicable Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 5.12(b)), or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to Section 5.11, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.11(g) and (d) any United States federal withholding Taxes imposed under FATCA.

"Extensions of Credit" means, as to any Lender at any time, (a) an amount equal to the aggregate principal amount of the Term Loans made by such Lender then outstanding, or (b) the making of any Loan by such Lender, as the context requires.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code., and any fiscal or regulatory legislation or rules adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

"FDIC" means the Federal Deposit Insurance Corporation.

"Federal Funds 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 Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"Fee Letters" means any one or more fee letter agreements entered into from time to time among the Borrower and Bank of America, N.A. and/or BAS.

"Finance 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 finance 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.

"Fiscal Year" means the fiscal year of the Borrower and its Subsidiaries ending on December 31.

"Foreign Lender" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

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

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Approvals” means all authorizations, consents, approvals, permits, licenses and exemptions of, and all registrations and filings with or issued by, any Governmental Authorities.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, 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 any supra-national bodies such as the European Union or the 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, (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation or (e) for the purpose of assuming in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (whether in whole or in part); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course. The amount of the Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

“Guaranteed Cash Management Agreement” means any Cash Management Agreement between or among any Credit Party or any of its Subsidiaries and any Cash Management Bank.

“Guaranteed Hedge Agreement” means any Hedge Agreement between or among any Credit Party or any of its Subsidiaries and any Hedge Bank.

“Guaranteed Obligations” means, collectively, (a) the Obligations and (b) all existing or future payment and other obligations owing by any Credit Party or any of its Subsidiaries under (i) any Guaranteed Hedge Agreement and (ii) any Guaranteed Cash Management Agreement; provided that the “Guaranteed Obligations” of a Credit Party shall exclude any Excluded Swap Obligations with respect to such Credit Party.

“Guaranteed Parties” means, collectively, the Administrative Agent, the Lenders, the Hedge Banks, the Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 11.5, any other holder from time to time of any of any Guaranteed Obligations and, in each case, their respective successors and permitted assigns.

“Hazardous Materials” means any substances or materials (a) which are defined as hazardous wastes, hazardous substances, pollutants, contaminants, or toxic substances under any Environmental Law, (b) which are regulated by any Governmental Authority due to their toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, or mutagenic nature, (c) the discharge or emission or release of which gives rise to liability under any Environmental Law, or (d) which contain asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil or nuclear fuel.

“Hedge Agreement” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap

transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement.

“Hedge Bank” means any Person that, (a) at the time it enters into a Hedge Agreement with a Credit Party or any of its Subsidiaries permitted under Article IX, is a Lender, an Affiliate of a Lender, the Administrative Agent or an Affiliate of the Administrative Agent or (b) at the time it (or its Affiliate) becomes a Lender or the Administrative Agent (including on the Closing Date), is a party to a Hedge Agreement with a Credit Party or any of its Subsidiaries, in each case in its capacity as a party to such Hedge Agreement.

“Hedge Termination Value” means, in respect of any one or more Hedge Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Hedge Agreements, (a) for any date on or after the date such Hedge Agreements have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedge Agreements, as determined in accordance with GAAP.

“Immaterial Subsidiary” means, at any date of determination, any Subsidiary of the Borrower that (i) does not, as of the most recently ended fiscal quarter of the Borrower, have total assets with a value in excess of 10% of the consolidated total assets of the Borrower and its Subsidiaries for such date and (ii) did not, during the most recently ended the most recently completed four fiscal quarters of the Borrower, have gross revenues exceeding 10% of the consolidated gross revenues of the Borrower and its Subsidiaries, in each case determined in accordance with GAAP; provided that, the aggregate total assets or gross revenues of all Immaterial Subsidiaries, determined in accordance with GAAP, may not exceed 20% of consolidated total assets or consolidated gross revenues, respectively, of the Borrower and its Subsidiaries, collectively, at any time (and the Borrower will designate in writing to the Administrative Agent from time to time the Subsidiaries which will cease to be treated as “Immaterial Subsidiaries” in order to comply with the foregoing limitation).

“Indebtedness” means, with respect to any Person at any date and without duplication, the sum of the following:

- (a) all liabilities, obligations and indebtedness for borrowed money including, but not limited to, obligations evidenced by bonds, debentures, notes or other similar instruments of any such Person;
- (b) all obligations to pay the deferred purchase price of property or services of any such Person (excluding, without limitation, all payment obligations under non-competition, earn out or similar agreements), except trade payables arising in the ordinary course of business not more than ninety (90) days past due, or that are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided for on the books of such Person;
- (c) the Attributable Indebtedness of such Person with respect to such Person’s Finance Lease Obligations and Synthetic Leases;
- (d) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person to the extent of the value of such property (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business);
- (e) all Indebtedness (excluding prepaid interest) of any other Person secured by a Lien on any asset owned or being purchased by such Person (including indebtedness arising

under conditional sales or other title retention agreements except trade payables arising in the ordinary course of business), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all obligations, contingent or otherwise, of any such Person relative to the face amount of letters of credit, whether or not drawn, and banker's acceptances issued for the account of any such Person;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;

(h) all net obligations of such Person under any Hedge Agreements; and

(i) all Guarantees of any such Person with respect to any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. In respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the amount of such Indebtedness as of any date of determination will be the lesser of (x) the fair market value of such assets as of such date and (y) the amount of such Indebtedness as of such date.

The amount of any net obligation under any Hedge Agreement on any date shall be deemed to be the Hedge Termination Value thereof as of such date.

"Indemnified Taxes" means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document.

"Indemnatee" has the meaning assigned thereto in Section 12.3(b).

"Information" has the meaning assigned thereto in Section 12.10.

"Initial Term Loan" means the term loan made, or to be made, to the Borrower by the Term Loan Lenders pursuant to Section 4.1.

"Interest Period" means, as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one (1), three (3) or six (6) months thereafter (in each case, subject to availability), as selected by the Borrower in its Notice of Borrowing/Conversion/Continuation and subject to availability; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Term SOFR Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the immediately preceding Business Day;

(b) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period shall extend beyond the Term Loan Maturity Date; and

(d) there shall be no more than ten (10) Interest Periods in effect at any time.

“Investment Company Act” means the Investment Company Act of 1940 (15 U.S.C. § 80(a)(1), *et seq.*).

“IRS” means the United States Internal Revenue Service.

“Joint Lead Arrangers” means BAS, PNC Capital Markets LLC, and Wells Fargo Securities, LLC, as Joint Lead Arrangers, in their capacities as joint lead arrangers and joint bookrunners.

“Knight” means Knight Transportation, Inc., an Arizona corporation.

“Lender” means each Person executing this Agreement as a Lender on the Closing Date and any other Person that shall have become a party to this Agreement as a Lender pursuant to an Assignment and Assumption, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption.

“Lending Office” means, with respect to any Lender, the office of such Lender maintaining such Lender’s Extensions of Credit.

“Leverage Increase Period” has the meaning assigned thereto in Section 9.9(a).

“Lien” means, with respect to any asset, any mortgage, leasehold mortgage, lien, pledge, charge, security interest, hypothecation or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, a Person shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, Finance Lease Obligation or other title retention agreement relating to such asset; provided that in no event shall an operating lease be deemed to constitute a Lien.

“Loan Documents” means, collectively, this Agreement, each Note, the Subsidiary Guaranty Agreement, the Fee Letters, and each other document, instrument, certificate and agreement executed and delivered by the Credit Parties in favor of or provided to the Administrative Agent or any Lender in connection herewith.

“Loans” means the collective reference to the Term Loan, and “Loan” means any of such Loans.

“Material Adverse Effect” means, with respect to the Borrower and its Subsidiaries, (a) a material adverse effect on the business, assets, results of operations or financial condition of the Borrower and its Subsidiaries, taken as a whole, (b) a material impairment of the ability of any Credit Party to perform its payment obligations under the Loan Documents to which it is a party, (c) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against any Credit Party of any Loan Document to which it is a party.

“Material Subsidiary” means a Subsidiary that is not an Immaterial Subsidiary.

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

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA to which any Credit Party or any ERISA Affiliate is making, or is accruing an obligation to make, or has accrued an obligation to make contributions within the preceding six (6) years.

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver, amendment, modification or termination that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 12.2 and (b) has been approved by the Required Lenders.

“Non-Guarantor Subsidiary” means any Subsidiary of the Borrower that is not a Subsidiary Guarantor.

“Notes” means the collective reference to the Term Loan Notes.

“Notice of Borrowing/Conversion/Continuation” means a notice of (a) a borrowing of Loans, (b) a conversion of Loans from one type to the other pursuant to Section 5.2, or (c) a continuation of Term SOFR Loans pursuant to Section 5.2, which shall be substantially in the form of Exhibit B 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 a Responsible Officer of the Borrower.

“Notice of Prepayment” means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit D 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 a Responsible Officer of the Borrower.

“Obligations” means, in each case, whether now in existence or hereafter arising: (a) the principal of and interest on (including interest and fees accruing after the filing of any bankruptcy or similar petition) the Loans, and (b) all other fees and commissions (including attorneys’ fees), charges, indebtedness, loans, liabilities, financial accommodations, obligations, covenants and duties owing by the Credit Parties to the Lenders or the Administrative Agent, in each case under any Loan Document, with respect to any Loan of every kind, nature and description, direct or indirect, absolute or contingent, due or to become due, contractual or tortious, liquidated or unliquidated, and whether or not evidenced by any note and including interest and fees that accrue after the commencement by or against any Credit Party of any proceeding under any Debtor Relief Laws, naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Officer’s Compliance Certificate” means a certificate of the chief executive officer, chief financial officer, treasurer, assistant treasurer, accounting officer or controller or any other officer or similar person acting in substantially the same capacity of the foregoing of the Borrower substantially in the form attached as Exhibit F.

“Operating Lease” means, as to any Person as determined in accordance with GAAP, any lease of Property (whether real, personal or mixed) by such Person as lessee which is not a finance lease.

“Operating Lease Opportunistic Prepayment Amounts” means, as of any date of determination, the amount applied to prepay and terminate Operating Leases entered into by the Borrower or any of its Subsidiaries prior to their stated maturity for the period of four (4) consecutive fiscal quarters ending on such date, provided that (a) such amount may not exceed \$100.0 million as of any date of determination and (b) the Borrower shall provide such documents and other information as may be reasonably requested by the Administrative Agent to support the calculation and application of the Operating Lease Opportunistic Prepayment Amounts.

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

“Other Taxes” means all present or future stamp, court, 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 5.12).

“Participant” has the meaning assigned thereto in Section 12.9(d).

“Participant Register” has the meaning assigned thereto in Section 12.9(d).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“PBGC” means the Pension Benefit Guaranty Corporation or any successor agency.

“Pension Plan” means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV of ERISA or Section 412 of the Code and which (a) is maintained, funded or administered for the employees of any Credit Party or any ERISA Affiliate or (b) has at any time within the preceding six (6) years been maintained, funded or administered for the employees of any Credit Party or any current or former ERISA Affiliates.

“Permitted Liens” means the Liens permitted pursuant to Section 9.2.

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

“Plan” has the meaning assigned thereto in Section 12.9(f)(iii).

“Platform” means Debt Domain, Intralinks, SyndTrak or a substantially similar electronic transmission system.

“Pro Forma Basis” means, for purposes of calculating Consolidated EBITDA for any period during which one or more transactions or calculations requiring the calculation of a financial metric on a Pro Forma Basis, (x) such transaction shall be deemed to have occurred as of the first day of the applicable period of measurement and all income statement items (whether positive or negative) attributable to the Property or Person disposed of in an Asset Disposition that is a Specified Transaction shall be excluded and all income statement items (whether positive or negative) attributable to the Property or Person acquired in an Acquisition that is a Specified Transaction shall be included (provided that such income statement items to be included are reflected in financial statements or other financial data reasonably acceptable to the Administrative Agent and based upon reasonable assumptions and calculations which are expected to have a continuous impact) and (y) if applicable, such calculation shall give effect to any step-up in Consolidated Total Net Leverage Ratio as set forth in Section 9.9(a) during a Leverage Increase Period.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Equity Interests.

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

“Public Lenders” has the meaning assigned thereto in Section 8.2.

“QFC” has the meaning assigned thereto in Section 12.24.

“QFC Credit Support” has the meaning assigned thereto in Section 12.24.

“Qualified Acquisition” has the meaning assigned thereto in Section 9.9(a).

“Qualified Receivables Transaction” means:

(a) any Securitization Transaction of a Receivables Subsidiary that meets the following conditions: (i) all sales of Receivables Assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Borrower or such direct parent); (ii) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Borrower or such direct parent) and may include Standard

Securitization Undertakings; and (iii) no Default or Event of Default shall have occurred and be continuing or would result therefrom; or

(b) to the extent a Securitization Transaction as described above is economically or practically unfeasible (determined in the reasonable discretion of the Borrower) any other transaction, including a secured loan, in which Receivables Assets are the sole recourse for such loan (it being understood that, for the avoidance of doubt, there shall be no recourse to the Borrower or any other Credit Party, although the provisions of such transaction may include Standard Securitization Undertakings).

“Receivables Assets” means a right of a Person to receive payment arising from a sale or lease of goods or the performance of services by such Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for such goods or services under terms that permit the purchase of such goods and services on credit and shall include, in any event, any items of property that would be classified as an “account,” “chattel paper,” “payment intangible” or “instrument” under the UCC and any supporting obligations and any assets related thereto which are customarily transferred, or in respect of which security interests are customarily granted, in connection with an asset securitization transactions involving receivables, in each case so as long as the documentation in connection therewith is reasonably satisfactory to the Administrative Agent.

“Receivables Subsidiary” means any direct or indirect Wholly-Owned Subsidiary of the Borrower that (i) is a special purpose entity engaged in Qualified Receivables Transactions, (ii) engages in no activities other than in connection with the purchase, sale or financing of Receivables Assets and any business or activities reasonably incidental or related thereto, (iii) is designated by the board of directors of the Borrower as a Receivables Subsidiary and (iv) meets the following conditions: (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Receivables Subsidiary (i) is Guaranteed by the Borrower or any of its Subsidiaries, (ii) is recourse to or obligates the Borrower or any of its Subsidiaries or (iii) subjects any property or assets of the Borrower or any of its Subsidiaries, directly or indirectly, contingently or otherwise, to the satisfaction thereof; (b) with which neither the Borrower nor any of its Subsidiaries has any material contract, agreement, arrangement or understanding (other than Standard Securitization Undertakings); and (c) to which neither the Borrower nor any of its Subsidiaries has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the board of directors of the Borrower shall be evidenced by a certified copy of the resolution of the board of directors of the Borrower giving effect to such designation (it being acknowledged that Swift Receivables Company II LLC has been so designated) and an officer’s certificate certifying that such designation complies with the foregoing conditions (except as described in the previous parenthetical).

“Recipient” means (a) the Administrative Agent and (b) any Lender, as applicable.

“Register” has the meaning assigned thereto in Section 12.9(c).

“Related Indemnified Party” has the meaning assigned thereto in Section 12.3(b).

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

“Removal Effective Date” has the meaning assigned thereto in Section 11.6(b).

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

“Rescindable Amount” has the meaning assigned thereto in Section 5.7(b).

“Resignation Effective Date” has the meaning assigned thereto in Section 11.6(a).

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

“Responsible Officer” means, as to any Person, the chief executive officer, president, chief financial officer, controller, treasurer or assistant treasurer or similar person of such Person or any other officer of such Person designated in writing by the Borrower; provided that, to the extent requested thereby, the Administrative Agent shall have received a certificate of such Person certifying as to the incumbency and genuineness of the signature of each such officer. Any document delivered hereunder or under any other Loan Document that is signed by a Responsible Officer of a Person shall be conclusively presumed to have been authorized by all necessary corporate, limited liability company, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

“Restricted Payment” means any dividend on, or the making of any payment or other distribution on account of, or the purchase, redemption, retirement or other acquisition (directly or indirectly) of, or the setting apart assets for a sinking or other analogous fund for the purchase, redemption, retirement or other acquisition of, any class of Equity Interests of any Credit Party or any Subsidiary thereof, or the making of any distribution of cash, property or assets to the holders of any Equity Interests of any Credit Party or any Subsidiary thereof on account of such Equity Interests.

“S&P” means Standard & Poor’s Rating Service, a division of S&P Global Inc., and any successor thereto.

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

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including, without limitation, OFAC’s Specially Designated Nationals and Blocked Persons List and OFAC’s Consolidated Non-SDN List), the U.S. Department of State, the United Nations Security Council, the European Union or His Majesty’s Treasury, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person owned 50% or more, individually or in the aggregate, directly or indirectly, or controlled by any such Person or Persons described in clauses (a) and (b).

“Sanctions” means any and all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws, including but not limited to those imposed, administered or enforced from time to time by the U.S. government (including those administered by OFAC or the U.S. Department of State), the United Nations Security Council, the European Union, His Majesty’s Treasury.

“Scheduled Unavailability Date” has the meaning specified in Section 5.8(b).

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

“Securities Act” means the Securities Act of 1933 (15 U.S.C. § 77 *et seq.*).

“Securitization Transactions” means any transaction or series of transactions entered into by the Borrower or any of its Subsidiaries pursuant to which any Person issues interests, the proceeds of which are used to finance a discrete pool of Receivables Assets (in each case whether now existing or arising in the future), and which may include a grant of a security interest in any such Receivables Assets (whether now existing or arising in the future) of the Borrower or any of its Subsidiaries.

“SOFR” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

“SOFR Adjustment” means 0.10% (10.0 basis points).

“Significant Asset Sale” means each Asset Disposition which generates net cash proceeds of at least \$25,000,000.

“Specified Acquisition” means the Acquisition by the Borrower on or about the Closing Date of all of the outstanding Equity Interests of Target pursuant to the Acquisition Agreement.

“Specified Representations” means those representations and warranties made by the Borrower in Section 7.1(a) (with respect to the organizational existence of Credit Parties only), 7.3, 7.4(a), 7.4(b), 7.9 and 7.14.

“Specified Transaction” means any Acquisition, any other investment in a Person, any Significant Asset Sale or any other event that by the terms of this Agreement requires compliance on a “Pro Forma Basis” with a test or covenant hereunder.

“Standard Securitization Undertakings” means representations, warranties, covenants and indemnities entered into by the Borrower or any of its Subsidiaries which are reasonably customary (as determined in good faith by the Borrower) in a securitization of Receivables Assets.

“Subsidiary” means as to any Person, any corporation, partnership, limited liability company or other entity of which more than fifty percent (50%) of the outstanding Equity Interests having ordinary voting power to elect a majority of the board of directors (or equivalent governing body) or other managers of such corporation, partnership, limited liability company or other entity is at the time owned by (directly or indirectly) or the management is otherwise controlled by (directly or indirectly) such Person (irrespective of whether, at the time, Equity Interests of any other class or classes of such corporation, partnership, limited liability company or other entity shall have or might have voting power by reason of the happening of any contingency). Unless otherwise qualified, references to “Subsidiary” or “Subsidiaries” herein shall refer to those of the Borrower.

“Subsidiary Guarantors” means, collectively, all direct and indirect Material Subsidiaries of the Borrower (other than Excluded Subsidiaries) in existence on the Closing Date or which become a party to the Subsidiary Guaranty Agreement pursuant to Section 8.11. For the avoidance of doubt, the Borrower may, in its sole discretion, cause any Subsidiary that is a Domestic Subsidiary to execute a joinder pursuant to Section 8.11, and any such Subsidiary shall be a Subsidiary Guarantor hereunder for all purposes.

“Subsidiary Guaranty Agreement” means the unconditional guaranty agreement of even date herewith executed by the Subsidiary Guarantors in favor of the Administrative Agent, for the ratable benefit and the Guaranteed Parties, which shall be in form and substance acceptable to the Administrative Agent.

“Successor Rate” has the meaning specified in Section 5.8(b).

“Supported OFC” has the meaning assigned thereto in Section 12.24.

“Swap Obligation” means, with respect to any Credit Party, 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.

“Synthetic Lease” means any synthetic lease, tax retention operating lease, or off-balance sheet loan or financing product where such transaction is considered borrowed money indebtedness for tax purposes but is classified as an Operating Lease in accordance with GAAP.

“Target” means U.S. Xpress Enterprises, Inc., a Nevada corporation.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan Commitment” means (a) as to any Term Loan Lender, the obligation of such Term Loan Lender to make a portion of the Initial Term Loan to the account of the Borrower hereunder on the Closing Date in an aggregate principal amount not to exceed the amount set forth opposite such Lender’s name on the Register, as such amount may be increased, reduced or otherwise modified at any time or from time to time pursuant to the terms hereof and (b) as to all Term Loan Lenders, the aggregate commitment of all Term Loan Lenders to make such Term Loans. The aggregate Term Loan Commitment with respect to the Initial Term Loan of all Term Loan Lenders is \$250,000,000 on the Closing Date.

“Term Loan Facility” means the term loan facility established pursuant to Article IV.

“Term Loan Funding Date” has the meaning specified in Section 4.1.

“Term Loan Lender” means any Lender with a Term Loan Commitment and/or outstanding Term Loans.

“Term Loan Maturity Date” means the first to occur of (a) September 3, 2026, (b) the date of acceleration of the Term Loans pursuant to Section 10.2(a) or (c) solely to the extent that either of the circumstances in the definition of “Termination Date” have occurred, the Termination Date.

“Term Loan Note” means a promissory note made by the Borrower in favor of a Term Loan Lender evidencing the portion of the Term Loans made by such Term Loan Lender, substantially in the form attached as Exhibit A-3, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

“Term Loan Percentage” means, with respect to any Term Loan Lender at any time, the percentage of the total outstanding principal balance of the Term Loans represented by the outstanding principal balance of such Term Loan Lender’s Term Loans. The Term Loan Percentage of each Term Loan Lender as of the Closing Date is set forth opposite the name of such Lender on Schedule 1.1(b).

“Term Loans” and “Term Loan” mean the Initial Term Loans.

“Term SOFR” means,

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided, that, if the rate is not published prior to 11:00 a.m. on such determination date, then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment;

provided that if the Term SOFR determined in accordance with either of the foregoing clause (a) or (b) would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of Term SOFR.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Administrative Agent) and published on the applicable

Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Term SOFR Replacement Date” has the meaning specified in Section 5.8(b).

“Termination Date” means the first to occur (and solely to the extent that either such circumstance occurs) of (a) if the Specified Acquisition has not been consummated prior to December 20, 2023, December 20, 2023 or (b) if the Borrower’s obligation to consummate the Specified Acquisition has terminated prior to December 20, 2023, such date on which such obligation was terminated.

“Termination Event” means the occurrence of any of the following which, individually or in the aggregate, has resulted or could reasonably be expected to result in liability of the Borrower in an aggregate amount in excess of the Threshold Amount: (a) a “Reportable Event” described in Section 4043 of ERISA for which the thirty (30) day notice requirement has not been waived by the PBGC, or (b) the withdrawal of any Credit Party or any ERISA Affiliate from a Pension Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA, or (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, or (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC, or (e) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, or (f) the imposition of a Lien pursuant to Section 430(k) of the Code or Section 303 of ERISA, or (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or plan in endangered or critical status with the meaning of Sections 430, 431 or 432 of the Code or Sections 303, 304 or 305 of ERISA or (h) the partial or complete withdrawal of any Credit Party or any ERISA Affiliate from a Multiemployer Plan if withdrawal liability is asserted by such plan, or (i) any event or condition which results in the insolvency of a Multiemployer Plan under Section 4245 of ERISA, or (j) any event or condition which results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by PBGC of proceedings to terminate a Multiemployer Plan under Section 4042 of ERISA, or (k) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party or any ERISA Affiliate.

“Threshold Amount” means \$150,000,000.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and outstanding Term Loans of such Lender at such time.

“Trade Date” has the meaning assigned thereto in Section 12.9(f)(i).

“Transactions” means, collectively, (a) the Specified Acquisition, (b) the initial Extensions of Credit, and (c) the payment of the transaction costs incurred in connection with the foregoing.

“Type” means, with respect to a Loan, its character as a Base Rate Loan or a Term SOFR Loan.

“UCC” means the Uniform Commercial Code as in effect in the State of New York.

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

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“United States” means the United States of America.

“U.S. Government Securities Business Day” means any Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

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

“U.S. Special Resolution Regimes” has the meaning assigned thereto in Section 12.24.

“U.S. Tax Compliance Certificate” has the meaning assigned thereto in Section 5.11(g)(ii)(B).

“Wholly-Owned” means, with respect to a Subsidiary, that all of the Equity Interests of such Subsidiary are, directly or indirectly, owned or controlled by the Borrower and/or one or more of its Wholly-Owned Subsidiaries (except for directors’ qualifying shares or other shares required by Applicable Law to be owned by a Person other than the Borrower and/or one or more of its Wholly-Owned Subsidiaries).

“Withholding Agent” means any Credit Party and the Administrative Agent.

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

Section 1.2 Other Definitions and Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document: (a) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined, (b) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms, (c) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (d) the word “will” shall be construed to have the same meaning and effect as the word “shall”, (e) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (f) 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, (g) 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, (h) 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, (i) the term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form and (j) in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including,” (k) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document) and (l) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

Section 1.3 Accounting Terms.

(a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with GAAP as in effect from time to time, subject to clause (b) below. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein.

Section 1.4 Rounding. Any financial ratios required to be maintained 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 or percentage 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 1.5 References to Agreement and Laws. Any definition or reference to any Applicable Law, including, without limitation, Anti-Corruption Laws, Anti-Money Laundering Laws, the Bankruptcy Code, the Code, the Commodity Exchange Act, ERISA, the Exchange Act, the PATRIOT Act, the Securities Act, the UCC, the Investment Company Act, the Interstate Commerce Act, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Applicable Law.

Section 1.6 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.7 Rates. 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 any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including any Successor Rate) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including any Successor Rate) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion and consistent with its policies to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including any Successor Rate) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

Section 1.8 Guarantees/Earn-Outs. Unless otherwise specified, (a) the amount of any Guarantee shall be the lesser of the amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the

instrument embodying such Guarantee and (b) the amount of any earn-out or similar obligation shall be the amount of such obligation as reflected on the balance sheet of such Person in accordance with GAAP.

Section 1.9 Covenant Compliance Generally. For purposes of determining compliance under Section 9.1, Section 9.2, Section 9.4 and Section 9.5, any amount in a currency other than Dollars will be converted to Dollars in a manner consistent with that used in calculating Consolidated Net Income in the most recent annual financial statements of the Borrower and its Subsidiaries delivered pursuant to Section 8.1(a). Notwithstanding the foregoing, for purposes of determining compliance with Section 9.1 and Section 9.2, with respect to any amount of Indebtedness in a currency other than Dollars, no breach of any basket contained in such sections shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness is incurred; provided that for the avoidance of doubt, the foregoing provisions of this Section 1.9 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness may be incurred at any time under such Sections.

Section 1.10 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.

Article II

[RESERVED]

Article III

[RESERVED]

Article IV

TERM LOAN FACILITY

Section 4.1 Initial Term Loan. Subject to the terms and conditions of this Agreement and the other Loan Documents, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, each Term Loan Lender severally agrees to make the Initial Term Loan during the Availability Period (the date of such advance, the "Term Loan Funding Date") in a principal amount equal to such Lender's Term Loan Commitment. Amounts borrowed under this Section 4.1 and paid or prepaid may not be reborrowed. Notwithstanding the foregoing, if the total Term Loan Commitments are not drawn during the Availability Period, the undrawn amount shall automatically be cancelled.

Section 4.2 Procedure for Advance of Term Loan.

(a) Initial Term Loan. The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing/Conversion/Continuation prior to 12:00 p.m. on the day of the requested borrowing (or such shorter period as the Administrative Agent shall agree) requesting that the Term Loan Lenders make the Initial Term Loan as a Base Rate Loan on such date (provided that the Borrower may request, no later than two (2) Business Days prior to the requested date of the borrowing (or such shorter period as the Administrative Agent shall agree), that the Lenders make the Initial Term Loan as a Term SOFR Loan if the Borrower has delivered to the Administrative Agent a letter in form and substance reasonably satisfactory to the Administrative Agent indemnifying the Lenders in the manner set forth in Section 5.9 of this Agreement). Upon receipt of such Notice of Borrowing/Conversion/Continuation from the Borrower, the Administrative Agent shall promptly notify each Term Loan Lender thereof. Not later than 2:00 p.m. on the day of the requested borrowing, each Term Loan Lender will make available to the Administrative Agent for the account of the Borrower, at the Administrative Agent's Office in immediately available funds, the amount of such Initial Term Loan to be made

by such Term Loan Lender on the day of the requested borrowing. The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Initial Term Loan in immediately available funds by wire transfer to such Person or Persons as may be designated by the Borrower in writing.

(b) [Reserved].

Section 4.3 Repayment of Term Loans.

(a) Initial Term Loan. The Borrower shall repay the aggregate outstanding principal amount of the Initial Term Loan on the Term Loan Maturity Date, together with all accrued but unpaid interest thereon.

(b) [Reserved].

Section 4.4 Optional Prepayments of Term Loans. The Borrower shall have the right at any time and from time to time, without premium or penalty, to prepay the Term Loans, in whole or in part, upon delivery to the Administrative Agent of a Notice of Prepayment not later than (unless the Administrative Agent may agree) 12:00 p.m. (i) on the same Business Day as each Base Rate Loan and (ii) at least two (2) Business Days before each Term SOFR Loan, specifying the date and amount of repayment and whether the repayment is of Term SOFR Loans or Base Rate Loans or a combination thereof, and if a combination thereof, the amount allocable to each. Each optional prepayment of the Term Loans hereunder shall be in an aggregate principal amount of at least \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof. Each repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof. A Notice of Prepayment received after 12:00 p.m. shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the applicable Term Loan Lenders of each Notice of Prepayment. The Borrower may state that the Notice of Prepayment is conditioned on the effectiveness of another transaction, 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. Optional prepayments shall be applied as directed by the Borrower (or absent any direction, to the remaining scheduled amortization payments in direct order of maturity).

Article V

GENERAL LOAN PROVISIONS

Section 5.1 Interest.

(a) Interest Rate Options. Subject to the provisions of this Section, at the election of the Borrower, the Term Loans shall bear interest at (i) the Base Rate plus the Applicable Margin or (ii) Term SOFR plus the Applicable Margin. The Borrower shall select the rate of interest and Interest Period, if any, applicable to any Loan at the time a Notice of Borrowing/Conversion/Continuation is given.

(b) Default Rate. Subject to Section 10.3, (x) immediately upon the occurrence and during the continuance of an Event of Default under Section 10.1(a), and (y) at the request of the Required Lenders upon the occurrence and during the continuance of an Event of Default under Section 10.1(b), (h) or (i), (i) the Borrower shall no longer have the option to request or continue Term SOFR Loans or convert Base Rate Loans into Term SOFR Loans, (ii) all overdue Term SOFR Loans shall bear interest at a rate per annum of two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to such Term SOFR Loans until the end of the applicable Interest Period and (iii) all overdue Base Rate Loans and other Obligations arising hereunder or under any other Loan Document shall bear interest at a rate per annum equal to two percent (2%) in excess of the rate (including the Applicable Margin) then applicable to such Base Rate Loans; provided, however, the default rates set forth in this section shall not be owing or payable to Defaulting Lenders. Interest shall continue to accrue on the Obligations after the filing by or against the Borrower of any petition seeking any relief in bankruptcy or under any Debtor Relief Law.

(c) Interest Payment and Computation. Interest on each Base Rate Loan shall be due and payable in arrears on the last Business Day of each March, June, September and December commencing September 30, 2023; and interest on each Term SOFR Loan shall be due and payable on the last day of each Interest Period applicable thereto, and if such Interest Period extends over three (3) months, at the end of each three (3) month interval during such Interest Period. All computations of interest for Base Rate Loans shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest provided hereunder shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365/366-day year).

(d) Maximum Rate. In no contingency or event whatsoever shall the aggregate of all amounts deemed interest under this Agreement charged or collected pursuant to the terms of this Agreement exceed the highest rate permissible under any Applicable Law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that such a court determines that the Lenders have charged or received interest hereunder in excess of the highest applicable rate, the rate in effect hereunder shall automatically be reduced to the maximum rate permitted by Applicable Law and the Lenders shall at the Administrative Agent's option (i) promptly refund to the Borrower any interest received by the Lenders in excess of the maximum lawful rate or (ii) apply such excess to the principal balance of the Obligations. It is the intent hereof that the Borrower not pay or contract to pay, and that neither the Administrative Agent nor any Lender receive or contract to receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be paid by the Borrower under Applicable Law.

(e) SOFR. With respect to SOFR or Term SOFR the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

Section 5.2 Notice and Manner of Conversion or Continuation of Loans. The Borrower shall have the option to (a) provided that no Default or Event of Default has occurred and is then continuing, convert at any time following the second Business Day after the Closing Date (or earlier if acceptable to the Administrative Agent) all or any portion of any outstanding Base Rate Loans in a principal amount equal to \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof into one or more Term SOFR Loans and (b) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding Term SOFR Loans in a principal amount equal to \$3,000,000 or a whole multiple of \$1,000,000 in excess thereof into Base Rate Loans or (ii) provided that no Default or Event of Default has occurred and is then continuing, continue such Term SOFR Loans as Term SOFR Loans. Whenever the Borrower desires to convert or continue Loans as provided above, the Borrower shall give the Administrative Agent irrevocable prior written notice in the form of a Notice of Borrowing/Conversion/Continuation not later than 12:00 p.m. two (2) Business Days before the day on which a proposed conversion or continuation of such Loan is to be effective specifying (A) the Loans to be converted or continued, and, in the case of any Term SOFR Loan to be converted or continued, the last day of the Interest Period therefor, (B) the effective date of such conversion or continuation (which shall be a Business Day), (C) the principal amount of such Loans to be converted or continued, and (D) the Interest Period to be applicable to such converted or continued Term SOFR Loan. If the Borrower fails to give a timely Notice of Borrowing/Conversion/Continuation prior to the end of the Interest Period for any Term SOFR Loan, then the applicable Term SOFR Loan shall be converted to a Base Rate Loan. Any such automatic conversion to a Base Rate Loan shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Term SOFR Loan. If the Borrower requests a conversion to, or continuation of, Term SOFR Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Borrowing/Conversion/Continuation.

Section 5.3 Fees.

(a) Term Loan Fee. The Borrower shall pay to the Administrative Agent, for the account of each Lender with a Term Loan Commitment in accordance with its Commitment Percentage, a ticking fee (the “Ticking Fee”) at (i)(A) a rate per annum equal to 0.000% per annum for the period commencing on the Closing Date through and including the sixtieth day after the Closing Date or (B) a rate per annum equal to 0.125% per annum for the period commencing on the sixty-first day after the Closing Date through and including the last day of the Availability Period times (ii) the actual daily amount of such Lender’s undrawn Term Loan Commitments, subject to adjustment as provided in Section 5.15. The Ticking Fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article VI is not met, and shall be due and payable quarterly in arrears on the last Business Day of each of March, June, September and December, commencing with the quarter ending June 30, 2023, and on the Term Loan Maturity Date; provided, that (A) no Ticking Fee shall accrue on the Term Loan Commitment of a Defaulting Lender so long as such Lender shall be a Defaulting Lender and (B) any Ticking Fee accrued with respect to the Term Loan Commitment of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender.

(b) Other Fees. The Borrower shall pay to the Joint Lead Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in their Fee Letters. The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified.

Section 5.4 Manner of Payment. Each payment by the Borrower on account of the principal of or interest on the Loans or of any fee, commission or other amounts payable to the Lenders under this Agreement shall be made not later than 2:00 p.m. on the date specified for payment under this Agreement to the Administrative Agent at the Administrative Agent’s Office for the account of the Lenders entitled to such payment in Dollars, in immediately available funds and shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Any payment received after such time on such day shall be deemed a payment on such date for the purposes of Section 10.1, but for all other purposes shall be deemed to have been made on the next succeeding Business Day. Any payment received after 2:00 p.m. shall be deemed to have been made on the next succeeding Business Day for all purposes. Upon receipt by the Administrative Agent of each such payment, the Administrative Agent shall distribute to each such Lender at its address for notices set forth herein its Commitment Percentage in respect of the relevant Credit Facility (or other applicable share as provided herein) of such payment and shall wire advice of the amount of such credit to each Lender. Each payment to the Administrative Agent of Administrative Agent’s fees or expenses shall be made for the account of the Administrative Agent and any amount payable to any Lender under Section 5.9, Section 5.10, Section 5.11 or Section 12.3 shall be paid to the Administrative Agent for the account of the applicable Lender. Subject to the definition of Interest Period, if any payment under this Agreement shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day and such extension of time shall in such case be included in computing any interest if payable along with such payment. Notwithstanding the foregoing, if there exists a Defaulting Lender each payment by the Borrower to such Defaulting Lender hereunder shall be applied in accordance with Section 5.15(a)(ii).

Section 5.5 Evidence of Indebtedness.

(a) Extensions of Credit. The Extensions of Credit made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Extensions of Credit made by the Lenders to the Borrower and its Subsidiaries and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and

records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Term Loan Note which shall evidence such Lender's Term Loans in addition to such accounts or records. Each Lender may attach schedules to its Notes and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto.

(b) [Reserved].

Section 5.6 Sharing of Payments by Lenders. 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 other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations (other than pursuant to Section 5.9, Section 5.10, Section 5.11 or Section 12.3) greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, 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 other amounts owing them; 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 (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender or a Disqualified Institution), or (B) any payment obtained by a Lender as consideration for the assignment of, or sale of, a participation in any of its Loans to any assignee or participant, other than to the Borrower or any of its Subsidiaries or Affiliates (as to which the provisions of this paragraph shall apply).

Each Credit Party 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 each Credit Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Credit Party in the amount of such participation.

Section 5.7 Administrative Agent's Clawback.

(a) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender (i) in the case of Base Rate Loans, not later than 12:00 noon on the date of any proposed borrowing and (ii) otherwise, prior to the proposed date of any 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 Section 4.2 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 (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds 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 (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate 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.

(b) Payments by the Borrower; Presumptions by Administrative Agent. 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 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 the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies (such payment referred to as the "Rescindable Amount"): (1) the Borrower has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Borrower (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the applicable Lenders, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds 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 Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(c) Nature of Obligations of Lenders. The obligations of the Lenders under this Agreement to make the Loans and to make payments under this Section, Section 5.11(e), Section 12.3(c) or Section 12.7, as applicable, are several and are not joint or joint and several. The failure of any Lender to make available its Commitment Percentage of any Loan requested by the Borrower shall not relieve it or any other Lender of its obligation, if any, hereunder to make its Commitment Percentage of such Loan available on the borrowing date, but no Lender shall be responsible for the failure of any other Lender to make its Commitment Percentage of such Loan available on the borrowing date.

(d) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Agreement, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Extension of Credit set forth in Article VI are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

Section 5.8 Inability to Determine Rates.

(a) Circumstances Affecting Term SOFR Availability. If in connection with any request for a Term SOFR Loan or a conversion to or continuation thereof, (i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate has been determined in accordance with Section 5.8(b), and the circumstances under clause (i) of Section 5.8(b) or the Scheduled Unavailability Date has occurred (as applicable) or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan or in connection with an existing or proposed Base Rate Loan or (ii) the Administrative Agent or the

Required Lenders determine that for any reason that Term SOFR for any requested Interest Period with respect to a proposed Term SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans shall be suspended (to the extent of the affected Term SOFR Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Term SOFR component of the Base Rate, the utilization of the Term SOFR component in determining the Base Rate shall be suspended, in each case until the Administrative Agent (or, in the case of a determination by the Required Lenders described in clause (ii) of this Section 5.8(a), until the Administrative Agent upon instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of Term SOFR Loans (to the extent of the affected Term SOFR Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a borrowing of Base Rate Loans in the amount specified therein and (ii) any outstanding Term SOFR Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, but without limiting Section 5.8(a), above, if the Administrative Agent determines (which determination shall be conclusive and binding upon all parties hereto absent manifest error), or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined (which determination likewise shall be conclusive and binding upon all parties hereto absent manifest error), that:

(i) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having or purporting to have jurisdiction over the Administrative Agent or such administrator has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be representative or made available, or permitted to be used for determining the interest rate of Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide such representative interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

then, on a date and time determined by the Administrative Agent (any such date, the “Term SOFR Replacement Date”), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR *plus* the SOFR Adjustment for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the “Successor Rate”).

If the Successor Rate is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a quarterly basis.

Notwithstanding anything to the contrary herein, (i) if the Administrative Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date or (ii) if the events or circumstances of the type described in Section 5.8(b)(i) or Section 5.8(b)(ii) have occurred with respect to the Successor Rate then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 5.8 at the end of any Interest Period, relevant interest payment date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated credit facilities syndicated and agented in the United States 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 Dollar denominated credit facilities syndicated and agented in the United States for such benchmark. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a “Successor Rate”. Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders object to such amendment.

The Administrative Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate.

Any 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 Successor Rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent, in consultation with the Borrower.

Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero, the Successor Rate will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

(c) Illegality. If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (i) any obligation of such Lender to make or continue Term SOFR Loans or to convert Base Rate Loans to Term SOFR Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Term SOFR component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (A) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Term SOFR Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Term SOFR component of the Base Rate), either on the last day of the Interest Period or payment period therefor, if such Lender may lawfully continue to maintain such Term SOFR Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Term SOFR Loans and (B) if such notice asserts the illegality of such Lender determining or charging interest rates based upon SOFR, the

Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Term SOFR component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 5.9.

Section 5.9 Indemnity. The Borrower hereby indemnifies each of the Lenders against any loss or expense (including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain a Term SOFR Loan or from fees payable to terminate the deposits from which such funds were obtained, but excluding loss of anticipated profit) which may arise or be attributable to each Lender's obtaining, liquidating or employing deposits or other funds acquired to effect, fund or maintain any Loan (a) as a consequence of any failure by the Borrower to make any payment when due of any amount due hereunder in connection with a Term SOFR Loan, (b) due to any failure of the Borrower to borrow or continue a Term SOFR Loan or convert to a Term SOFR Loan on a date specified therefor in a Notice of Borrowing/Conversion/Continuation or (c) due to any payment, prepayment or conversion of any Term SOFR Loan on a date other than the last day of the Interest Period therefor. The amount of such loss or expense shall be determined, in the applicable Lender's sole discretion, using any reasonable attribution or averaging methods which such Lender deems appropriate and practical. A certificate of such Lender setting forth the basis for determining such amount or amounts necessary to compensate such Lender shall be forwarded to the Borrower through the Administrative Agent and shall be conclusively presumed to be correct save for manifest error.

Section 5.10 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or advances, loans or other credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Term SOFR Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or any other amount) then, upon written request of such Lender or other Recipient, the Borrower shall promptly pay to any such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender the Borrower shall promptly pay to such Lender such additional

amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or such other Recipient setting forth the amount or amounts necessary to compensate such Lender, such other Recipient or any of their respective holding companies, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or such other Recipient, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such other Recipient's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender or any other Recipient pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender or such other Recipient, 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 other Recipient's intention to claim compensation therefor (except that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Similar Treatment. Notwithstanding the foregoing Section 5.10(a) and Section 5.10(b), no Lender or Recipient shall make any request for compensation pursuant thereto (or be entitled to any such additional costs) unless such Lender or Recipient is then generally imposing such cost upon or requesting such compensation from borrowers in connection with similar credit facilities containing similar provisions.

Section 5.11 Taxes.

(a) Defined Terms. For purposes of this Section 5.11, the term "Applicable Law" includes FATCA. For the avoidance of doubt, none of the obligations under the provisions of this Section 5.11 shall apply to any payments made under any Guaranteed Hedge Agreement or Guaranteed Cash Management Agreement.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit 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), the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Credit Parties. The Borrower 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 the payment of, any Other Taxes.

(d) Indemnification by the Credit Parties. The Borrower shall indemnify each Recipient, within ten (10) 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) 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 Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Recipient, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) 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 12.9(d) 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 setoff and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 5.11, the Borrower 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.

(g) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the applicable Credit Party and the Administrative Agent, at the time or times reasonably requested by the applicable Credit Party or the Administrative Agent, such properly completed and executed documentation reasonably requested by the applicable Credit Party 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 applicable Credit Party or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the applicable Credit Party or the Administrative Agent as will enable the applicable Credit Party 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 5.11(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing:

(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 applicable Credit Party or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from United States federal backup withholding tax;

(B) 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 Lender under this Agreement (and from time to time thereafter upon the reasonable request of the applicable Credit Party 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 IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, United States federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(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 H-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 applicable Credit Party within the meaning of Section 871(h)(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 IRS Form W-8BEN-E; 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-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the 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 H-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 Lender under this Agreement (and from time to time thereafter upon the reasonable request of the applicable Credit Party 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 United States federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the applicable Credit Party or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to United States federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the applicable Credit Party and the Administrative Agent at the time or times prescribed by law and at such time or

times reasonably requested by the applicable Credit Party 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 applicable Credit Party or the Administrative Agent as may be necessary for the applicable Credit Party and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the applicable Credit Party 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 5.11 (including by the payment of additional amounts pursuant to this Section 5.11), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 5.11 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.

Section 5.12 Mitigation Obligations; Replacement of Lenders

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 5.10, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 5.11, then such Lender shall, at the request of the Borrower, 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 5.10 or Section 5.11, 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 costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 5.10, or if the Borrower is 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 5.11,

and, in each case, such Lender has declined or is unable to designate a different Lending Office in accordance with Section 5.12(a), or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, (and in the case of a Defaulting Lender, the Administrative Agent may) 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, and consents required by, Section 12.9), all of its interests, rights (other than its existing rights to payments pursuant to Section 5.10 or Section 5.11) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

- (i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.9;
- (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 5.9) 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);
- (iii) in the case of any such assignment resulting from a claim for compensation under Section 5.10 or payments required to be made pursuant to Section 5.11, such assignment will result in a reduction in such compensation or payments thereafter;
- (iv) such assignment does not conflict with Applicable Law; and
- (v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or 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. Solely for purposes of effecting any assignment involving a Defaulting Lender under this Section 5.12 and to the extent permitted under Applicable Law, each Lender hereby designates and appoints the Administrative Agent as true and lawful agent and attorney-in-fact, with full power and authority, for and on behalf of and in the name of such Lender to execute, acknowledge and deliver the Assignment and Assumption required hereunder if such Lender is a Defaulting Lender and such Lender shall be bound thereby as fully and effectively as if such Lender had personally executed, acknowledged and delivered the same.

(c) Selection of Lending Office. Subject to Section 5.12(a), each Lender may make any Loan to the Borrower through any Lending Office, provided that the exercise of this option shall not affect the obligations of the Borrower to repay the Loan in accordance with the terms of this Agreement or otherwise alter the rights of the parties hereto.

Section 5.13 [Reserved].

Section 5.14 [Reserved].

Section 5.15 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 12.2.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article X or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.4 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan or funded participation in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans and funded participations under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(b) **Defaulting Lender Cure.** If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Credit Facility, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

Section 5.16 [Reserved].

Article VI

CONDITIONS OF CLOSING AND BORROWING

Section 6.1 **Conditions to Closing and Initial Extensions of Credit.** The obligation of the Lenders to close this Agreement and to make the initial Loans is subject to the satisfaction of each of the following conditions:

(a) **Executed Loan Documents.** This Agreement, a Term Loan Note in favor of each Term Loan Lender requesting a Term Loan Note, the Subsidiary Guaranty Agreement, together with any other applicable Loan Documents, shall have been executed and delivered to the Administrative Agent by the parties thereto.

(b) Closing Certificates; Etc. The Administrative Agent shall have received each of the following in form and substance reasonably satisfactory to the Administrative Agent:

(i) Officer's Certificate. A certificate from a Responsible Officer of the Borrower to the effect that (A) all representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects (1) except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects and (2) except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date (except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date) and (B) each of the Credit Parties, as applicable, has satisfied each of the conditions set forth in Section 6.1 and Section 6.2(a), (b), and (c).

(ii) Certificate of Secretary of each Credit Party. A certificate of a Responsible Officer of each Credit Party certifying as to the incumbency and genuineness of the signature of each officer of such Credit Party executing Loan Documents to which it is a party and certifying that attached thereto is a true, correct and complete copy of (A) the articles or certificate of incorporation or formation (or equivalent), as applicable, of such Credit Party and all amendments thereto, certified as of a recent date by the appropriate Governmental Authority in its jurisdiction of incorporation, organization or formation (or equivalent), as applicable, (B) the bylaws or other governing document of such Credit Party as in effect on the Closing Date, (C) resolutions duly adopted by the board of directors (or other governing body) of such Credit Party authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party, and (D) each certificate required to be delivered pursuant to Section 6.1(b)(iii).

(iii) Certificates of Good Standing. Certificates as of a recent date of the good standing of each Credit Party under the laws of its jurisdiction of incorporation, organization or formation (or equivalent), as applicable.

(iv) Opinions of Counsel. Opinions of (a) Latham & Watkins LLP, as New York counsel to the Credit Parties and (b) Todd Carlson, as internal counsel to the Credit Parties addressed to the Administrative Agent and the Lenders with respect to the Credit Parties, the Loan Documents and such other customary matters as the Administrative Agent shall request (which such opinions shall expressly permit reliance by permitted successors and assigns of the Administrative Agent and the Lenders).

(c) Payment at Closing. The Borrower shall have paid or made arrangements to pay contemporaneously with closing (A) to the Administrative Agent, the Joint Lead Arrangers and the Lenders the fees set forth or referenced in Section 5.3 (which amounts may be offset against the proceeds of the Credit Facilities), and (B) all reasonable and documented fees, charges and disbursements of a single counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least three (3) Business Days prior to the Closing Date.

(d) Miscellaneous.

(i) [Reserved].

(ii) Beneficial Ownership. To the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Borrower shall have provided to the Administrative Agent or any Lender, at least five (5) Business days prior to the Closing Date, a Beneficial Ownership Certification in relation to such Credit Party.

(iii) PATRIOT Act, etc. The Borrower and each of the Subsidiary Guarantors shall have provided to the Administrative Agent and the Lenders, at least three (3) Business Days prior to the Closing Date, the documentation and other information requested by the Administrative Agent and the Lenders in writing at least ten (10) Business Days prior to the Closing Date in order to comply with requirements of any Anti-Money Laundering Laws, including, without limitation, the PATRIOT Act and any applicable “know your customer” rules and regulations.

Without limiting the generality of the provisions of Section 11.3(c), for purposes of determining compliance with the conditions specified in this Section 6.1, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Section 6.2 Conditions to All Extensions of Credit. The obligations of the Lenders to make or participate in any Extensions of Credit (including the initial Extension of Credit but excluding any conversion to or continuation of Term SOFR Loans) are subject to the satisfaction of the following conditions precedent on the relevant borrowing, issuance or extension date:

(a) Specified Representations and Acquisition Agreement Representations. The Specified Representations and Acquisition Agreement Representations (only to the extent that the failure of such Acquisition Agreement Representations would result in a failure of a condition precedent to the obligation of the Borrower or any Credit Party to consummate such Specified Acquisition) shall be true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects, on and as of such borrowing, issuance or extension date with the same effect as if made on and as of such date (except for any such representation and warranty that by its terms is made only as of an earlier date, which representation and warranty shall remain true and correct in all material respects as of such earlier date, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect, which such representation and warranty shall be true and correct in all respects as of such earlier date).

(b) No Existing Payment or Bankruptcy Default. No Event of Default pursuant to Section 10.1(a), (b), (h) (with respect to the Borrower) or (i) (with respect to the Borrower) shall have occurred and be continuing on the borrowing date with respect to such Loan or after giving effect to the Loans to be made on such date.

(c) Notices. The Administrative Agent shall have received a Notice of Borrowing/Conversion/Continuation from the Borrower in accordance with Section 4.2.

Article VII

REPRESENTATIONS AND WARRANTIES OF THE CREDIT PARTIES

To induce the Lenders to enter into this Agreement and to make Extensions of Credit, the Borrower hereby represents and warrants to the Lenders on the Closing Date and as otherwise set forth in Section 6.2, that:

Section 7.1 Organization; Power; Qualification. Each Credit Party (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, (b) has the power and authority to own its Properties and to carry on its business as now being conducted and (c) is duly qualified and authorized to do business in each jurisdiction where such qualification is required, except, in each case referred to in clause (a) (other than with respect to the Borrower), (b) and (c), where a failure to do so could not reasonably be expected to result in a Material Adverse Effect. No Credit Party nor any Subsidiary thereof is an Affected Financial Institution.

Section 7.2 Ownership. Each Subsidiary of each Credit Party as of the Closing Date is listed on Schedule 7.2. As of the Closing Date, Schedule 7.2 identifies the ownership interests of each Credit Party in each Subsidiary. All outstanding shares have been duly authorized and validly issued and are fully paid and nonassessable.

Section 7.3 Authorization; Enforceability. Each Credit Party has the right, power and authority and has taken all necessary corporate and other action to authorize the execution, delivery and performance of this Agreement and each of the other Loan Documents to which it is a party in accordance with their respective terms. This Agreement and each of the other Loan Documents have been duly executed and delivered by the duly authorized officers of each Credit Party that is a party thereto, and each such document constitutes the legal, valid and binding obligation of each Credit Party thereof that is a party thereto, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar state or federal Debtor Relief Laws from time to time in effect which affect the enforcement of creditors' rights in general and the availability of equitable remedies.

Section 7.4 Compliance of Agreement, Loan Documents and Borrowing with Laws, Etc. The execution, delivery and performance by each Credit Party of the Loan Documents to which each such Person is a party, in accordance with their respective terms, the Extensions of Credit hereunder and the transactions contemplated hereby or thereby do not and will not, by the passage of time, the giving of notice or otherwise, (a) require any Governmental Approval or violate any Applicable Law relating to any Credit Party thereof where the failure to obtain such Governmental Approval or such violation could reasonably be expected to have a Material Adverse Effect, (b) conflict with, result in a breach of or constitute a default under the articles of incorporation, bylaws or other organizational documents of any Credit Party, (c) conflict with, result in a breach of or constitute a default under any indenture, agreement or other instrument to which such Person is a party or by which any of its properties may be bound or any Governmental Approval relating to such Person, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (d) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by such Person other than Permitted Liens or (e) require any consent or authorization of, filing with (except for filings with the SEC as may be required from time to time), or other act in respect of, an arbitrator or Governmental Authority and no consent of any other Person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement other than consents, authorizations, filings or other acts or consents that have been obtained or for which the failure to obtain or make could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 7.5 Compliance with Law; Governmental Approvals. Each Credit Party and each Subsidiary thereof is in compliance with each Governmental Approval applicable to it and in compliance with all other Applicable Laws and all orders and decrees of all courts and arbitrators relating to it or any of its respective properties except where such failure is being contested in good faith by appropriate proceedings diligently conducted or as could not reasonably be expected to have a Material Adverse Effect.

Section 7.6 Tax Returns and Payments. The Borrower and its Subsidiaries have filed all material tax returns and reports required to be filed, and have paid all material taxes due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect.

Section 7.7 Environmental Matters. Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect:

- (a) The properties owned, leased or operated by each Credit Party and each Subsidiary thereof do not contain any Hazardous Materials in amounts or concentrations which constitute or constituted a violation of applicable Environmental Laws;

(b) To its knowledge, each Credit Party and each Subsidiary thereof and its properties and operations are in compliance, and have been in compliance, with all applicable Environmental Laws;

(c) No Credit Party nor any Subsidiary thereof has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters, Hazardous Materials, or compliance with Environmental Laws nor does any Credit Party or any Subsidiary thereof have knowledge or reason to believe that any such notice will be received or is being threatened;

(d) To its knowledge, Hazardous Materials have not been transported or disposed of to or from the properties owned, leased or operated by any Credit Party or any Subsidiary thereof in violation of any Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of such properties in violation of, or in a manner that has given rise to liability under, any applicable Environmental Laws; and

(e) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the Borrower, threatened, under any Environmental Law to which any Credit Party or any Subsidiary thereof is or will be named as a party, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any applicable Environmental Law to which any Credit Party or any Subsidiary thereof is a party, with respect to any real property owned, leased or operated by any Credit Party or any Subsidiary thereof or operations conducted in connection therewith.

Section 7.8 Employee Benefit Matters.

(a) Except for instances of noncompliance that could not reasonably be expected to have a Material Adverse Effect, each Credit Party and each ERISA Affiliate is in compliance with all applicable provisions of ERISA, the Code and the regulations and published interpretations thereunder with respect to all Employee Benefit Plans. No liability has been incurred by any Credit Party or any ERISA Affiliate which remains unsatisfied for any taxes or penalties assessed with respect to any Employee Benefit Plan or any Multiemployer Plan except for a liability that could not reasonably be expected to have a Material Adverse Effect;

(b) As of the Closing Date, no funding waiver from the IRS been received or requested with respect to any Pension Plan, nor has any Credit Party or any ERISA Affiliate failed to make any contributions or to pay any amounts due and owing as required by Sections 412 or 430 of the Code, Section 302 of ERISA or the terms of any Pension Plan on or prior to the due dates of such contributions under Sections 412 or 430 of the Code or Section 302 of ERISA, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan;

(c) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no Credit Party nor any ERISA Affiliate has: (i) engaged in a nonexempt prohibited transaction described in Section 406 of the ERISA or Section 4975 of the Code, (ii) failed to make a required contribution or payment to a Multiemployer Plan, or (iii) failed to make a required installment or other required payment under Sections 412 or 430 of the Code;

(d) No Termination Event has occurred or is reasonably expected to occur;

(e) Except where the failure of any of the following representations to be correct could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, no proceeding, claim (other than a benefits claim in the ordinary course of business), lawsuit and/or investigation is existing or, to its knowledge, threatened concerning or involving (i) any employee welfare benefit plan (as defined in Section 3(1) of ERISA) currently maintained

or contributed to by any Credit Party or any ERISA Affiliate, (ii) any Pension Plan or (iii) any Multiemployer Plan.

(f) (i) No Credit Party is or will be (A) an “employee benefit plan,” as defined in Section 3(3) of ERISA or (B) a “plan” within the meaning of Section 4975(e) of the Code; (ii) no assets of any Credit Party constitute or will constitute “plan assets” within the meaning of the United States Department of Labor Regulations set forth in 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA; (iii) no Credit Party is or will be a “governmental plan” within the meaning of Section 3(32) of ERISA; and (iv) no transactions by or with any Credit Party are or will be subject to federal, state or local statutes applicable to such Credit Party regulating investments of fiduciaries with respect to governmental plans.

Section 7.9 Margin Stock. No Credit Party nor any Subsidiary thereof is engaged principally or as one of its activities in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” (as each such term is defined or used, directly or indirectly, in Regulation U of the Board of Governors of the Federal Reserve System). No part of the proceeds of any of the Loans will be used for purchasing or carrying margin stock or for any purpose which violates the provisions of Regulation T, U or X of such Board of Governors.

Section 7.10 Government Regulation. No Credit Party nor any Subsidiary thereof is an “investment company” or a company “controlled” by an “investment company” (as each such term is defined or used in the Investment Company Act).

Section 7.11 Financial Statements.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other material liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheets of the Borrower and its Subsidiaries dated March 31, 2023, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

Section 7.12 No Material Adverse Change. Since December 31, 2022, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

Section 7.13 Litigation. Except for matters disclosed in writing to the Lenders prior to the Closing Date, there are no actions, suits or proceedings pending nor, to its knowledge, threatened in writing against any Credit Party or any Subsidiary thereof or any of their respective properties in any court or before any arbitrator of any kind or before or by any Governmental Authority that could reasonably be expected to have a Material Adverse Effect.

Section 7.14 Anti-Corruption Laws; Anti-Money Laundering Laws and Sanctions.

(a) None of (i) the Borrower, any Subsidiary, or, to the knowledge of the Borrower or such Subsidiary, any of their respective directors, officers employees, or (ii) to the knowledge

of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the Credit Facility, is a Sanctioned Person.

(b) Each of the Borrower and its Subsidiaries has implemented and maintains in effect policies and procedures reasonably designed to promote compliance in all material respects by the Borrower and its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

(c) Each of the Borrower and its Subsidiaries, and to the knowledge of Borrower, each director, officer and employee of Borrower and each such Subsidiary, is in compliance in all material respects with all Anti-Corruption Laws, applicable Anti-Money Laundering Laws and applicable Sanctions.

Section 7.15 Absence of Defaults. No Default has occurred and is continuing.

Section 7.16 Disclosure. There is no fact known to any Responsible Officer of the Borrower on the Closing Date that has not been disclosed to the Administrative Agent that could reasonably be expected to result in a Material Adverse Effect. No financial statement, material report, material certificate or other material written information furnished by or on behalf of any Credit Party or any Subsidiary thereof to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken together as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, pro forma financial information, information of a general economic or industry specific nature, estimated financial information and other projected, forward looking or estimated information, such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being recognized by the Lenders that projections are not to be viewed as facts and that the actual results during the period or periods covered by such projections may vary from such projections). All of the information included in the most recently provided Beneficial Ownership Certification, if any, is true and correct.

Article VIII

AFFIRMATIVE COVENANTS

Until all of the Obligations (other than contingent indemnification obligations not then due) have been paid and satisfied in full in cash and the Commitments terminated, each Credit Party will, and will cause each of its Subsidiaries to:

Section 8.1 Financial Statements and Budgets. Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) **Annual Financial Statements.** As soon as practicable and in any event within ninety (90) days (or, if earlier, on the date of any required public filing thereof) (provided, however, if the Borrower obtains an extension of its Form 10-K filing date pursuant to Rule 12b-25 under the Exchange Act, then such financial statements shall be provided contemporaneously with such filing) after the end of each Fiscal Year (commencing with the Fiscal Year ended December 31, 2023), an audited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such Fiscal Year and audited Consolidated statements of income, stockholders' equity and cash flows including the notes thereto, setting forth in comparative form the corresponding figures as of the end of and for the preceding Fiscal Year and prepared in accordance with GAAP. Such annual financial statements shall be audited by an independent certified public accounting firm of recognized national standing, and accompanied by a report and opinion thereon by such certified public accountants prepared in accordance with generally accepted auditing standards that is not subject to any "going concern" or similar qualification or exception or any qualification as to the scope of such audit.

(b) Quarterly Financial Statements. As soon as practicable and in any event within forty five (45) days (or, if earlier, on the date of any required public filing thereof) (provided, however, if the Borrower obtains an extension of its Form 10-Q filing date pursuant to Rule 12b-25 under the Exchange Act, then such financial statements shall be provided contemporaneously with such filing) after the end of the first three fiscal quarters of each Fiscal Year (commencing with the fiscal quarter ended June 30, 2023), an unaudited Consolidated balance sheet of the Borrower and its Subsidiaries as of the close of such fiscal quarter and unaudited Consolidated statements of income, stockholders' equity and cash flows and a report containing management's discussion and analysis of such financial statements for the fiscal quarter then ended and that portion of the Fiscal Year then ended, including the notes thereto, all in reasonable detail setting forth in comparative form the corresponding figures as of the end of and for the corresponding period in the preceding Fiscal Year and prepared by the Borrower in accordance with GAAP, and certified by the chief financial officer of the Borrower to present fairly in all material respects the financial condition of the Borrower and its Subsidiaries on a Consolidated basis as of their respective dates and the results of operations of the Borrower and its Subsidiaries for the respective periods then ended, subject to normal year-end adjustments and the absence of footnotes.

Section 8.2 Certificates; Other Reports. Deliver to the Administrative Agent (which shall promptly make such information available to the Lenders in accordance with its customary practice):

(a) at each time financial statements are delivered pursuant to Section 8.1(a) or Section 8.1(b), a duly completed Officer's Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer, assistant treasurer, accounting officer, controller or any other officer or similar person acting in substantially the same capacity of the foregoing of the Borrower showing (commencing with the fiscal quarter ending on June 30, 2023) compliance with the financial covenants set forth in Section 9.9 and stating that (x) no Default or Event of Default has occurred and is continuing (or, if a Default or Event of Default has occurred, specifying the details of such Default or Event of Default and the action that the Borrower or a Credit Party has taken or proposes to take with respect thereto) and (y) no change in the generally accepted accounting principles used in the preparation of the financial statements provided pursuant to Section 8.1(a) or Section 8.1(b) has occurred (or if such a change has occurred, the Borrower shall provide a statement of reconciliation conforming such financial statements to GAAP);

(b) promptly after the same become publicly available, copies of all reports, notices, prospectuses and registration statements which any Credit Party files with the SEC or any national securities exchange;

(c) promptly upon the request thereof, such other information and documentation required by bank regulatory authorities under applicable Anti-Money Laundering Laws (including, without limitation, any applicable "know your customer" rules and regulations and the PATRIOT Act), as from time to time reasonably requested by the Administrative Agent or any Lender; and

(d) such other information regarding the operations, business affairs and financial condition of any Credit Party or any Subsidiary thereof as the Administrative Agent or any Lender may reasonably request.

Documents required to be delivered pursuant to Section 8.1(a) or Section 8.1(b) or Section 8.2(b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed in Section 12.1; or (ii) on which such documents are posted on the Borrower's behalf on an Internet, the SEC's website or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to

monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Joint Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a "Public Lender"). The Borrower hereby agrees that (w) all such Borrower Materials that are to be made available to the Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, means that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Joint Lead Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 12.10); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) the Administrative Agent and the Joint Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "Public".

Section 8.3 Notice of Litigation and Other Matters. Promptly (but in no event later than ten (10) days after any Responsible Officer of any Credit Party obtains knowledge thereof) notify the Administrative Agent in writing of (which shall promptly make such information available to the Lenders in accordance with its customary practice):

- (a) the occurrence of any Default or Event of Default;
- (b) the commencement of all proceedings and investigations by or before any Governmental Authority and all actions and proceedings in any court or before any arbitrator against or involving any Credit Party or any Subsidiary thereof or any of their respective properties, assets or businesses in each case that could reasonably be expected to result in a Material Adverse Effect;
- (c) any notice of any violation received by any Credit Party or any Subsidiary thereof from any Governmental Authority including, without limitation, any notice of violation of Environmental Laws which in any such case could reasonably be expected to have a Material Adverse Effect;
- (d) (i) all notices received by any Credit Party or any ERISA Affiliate of the PBGC's intent to terminate any Pension Plan or to have a trustee appointed to administer any Pension Plan, (ii) all notices received by any Credit Party or any ERISA Affiliate from a Multiemployer Plan sponsor concerning the imposition or amount of withdrawal liability pursuant to Section 4202 of ERISA and (iii) the Borrower obtaining knowledge or reason to know that any Credit Party or any ERISA Affiliate has filed or intends to file a notice of intent to terminate any Pension Plan under a distress termination within the meaning of Section 4041(c) of ERISA.

Section 8.4 Preservation of Corporate Existence and Related Matters. Except as permitted by Section 9.3 and Section 9.4 preserve and maintain its corporate existence or equivalent form and all rights, franchises, licenses and privileges necessary to the conduct of its business, and qualify and remain qualified as a foreign corporation or other entity and authorized to do business in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect.

Section 8.5 Maintenance of Property and Licenses.

- (a) Maintain or cause to be maintained all Properties necessary in and material to its business in good working order and condition, ordinary wear and tear excepted, in each case

except as such action or inaction could not reasonably be expected to result in a Material Adverse Effect.

(b) Maintain, in full force and effect in all material respects, each and every material license, permit, certification, qualification, approval or franchise issued by any Governmental Authority required for each of them to conduct their respective businesses as presently conducted, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 8.6 Insurance. Maintain insurance (which may be carried by the Borrower on a consolidated basis) with financially sound and reputable insurance companies (in the good faith judgment of management) (including Captive Insurance Companies) against such risks and in such amounts (giving effect to self-insurance) as are customarily maintained by similar businesses of established reputation (including, without limitation, hazard and business interruption insurance).

Section 8.7 Accounting Methods and Financial Records. Keep proper books and records (which shall be accurate and complete in all material respects) in a manner to allow the preparation of financial statements in accordance with GAAP.

Section 8.8 Payment of Taxes. Pay all taxes imposed upon it or any of its Property, except to the extent being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on the books of the Borrower or its Subsidiaries, as applicable, except where the failure to pay such items could not reasonably be expected to have a Material Adverse Effect.

Section 8.9 Compliance with Laws. Comply with all Applicable Laws (including ERISA and Environmental Laws), in each case applicable to the conduct of its business except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

Section 8.10 Visits and Inspections. Permit representatives of the Administrative Agent (on its behalf or on behalf of any Lender) or, if an Event of Default has occurred and is continuing, any Lender, from time to time (but no more than once annually if no Event of Default shall exist) upon prior reasonable notice and at such times during normal business hours, all at the expense of the Borrower, to visit and inspect its properties; inspect and make extracts from its books, records and files, including, but not limited to, management letters prepared by independent accountants; and discuss with its principal officers, and its independent accountants (provided that the Borrower may, if it so chooses, be present at or participate in such discussions), its business, assets, liabilities, financial condition, results of operations and business prospects. Notwithstanding anything to the contrary in this Section 8.10, none of the Borrower or any of its Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (c) is subject to attorney-client or similar privilege or constitutes attorney work product.

Section 8.11 Additional Subsidiaries. Within forty-five (45) days (as such time period may be extended by the Administrative Agent in its sole discretion), notify the Administrative Agent of the creation or acquisition of any Domestic Subsidiary that is a Material Subsidiary (other than an Excluded Subsidiary) and, cause such Domestic Subsidiary to (i) become a Subsidiary Guarantor by delivering to the Administrative Agent a duly executed supplement to the Subsidiary Guaranty Agreement or such other document as the Administrative Agent shall deem appropriate for such purpose and (ii) deliver to the Administrative Agent such opinions, documents and certificates referred to in Section 6.1 as may be reasonably requested by the Administrative Agent.

Section 8.12 Use of Proceeds. The Borrower shall use the proceeds of the Extensions of Credit to finance the Transactions and pay fees, commissions and expenses in connection with the Transactions; provided, that, the Specified Acquisition shall be consummated within two (2) Business Days of the Term Loan Funding Date.

Section 8.13 Compliance with Anti-Corruption Laws; Anti-Money Laundering Laws, Beneficial Ownership Regulations and Sanctions. The Borrower will (a) maintain in effect and enforce policies and procedures reasonably designed to promote and achieve compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with all Anti-Corruption Laws, applicable Anti-Money Laundering Laws and applicable Sanctions, (b) notify the Administrative Agent and each Lender that previously received a Beneficial Ownership Certification of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification and (c) promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or directly to such Lender, as the case may be, any information or documentation requested by it for purposes of complying with the Beneficial Ownership Regulation.

Article IX

NEGATIVE COVENANTS

Until all of the Obligations (other than contingent, indemnification obligations not then due) have been paid and satisfied in full in cash and the Commitments terminated, the Borrower will not, and will not permit any of its Subsidiaries to.

Section 9.1 Subsidiary Indebtedness. Create, incur, assume or suffer to exist any Indebtedness of any Subsidiary of the Borrower except:

- (a) the Obligations;
- (b) Indebtedness owing under Hedge Agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes (it being understood that entering into or offsetting hedges or trades to close open positions shall be deemed not to be for speculative purposes);
- (c) Indebtedness existing on the Closing Date and listed on Schedule 9.1, and the renewal, refinancing, extension and replacement (but not the increase in the aggregate principal amount (other than accrued but unpaid interest thereon, the amount of any premiums required to be paid thereon and fees and expenses associated therewith)) thereof;
- (d) Finance Lease Obligations and Indebtedness incurred in connection with purchase money Indebtedness so long as the aggregate outstanding principal amount of Indebtedness incurred pursuant to this clause (d), when combined (without duplication) with the aggregate principal amount of Indebtedness incurred under clauses (e), (l) and secured by Liens permitted by Section 9.2(n), does not at any time exceed an amount equal to 15% of Consolidated Net Tangible Assets as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable, and the renewal, refinancing, extension and replacement (but not the increase in the aggregate principal amount (other than accrued but unpaid interest thereon, the amount of any premiums required to be paid thereon and fees and expenses associated therewith));
- (e) Indebtedness of a Person existing at the time such Person became a Subsidiary or assets were acquired from such Person to the extent that (i) such Indebtedness was not incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or the acquisition of such assets, (ii) neither the Borrower nor any Subsidiary thereof (other than such Person or any other Person that such Person merges with or that acquires the assets of such Person) shall have any liability or other obligation with respect to such Indebtedness and (iii) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this clause (e), when combined (without duplication) with the aggregate principal amount of Indebtedness incurred under clauses (d), (l) and secured by Liens permitted by Section 9.2(n), does not at any time exceed an amount equal to 15% of Consolidated Net Tangible Assets as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable, and the renewal, refinancing, extension and

replacement (but not the increase in the aggregate principal amount (other than accrued but unpaid interest thereon, the amount of any premiums required to be paid thereon and fees and expenses associated therewith));

- (f) Guarantees with respect to any Indebtedness of Subsidiaries not prohibited by this Section;
- (g) unsecured intercompany Indebtedness:
 - (i) owed by any Credit Party (other than the Borrower) to another Credit Party;
 - (ii) owed by any Credit Party (other than the Borrower) to any Non-Guarantor Subsidiary (provided that such Indebtedness shall be subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent); and
 - (iii) owed by any Non-Guarantor Subsidiary to any other Non-Guarantor Subsidiary.
- (h) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or other similar instrument drawn against insufficient funds or netting services arising from treasury, depository and cash management services or in connection with any automated clearing-house transfer of funds, in each case in the ordinary course of business;
- (i) Indebtedness under performance bonds, surety bonds, release, appeal and similar bonds, statutory obligations or with respect to workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, insurance premium finance agreements, reclamation, statutory obligations and bankers acceptances, in each case incurred in the ordinary course of business, and reimbursement obligations in respect of any of the foregoing;
- (j) Indebtedness incurred by any Receivables Subsidiary in connection with any Qualified Receivables Transaction permitted by Section 9.4(l) in an aggregate amount not to exceed \$750,000,000 at any time outstanding; provided that such Indebtedness is strictly limited in recourse to such Receivables Subsidiary and its assets, except in respect of Standard Securitization Undertakings;
- (k) other Indebtedness of any Subsidiary Guarantor that is either unsecured or secured by Liens that are otherwise permitted by Section 9.2(n); provided that (i) that at the time of incurrence of such Indebtedness, no Default or Event of Default shall have occurred and be continuing (or would result therefrom) and (ii) the Borrower is in compliance with Section 9.9(a) on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness;
- (l) other Indebtedness of any Non-Guarantor Subsidiary that is either unsecured or secured by Liens that are otherwise permitted by Section 9.2(n), so long as the aggregate principal amount of Indebtedness incurred pursuant to this clause (l), when combined (without duplication) with the aggregate principal amount of Indebtedness incurred under clauses (d), (e) and secured by Liens permitted by Section 9.2(n), does not at any time exceed an amount equal to 15% of Consolidated Net Tangible Assets as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable; provided that (i) that at the time of incurrence of such Indebtedness, no Default or Event of Default shall have occurred and be continuing (or would result therefrom) and (ii) the Borrower is in compliance with Section 9.9(a) on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness;
- (m) Indebtedness consisting of indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of any business or assets of a Subsidiary, other than guarantees of Indebtedness incurred or assumed by

any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

- (n) Indebtedness consisting of the financing of insurance premiums in the ordinary course of business;
- (o) unsecured Indebtedness incurred in the ordinary course of business of the Borrower's Subsidiaries (in the nature of open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services which are not overdue for a period of more than ninety (90) days or, if overdue for more than ninety (90) days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Subsidiary);
- (p) Indebtedness representing deferred purchase price of property or services; including earn-out obligations, escrow arrangements or other arrangements representing deferred payments incurred in connection with any Acquisitions;
- (q) Indebtedness of the Borrower or a Subsidiary Guarantor owing to a Captive Insurance Company; provided that the amount of Indebtedness in this clause (q) does not exceed \$35,000,000 in original principal amount at any time outstanding; and
- (r) Indebtedness in respect of judgments or awards not deemed to be a default under Section 10.1(l).

Section 9.2 **Liens.** Create, incur, assume or suffer to exist, any Lien on or with respect to any of its Property, whether now owned or hereafter acquired, except:

- (a) Liens created pursuant to the Loan Documents;
- (b) Liens in existence on the Closing Date and described on Schedule 9.2, and the replacement, renewal or extension thereof; provided that the scope of any such Lien shall not be increased, or otherwise expanded, to cover any additional property or type of asset, as applicable, beyond that in existence on the Closing Date, except for products and proceeds of the foregoing;
- (c) Liens for taxes, assessments and other governmental charges or levies (excluding any Lien imposed pursuant to any of the provisions of ERISA or Environmental Laws) (i) which are not yet due and payable or as to which the period of grace, if any, related thereto has not expired or (ii) which are being contested in good faith by appropriate proceedings and for which adequate reserves for such items have been maintained to the extent required by GAAP;
- (d) the claims of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business, which are not overdue for a period of more than thirty (30) days, or if more than thirty (30) days overdue, such Liens are being contested in good faith and by appropriate proceedings if adequate reserves are maintained to the extent required by GAAP;
- (e) deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance and other types of social security or similar legislation, or to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (f) encumbrances in the nature of zoning restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount and which do not, in any case, materially detract from the value of such property or materially impair the use thereof in the ordinary conduct of business;

(g) Liens arising from the filing of precautionary UCC financing statements relating solely to personal property leased pursuant to operating leases entered into in the ordinary course of business of the Borrower and its Subsidiaries;

(h) Liens securing Indebtedness permitted under Section 9.1(d); provided that (i) such Liens shall be created within one hundred eighty (180) days of the acquisition, repair, construction, improvement or lease, as applicable, of the related Property (except in the case of any renewal, refinance, extension and replacement thereof), (ii) such Liens do not at any time encumber any property other than the Property financed (other than proceeds or products leased) or improved by such Indebtedness, (iii) the principal amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed one hundred percent (100%) of the original price for the purchase, repair, construction, improvement or lease amount (as applicable) of such Property at the time of purchase, repair, construction, improvement or lease (as applicable);

(i) Liens securing judgments for the payment of money not constituting an Event of Default under Section 10.1(l) or securing appeal or other surety bonds relating to such judgments;

(j) any Liens on the assets of any Receivables Subsidiary, and any Liens on Receivables Assets of the Borrower or any other Subsidiary, in each case, in connection with a Qualified Receivables Transaction;

(k) (i) Liens of a collecting bank arising in the ordinary course of business under Section 4-210 of the Uniform Commercial Code in effect in the relevant jurisdiction and (ii) Liens of any depositary bank in connection with statutory, common law and contractual rights of setoff and recoupment with respect to any deposit account of the Borrower or any Subsidiary thereof;

(l) (i) contractual or statutory Liens of landlords to the extent relating to the property and assets relating to any lease agreements with such landlord, and (ii) contractual Liens of suppliers (including sellers of goods) or customers granted in the ordinary course of business to the extent limited to the property or assets relating to such contract;

(m) any interest or title of a licensor, sublicensor, lessor or sublessor with respect to any assets under any license or lease agreement entered into in the ordinary course of business which do not (i) interfere in any material respect with the business of the Borrower or its Subsidiaries or materially detract from the value of the relevant assets of the Borrower or its Subsidiaries or (ii) secure any Indebtedness;

(n) Liens not expressly permitted by clauses (a) through (m) above and (o) through (u) below; provided that the aggregate principal amount of outstanding Indebtedness secured by such other Liens, when combined (without duplication) with the aggregate principal amount of Indebtedness of a Non-Guarantor Subsidiary incurred pursuant to Section 9.1(d), (e) and (l), does not, at the time of, and after giving effect to the incurrence of such Indebtedness, exceed an amount equal to 15% of Consolidated Net Tangible Assets as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable; provided further that (i) that at the time of incurrence of such Indebtedness, no Default or Event of Default shall have occurred and be continuing (or would result therefrom) and (ii) the Borrower is in compliance with Section 9.9(a) on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness;

(o) Liens incidental to the conduct of its business or the ownership of its assets which were not incurred in connection with the borrowing of money, and which do not in the aggregate materially detract from the value of its assets or materially impair the use thereof in the operation of its business;

(p) licenses of patents, trademarks and other intellectual property rights granted by the Borrower or any of its Subsidiaries in the ordinary course of business and not interfering in

any material respect with the ordinary conduct of the business of the Borrower or such Subsidiary;

(q) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(r) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower in the ordinary course of business;

(s) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(t) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of any Subsidiary; and

(u) licenses or sublicenses granted to others in the ordinary course of business.

Section 9.3 Fundamental Changes. Merge, consolidate or enter into any similar combination with, or enter into any Asset Disposition of all or substantially all of its assets (whether in a single transaction or a series of transactions) with, any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution) except:

(a) (i) any Wholly-Owned Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving entity) or (ii) any Wholly-Owned Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into any Subsidiary Guarantor (provided that the Subsidiary Guarantor shall be the continuing or surviving entity or simultaneously with such transaction, the continuing or surviving entity shall become a Subsidiary Guarantor and the Borrower shall comply with Section 8.11 in connection therewith);

(b) (i) any Non-Guarantor Subsidiary that is a Foreign Subsidiary may be merged, amalgamated or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary and (ii) any Non-Guarantor Subsidiary that is a Domestic Subsidiary may be merged, amalgamated or consolidated with or into, or be liquidated into, any other Non-Guarantor Subsidiary that is a Domestic Subsidiary;

(c) any Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to the Borrower or any Subsidiary Guarantor;

(d) (i) any Non-Guarantor Subsidiary that is a Foreign Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any other Non-Guarantor Subsidiary and (ii) any Non-Guarantor Subsidiary that is a Domestic Subsidiary may dispose of all or substantially all of its assets (upon voluntary liquidation, dissolution, winding up or otherwise) to any other Non-Guarantor Subsidiary that is a Domestic Subsidiary;

(e) Asset Dispositions permitted by Section 9.4 (other than clause (b) thereof);

(f) any Wholly-Owned Subsidiary of the Borrower may merge with or into the Person such Wholly-Owned Subsidiary was formed to acquire in connection with any Acquisition not prohibited hereunder; provided that in the case of any merger involving a Domestic Subsidiary that is or will become a Material Subsidiary after the consummation of such merger, (i) a Subsidiary Guarantor shall be the continuing or surviving entity or (ii) simultaneously with such transaction, the continuing or surviving entity shall become a Subsidiary Guarantor and the Borrower shall comply with Section 8.11 in connection therewith; and

(g) any Person may merge into the Borrower or any of its Wholly-Owned Subsidiaries; provided that in the case of a merger involving the Borrower or a Subsidiary Guarantor, the continuing or surviving Person shall be the Borrower or such Subsidiary Guarantor.

Section 9.4 **Asset Dispositions**. Make any Asset Disposition except:

- (a) the sale or lease of inventory (including motor vehicles) in the ordinary course of business;
- (b) pursuant to any transaction permitted pursuant to Section 9.3;
- (c) the write-off, discount, sale or other disposition of defaulted or past-due receivables and similar obligations in the ordinary course of business and not undertaken as part of an accounts receivable financing transaction;
- (d) the disposition of any Hedge Agreement;
- (e) dispositions of Cash Equivalents in the ordinary course of business;
- (f) the transfer by any Credit Party of its assets to any other Credit Party;
- (g) the transfer by any Non-Guarantor Subsidiary of its assets to any Credit Party (provided that in connection with any new transfer, such Credit Party shall not pay more than an amount equal to the fair market value of such assets as determined by the Borrower in good faith at the time of such transfer);
- (h) the transfer by any Non-Guarantor Subsidiary of its assets to any other Non-Guarantor Subsidiary;
- (i) the sale of obsolete, damaged, worn-out or surplus assets in the ordinary course of business of the Borrower or any of its Subsidiaries;
- (j) dispositions, licenses and sublicenses of intellectual property rights in the ordinary course of business not interfering, individually or in the aggregate, in any material respect with the conduct of the business of the Borrower and its Subsidiaries;
- (k) leases, subleases, licenses or sublicenses of real or personal property not constituting a sale-leaseback granted by the Borrower or any of its Subsidiaries to others to the extent not interfering in any material respect with the business of the Borrower and of its Subsidiaries;
- (l) Asset Dispositions of Receivables Assets to any or by any Receivables Subsidiary in connection with any Qualified Receivables Transaction;
- (m) directly or indirectly enter into any agreement or arrangement providing for the sale or transfer by it of any Property (now owned or hereafter acquired) to a Person and the subsequent lease or rental of such Property or other similar Property from such Person, other than any sale and leaseback so long as the value of such Properties in the aggregate does not exceed an amount equal to 15% of consolidated total assets of the Borrower and its Subsidiaries as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable;
- (n) Asset Dispositions to the extent that (i) such assets are exchanged for credit against the purchase price of similar replacement asset or (ii) the proceeds of such Asset Dispositions are promptly applied to the purchase price of such replacement assets;

(o) Asset Dispositions (which shall be deemed to include: (i) any assignment or sublease of assets by IEL to a counterparty, and (ii) any lease, leaseback, services, and other agreements entered into by Credit Parties and the counterparties to such transaction) of all or any portion of the assets or Equity Securities of IEL on fair and reasonable terms to the Credit Parties which are not, in the good faith opinion of the Borrower, adverse to the Lenders in any material respect;

(p) dispositions of accounts receivable in the ordinary course of business to facilitate the processing and payment thereof; provided that such disposition shall not be in connection with a financing; and

(q) Asset Dispositions not otherwise permitted pursuant to this Section; provided that (i) at the time of such Asset Disposition, no Default or Event of Default shall exist or would result from such Asset Disposition, (ii) such Asset Disposition is made for fair market value (as determined by the Borrower in good faith), and (iii) the aggregate fair market value of all Property disposed of in reliance on this clause (q) in any Fiscal Year shall not exceed an amount equal to 15% of consolidated total assets of the Borrower and its Subsidiaries as of the last day of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered pursuant to Section 8.1(a) or Section 8.1(b), as applicable.

Section 9.5 **Restricted Payments.** Declare or pay any Restricted Payments; provided that:

(a) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower or any of its Subsidiaries may declare or pay any Restricted Payments;

(b) any Subsidiary of the Borrower may pay cash dividends to the Borrower or any Subsidiary Guarantor;

(c) any joint venture may declare or pay Restricted Payments required or permitted to be made to holders of its Equity Interests, ratably in accordance with the terms of such Equity Interests;

(d) the Borrower may declare or pay Restricted Payments with respect to the repurchase of Equity Interests deemed to occur upon the exercise of stock options to the extent such Equity Interests represent a portion of the exercise price of those stock options and the repurchase of Equity Interests deemed to occur in connection with the exercise of stock options and to the extent necessary to pay applicable withholding taxes; and

(e) the Borrower may declare or pay any Restricted Payments payable solely in common stock of the Borrower.

Section 9.6 **Transactions with Affiliates.** Directly or indirectly enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with (a) any officer, director, holder of 10% or more Equity Interests in, or other Affiliate of, the Borrower or any of its Subsidiaries or (b) any Affiliate of any such officer, director or holder, other than:

(i) transactions permitted by Section 9.1, Section 9.3, Section 9.4, and Section 9.5;

(ii) transactions existing on the Closing Date and described on Schedule 9.6;

(iii) transactions among the Borrower and its Subsidiaries not prohibited hereunder;

(iv) other transactions on fair and reasonable terms no less favorable to the Borrower or such Subsidiary than it could obtain in an arm's-length transaction with a Person that is not an Affiliate and is of the kind which would be entered into by a prudent Person in the position of the Borrower or such Subsidiary with a Person that is not one of its Affiliates; in each case as determined by the Borrower in good faith;

(v) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment and severance arrangements (including equity incentive plans, stock options and employee benefit plans and arrangements) with their respective officers and employees in the ordinary course of business;

(vi) payment of customary fees and reasonable out of pocket costs to, and indemnities for the benefit of, directors, officers and employees of the Borrower and its Subsidiaries in the ordinary course of business;

(vii) loans or advances to employees, officers, consultants or directors of Borrower or any of its Subsidiaries at any time outstanding not to exceed \$10,000,000 in the aggregate;

(viii) transactions with a Receivables Subsidiary pursuant to a Qualified Receivable Transaction; and

(ix) payments to or from and transactions with joint ventures in the ordinary course of business.

Section 9.7 Fiscal Year. Change its Fiscal Year end.

Section 9.8 Nature of Business. Engage in any business other than the business conducted by the Borrower and its Subsidiaries as of the Closing Date and business activities reasonably related or ancillary thereto or that are reasonable extensions thereof and transportation and logistics activities.

Section 9.9 Financial Covenants.

(a) **Consolidated Total Net Leverage Ratio.** As of the last day of any fiscal quarter (beginning with the fiscal quarter ending on June 30, 2023), permit the Consolidated Total Net Leverage Ratio to be greater than 3.50 to 1.00; provided that, in connection with any Acquisition for which the aggregate consideration exceeds \$100,000,000 (a "Qualified Acquisition"), the maximum Consolidated Total Net Leverage Ratio, at the election of the Borrower (which election may be made no more than twice during the term of this Agreement), with prior notice to the Administrative Agent not later than 10 Business Days after the date of consummation of the Qualified Acquisition, shall increase to 3.75 to 1.00 for the four (4) consecutive fiscal quarter period beginning with the fiscal quarter in which such Qualified Acquisition is consummated (a "Leverage Increase Period") and, unless increased in accordance with this Section 9.9(a) in respect of a subsequent Qualified Acquisition, shall be 3.50 to 1.00 as of the end of each subsequent fiscal quarter; and provided further that the Borrower may not request a second Leverage Increase Period unless the actual Consolidated Total Net Leverage Ratio as of the end of at least two (2) consecutive full fiscal quarters of the Borrower ended since the commencement of the first Leverage Increase Period has been equal to or less than 3.25 to 1.00.

(b) **Consolidated Interest Coverage Ratio.** As of the last day of any fiscal quarter (beginning with the fiscal quarter ending on June 30, 2023), permit the Consolidated Interest Coverage Ratio to be less than 3.25 to 1.00.

Section 9.10 Sanctions and Anti-Corruption Matters. Request any Extension of Credit, and the Borrower shall not directly or knowingly indirectly use, and shall procure that its Subsidiaries shall not directly or knowingly indirectly use, the proceeds of any Extension of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of

value, to any Person in violation of any Anti-Corruption Law, (ii) 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 each case, in violation of applicable Sanctions, or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Article X

DEFAULT AND REMEDIES

Section 10.1 Events of Default. Each of the following shall constitute an Event of Default:

(a) Default in Payment of Principal of Loans. The Borrower shall default in any payment of principal of any Loan when and as due (whether at maturity, by reason of acceleration or otherwise).

(b) Other Payment Default. The Borrower shall default in the payment when and as due (whether at maturity, by reason of acceleration or otherwise) of interest on any Loan or the payment of any other Obligation, and such default shall continue for a period of three (3) Business Days.

(c) Misrepresentation. Any representation or warranty made or deemed made by any Credit Party or any Responsible Officer thereof in this Agreement, in any other Loan Document, or in any certificate delivered in connection herewith or therewith that is subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any respect when made or deemed made or any representation, warranty made or deemed made by or on behalf of any Credit Party or any Responsible Officer thereof in this Agreement, any other Loan Document, or in any certificate delivered in connection herewith or therewith that is not subject to materiality or Material Adverse Effect qualifications, shall be incorrect or misleading in any material respect when made or deemed made.

(d) Default in Performance of Certain Covenants. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any covenant or agreement contained in Section 8.2(a), Section 8.3(a), Section 8.4 (with respect to the Borrower's existence), Section 8.11, Section 8.12, or Article IX.

(e) Default in Performance of Other Covenants and Conditions. Any Credit Party or any Subsidiary thereof shall default in the performance or observance of any term, covenant, condition or agreement contained in this Agreement (other than as specifically provided for in this Section) or any other Loan Document and such default shall continue for a period of thirty (30) days (or five (5) days in the case of a default in the performance or observance of any covenant or agreement contained in Section 8.1(a) or Section 8.1(b)) after the earlier of (i) the Administrative Agent's delivery of written notice thereof to the Borrower and (ii) a Responsible Officer of any Credit Party having obtained knowledge thereof.

(f) Indebtedness Cross-Default. Any Credit Party or any Subsidiary thereof shall (i) default in the payment of any Indebtedness (other than the Loans) the aggregate outstanding principal amount, or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount when the same becomes due beyond the period of grace if any, provided in the instrument or agreement under which such Indebtedness was created, or (ii) default in the observance or performance of any other agreement or condition relating to any Indebtedness (other than the Loans) the aggregate outstanding principal amount, or with respect to any Hedge Agreement, the Hedge Termination Value, of which is in excess of the Threshold Amount or contained in any instrument or agreement evidencing, securing or relating thereto, the effect of which default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, after the giving of notice and/or lapse of time, if required, any such Indebtedness to become due, or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity

(any applicable grace period having expired); provided that this clause (f) shall not apply to Indebtedness that becomes due as a result of any sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (it being understood that this clause (f) will apply to any failure to make any payment required as a result of any such sale, transfer or other disposition, after giving effect to any grace periods applicable thereunder).

(g) Change in Control. Any Change in Control shall occur.

(h) Voluntary Bankruptcy Proceeding. Any Credit Party or any Subsidiary thereof shall (i) commence a voluntary case under any Debtor Relief Laws, (ii) file a petition seeking to take advantage of any Debtor Relief Laws, (iii) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under any Debtor Relief Laws, (iv) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, domestic or foreign, (v) admit in writing its inability to pay its debts as they become due, (vi) make a general assignment for the benefit of creditors, or (vii) take any corporate action for the purpose of authorizing any of the foregoing.

(i) Involuntary Bankruptcy Proceeding. An involuntary case or other proceeding shall be commenced against any Credit Party or any Subsidiary thereof in any court of competent jurisdiction seeking (i) relief under any Debtor Relief Laws, or (ii) the appointment of a trustee, receiver, custodian, liquidator or the like for any Credit Party or any Subsidiary thereof or for all or any substantial part of their respective assets, domestic or foreign, and such case or proceeding shall continue without dismissal or stay for a period of sixty (60) consecutive days, or an order granting the relief requested in such case or proceeding (including, but not limited to, an order for relief under such federal bankruptcy laws) shall be entered.

(j) Failure of Agreements. Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Credit Party or any Person on its behalf contests in writing the validity or enforceability of any provision of any Loan Document; or any Credit Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document;

(k) ERISA Events. The occurrence of any of the following events: (i) any Credit Party or any ERISA Affiliate fails to make full payment when due of all amounts which, under the provisions of any Pension Plan or Sections 412 or 430 of the Code, any Credit Party or any ERISA Affiliate is required to pay as contributions thereto and such unpaid amounts are in excess of the Threshold Amount, (ii) a Termination Event or (iii) any Credit Party or any ERISA Affiliate as employers under one or more Multiemployer Plans makes a complete or partial withdrawal from any such Multiemployer Plan and the plan sponsor of such Multiemployer Plans notifies such withdrawing employer that such employer has incurred a withdrawal liability requiring annual installment payments in an amount exceeding the Threshold Amount.

(l) Judgment. One or more judgments, orders or decrees shall be entered against any Credit Party or any Subsidiary thereof by any court and continues without having been discharged, vacated or stayed for a period of forty-five (45) consecutive days after the entry thereof and such judgments, orders or decrees are either (i) for the payment of money, individually or in the aggregate (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage), equal to or in excess of the Threshold Amount or (ii) for injunctive relief and could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 10.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower:

(a) Acceleration; Termination of Credit Facility. Declare the principal of and interest on the Loans at the time outstanding, and all other amounts owed to the Lenders and to the Administrative Agent under this Agreement or any of the other Loan Documents and all other Obligations, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or the other Loan Documents to the contrary notwithstanding, and terminate the Credit Facility and any right of the Borrower to request borrowings thereunder; provided, that upon the occurrence of an Event of Default specified in Section 10.1(h) or Section 10.1(i), the Credit Facility shall be automatically terminated and all Obligations shall automatically become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived by each Credit Party, anything in this Agreement or in any other Loan Document to the contrary notwithstanding.

(b) General Remedies. Exercise on behalf of the Guaranteed Parties all of its other rights and remedies under this Agreement, the other Loan Documents and Applicable Law, in order to satisfy all of the Guaranteed Obligations.

Section 10.3 Rights and Remedies Cumulative; Non-Waiver; etc.

(a) The enumeration of the rights and remedies of the Administrative Agent and the Lenders set forth in this Agreement is not intended to be exhaustive and the exercise by the Administrative Agent and the Lenders of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder or under the other Loan Documents or that may now or hereafter exist at law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Administrative Agent or any Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrower, the Administrative Agent and the Lenders or their respective agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Loan Documents or to constitute a waiver of any Event of Default.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 10.2 for the benefit of all the Lenders; provided that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with Section 12.4 (subject to the terms of Section 5.6), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Credit Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 10.2 and (ii) in addition to the matters set forth in clauses (b) and (c) of the preceding proviso and subject to Section 5.6, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.4 Crediting of Payments and Proceeds. In the event that the Guaranteed Obligations have been accelerated pursuant to Section 10.2 or the Administrative Agent or any Lender has exercised any remedy set forth in this Agreement or any other Loan Document, all payments received on account of the Guaranteed Obligations shall, subject to the provisions of Section 5.14 and Section 5.15, be applied by the Administrative Agent as follows:

First, to payment of that portion of the Guaranteed Obligations constituting fees, indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Guaranteed Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Guaranteed Obligations constituting of accrued and unpaid interest on the Loans, ratably among the Lenders, in proportion to the amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Guaranteed Obligations constituting unpaid principal of the Loans and payment obligations then owing under Guaranteed Hedge Agreements and Guaranteed Cash Management Agreements, ratably among the Lenders the Hedge Banks and the Cash Management Banks, in proportion to the amounts described in this clause Fourth payable to them; and

Last, the balance, if any, after all of the Guaranteed Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Applicable Law.

Notwithstanding the foregoing, Guaranteed Obligations arising under Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article XI for itself and its Affiliates as if a “Lender” party hereto.

Article XI

THE ADMINISTRATIVE AGENT

Section 11.1 Appointment and Authority. Each of the Lenders hereby irrevocably appoints, designates and authorizes Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except as provided in Section 11.6 and Section 11.9, the provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any Subsidiary thereof shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other 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 contracting parties.

Section 11.2 Rights as a Lender. The Person 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 the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notices to or consent of the Lenders with respect thereto.

Section 11.3 Exculpatory Provisions.

(a) The Administrative Agent or BAS, as applicable, shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent or BAS, as applicable and its Related Parties:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the 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

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, to any Lender any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Borrower or any of its Affiliates that is communicated to, or in the possession of, the Administrative Agent, BAS 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 herein.

(b) Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by the Administrative Agent under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 12.2 and Section 10.2) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given in writing to the Administrative Agent by the Borrower or a Lender.

(c) Neither the Administrative Agent nor any of its Related Parties shall be responsible for or have any duty or obligation to any Lender or participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) Neither the Administrative Agent nor any of its Related Parties shall be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without

limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Institution.

Section 11.4 Reliance by the Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall be fully protected in relying and shall not incur any liability for relying upon, any notice, request, certificate, communication, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall be fully protected in relying and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent 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. For purposes of determining compliance with the conditions specified in Section 6.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objections.

Section 11.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credit Facility as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

Section 11.6 Resignation of Administrative Agent.

(a) **Notice.** The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower and subject to the consent (not to be unreasonably withheld or delayed) of the Borrower (provided no Event of Default has occurred and is continuing at the time of such resignation), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “Resignation Effective Date”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) **Defaulting Lender.** If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law, with the prior written consent of the Borrower (which consent is

not required if a Default or Event of Default has occurred or is continuing and which consent shall not be unreasonably delayed or withheld) (i) by notice in writing to such Person, remove such Person as Administrative Agent and (ii) appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 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.

(c) **Effect of Resignation or Removal.** With effect from the Resignation Effective Date or the Removal Effective Date (as applicable), (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than as provided in Section 5.11(i) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 12.3 shall continue in effect for the benefit of such retiring or removed 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 (A) while the retiring or removed Administrative Agent was acting as Administrative Agent or (B) after such resignation or removal for as long as any of them continues to act in any capacity hereunder or under the other Loan Documents, including, without limitation, in respect of any actions taken in connection with transferring the agency to any successor Administrative Agent.

Section 11.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and expressly acknowledges that none of the Administrative Agent nor BAS has made any representation or warranty to it, and that no act by the Administrative Agent or BAS hereafter taken, including any consent to, and acceptance of any assignment or review of the affairs of the Borrower or any Affiliate thereof, shall be deemed to constitute any representation or warranty by the Administrative Agent or BAS to any Lender as to any matter, including whether the Administrative Agent or BAS have disclosed material information in their (or their Related Parties’) possession. Each Lender represents to the Administrative Agent and BAS that it has, independently and without reliance upon the Administrative Agent, BAS, any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis of, appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, and all applicable bank or other regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower hereunder. Each also acknowledges that it will, independently and without reliance upon the Administrative Agent, BAS, any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Each Lender represents and warrants that (i) the Loan Documents set forth the terms of a commercial lending

facility and (ii) it is engaged in making, acquiring or holding commercial loans in the ordinary course and is entering into this Agreement as a Lender for the purpose of making, acquiring or holding commercial loans and providing other facilities set forth herein as may be applicable to such Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender agrees not to assert a claim in contravention of the foregoing. Each Lender represents and warrants that it is sophisticated with respect to decisions to make, acquire and/or hold commercial loans and to provide other facilities set forth herein, as may be applicable to such Lender, and either it, or the Person exercising discretion in making its decision to make, acquire and/or hold such commercial loans or to provide such other facilities, is experienced in making, acquiring or holding such commercial loans or providing such other facilities.

Section 11.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the syndication agents, documentation agents, co-agents, arrangers or bookrunners listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender.

Section 11.9 Guaranty Matters. Each of the Lenders (including in its or any of its Affiliate's capacities as a potential Hedge Bank or Cash Management Bank) irrevocably authorize the Administrative Agent, at its option and in its discretion to release any Subsidiary Guarantor from its obligations under any Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Subsidiary Guaranty Agreement pursuant to this Section 11.9. In each case as specified in this Section 11.9, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to release such Subsidiary Guarantor from its obligations under the Subsidiary Guaranty Agreement, in each case in accordance with the terms of the Loan Documents and this Section 11.9.

Section 11.10 Guaranteed Hedge Agreements and Guaranteed Cash Management Agreements. No Cash Management Bank or Hedge Bank that obtains the benefits of Section 10.4 or of any Subsidiary Guarantee shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Subsidiary Guaranty Agreement (including the release or impairment of any collateral) (or notice of or to consent to any amendment, waiver or modification of the provisions hereof or any Subsidiary Guarantee) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article XI to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements unless the Administrative Agent has received written notice of such Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Guaranteed Cash Management Agreements and Guaranteed Hedge Agreements in the case of the repayment of all Obligations arising under the Loan Documents and termination of all Commitments.

Section 11.11 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

- (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Guaranteed Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable

compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 5.3 and Section 12.3) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 5.3 and Section 12.3.

Section 11.12 Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Lender, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each Lender receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Lender in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Lender promptly upon determining that any payment made to such Lender comprised, in whole or in part, a Rescindable Amount.

Article XII

MISCELLANEOUS

Section 12.1 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, e-mail, mailed by certified or registered mail or sent by facsimile as follows:

If to the Borrower:

Knight-Swift Transportation Holdings Inc.
20002 North 19th Avenue
Phoenix, AZ 85027
Attention of: Legal Dept
Telephone No.: (602) 269-2000
Facsimile No.: _____
E-mail: _____

With copies to:

Attention of: _____
Telephone No.: _____
E-mail: _____

If to Bank of America as Administrative Agent:

For payments and Requests for Credit Extensions

Bank of America, N.A.
7105 Corporate Dr. - Building B
Mail Code: TX2-981-02-29
Plano, TX 75024
Attn: _____
Phone: _____
Email: _____
Fax Number: _____
Account No.: _____
Ref: Knight-Swift Transportation Holdings Inc.
ABA# _____

Other Notices for Administrative Agent

Bank of America, N.A.
Agency Management
900 West Trade Street
Gateway Village – 900 Building
Mail Code: NC1-026-06-03
Charlotte, NC 28255
Attn: _____
Phone: _____
Email: _____
Fax Number: _____

With copies to:

Moore & Van Allen PLLC
Attention of: _____
Telephone No.: _____
E-mail: _____

If to any Lender:

To the address of such Lender set forth on the Register with respect to deliveries of notices and other documentation that may contain material non-public information.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative

Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or other communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Administrative Agent's Office. The Administrative Agent hereby designates its office located at the address set forth above, or any subsequent office which shall have been specified for such purpose by written notice to the Borrower and Lenders, as the Administrative Agent's Office referred to herein, to which payments due are to be made and at which Loans will be disbursed.

(d) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. Any Lender may change its address or facsimile number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent.

(e) Platform.

(i) Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Borrower Materials available to the Lenders by posting the Borrower Materials on the Platform. The Borrower acknowledges and agrees that the DQ List shall be made available to any Lender specifically requesting a copy thereof.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Borrower Materials or the adequacy of the Platform, and expressly disclaim liability for errors or omissions in the Borrower Materials. No warranty of any kind, express, implied or statutory, including, without limitation, 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 Borrower Materials or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Credit Party, any Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Credit Party's or the Administrative Agent's transmission of communications through the Internet (including, without limitation, the Platform), except to the extent that such losses, claims, damages, liabilities or expenses 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 Agent Party; provided that in no event shall any Agent Party have any liability to any Credit Party, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages, losses or expenses (as opposed to actual damages, losses or expenses).

(f) Private Side Designation. Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and Applicable Law, including United States Federal and state securities Applicable Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information

with respect to the Borrower or its securities for purposes of United States Federal or state securities Applicable Laws.

(g) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including, without limitation, telephonic or electronic notices, Notices of Borrowing/Conversion/Continuation, and Notice of Prepayment) reasonably believed to them to be given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower in accordance with the terms of this Agreement and the other Loan Documents. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 12.2 Amendments, Waivers and Consents. Except as set forth below or as specifically provided in any Loan Document, any term, covenant, agreement or condition of this Agreement or any of the other Loan Documents may be amended or waived by the Lenders, and any consent given by the Lenders, if, but only if, such amendment, waiver or consent is in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and delivered to the Administrative Agent and, in the case of an amendment, signed by the Borrower; provided, that no amendment, waiver or consent shall:

- (a) [reserved];
- (b) increase or extend the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 10.2) or increase the amount of Loans of any Lender, in any case, without the written consent of such Lender;
- (c) waive, extend or postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby;
- (d) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to clause (iv) of the proviso set forth in the paragraph below) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly and adversely affected thereby; provided that only the consent of the Required Lenders shall be necessary (i) to waive any obligation of the Borrower to pay interest at the rate set forth in Section 5.1(b) during the continuance of an Event of Default or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;
- (e) (i) change Section 5.6 or Section 10.4 in a manner that would alter the pro rata sharing of payments or order of application required thereby without the written consent of each Lender directly and adversely affected thereby or (ii) subordinate, or have the effect of subordinating, the Obligations hereunder in priority of payment to the payment of any other Indebtedness, in each case, without the written consent of each Lender directly and adversely affected thereby;
- (f) change any provision of this Section or reduce the percentages specified in the definitions of "Required Lenders," or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly and adversely affected thereby;

(g) consent to the assignment or transfer by any Credit Party of such Credit Party's rights and obligations under any Loan Document to which it is a party (except as permitted pursuant to Section 9.3 or Section 9.4), in each case, without the written consent of each Lender; or

(h) release Subsidiary Guarantors comprising substantially all of the credit support for the Obligations, in any case, from the Subsidiary Guaranty Agreement (other than as authorized in Section 11.9), without the written consent of each Lender;

provided further, that (i) [reserved]; (ii) [reserved]; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) each Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto, (v) the Administrative Agent and the Borrower may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Loan Documents in order to implement Conforming Changes or as contemplated by Section 5.8(b), (vi) [reserved], and (vii) the Administrative Agent and the Borrower shall be permitted to amend any provision of the Loan Documents (and such amendment shall become effective without any further action or consent of any other party to any Loan Document) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error, ambiguity, defect or inconsistency or omission of a technical or immaterial nature in any such provision. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that any amendment, waiver, or consent hereunder which requires the consent of all Lenders or each affected Lender that by its terms disproportionately and adversely affects any such Defaulting Lender relative to other affected Lenders shall require the consent of such Defaulting Lender.

Section 12.3 Expenses; Indemnity.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one counsel and, if reasonably necessary, a single local counsel in each relevant jurisdiction and with respect to each relevant specialty), in connection with the syndication of the Credit Facility, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) [reserved] and (iii) all out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee") against, and hold each Indemnatee harmless from, and shall pay or reimburse any such Indemnatee for, any and all losses, claims (including, without limitation, any Environmental Claims), penalties, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnatee, but limited, in the case of legal fees and expenses, to the reasonable and documented out-of-pocket fees, disbursements and other charges of one outside counsel to all Indemnitees (taken as a whole) and, if reasonably necessary, a single local counsel for all Indemnitees (taken as a whole) in each relevant jurisdiction and with respect to each relevant specialty, and in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to the affect Indemnitees similarly situated and take as a whole), incurred by any Indemnatee or asserted against any Indemnatee by any Person (including the

Borrower or any other Credit Party), arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby (including, without limitation, the Indemnitee's reliance on any Communication executed using an Electronic Signature, or in the form of an Electronic Record), the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby (including, without limitation, the Transactions), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Credit Party or any Subsidiary thereof, or any Environmental Claim arising from the activities, operations or property of any Credit Party or any Subsidiary, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Credit Party or any Subsidiary thereof, and regardless of whether any Indemnitee is a party thereto, or (v) any claim (including, without limitation, any Environmental Claims), investigation, litigation or other proceeding (whether or not the Administrative Agent or any Lender is a party thereto) relating to any of the foregoing, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (A) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith, material breach of this Agreement or willful misconduct of such Indemnitee or its Related Indemnified Parties or (B) result from any dispute solely among Indemnitees, other than any claims against any Indemnitee in its respective capacity or in fulfilling its role as the Administrative Agent or Joint Lead Arrangers or any similar role under the Credit Facility, and other than any claims arising out of any act or omission on the part of the Borrower, Knight or any of their respective Subsidiaries or Affiliates. This Section 12.3(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. For purposes hereof, a "Related Indemnified Party," of an Indemnitee means (a) any Controlling person or Controlled Affiliate of such Indemnitee, (b) the respective directors, officers, or employees of such Indemnitee or any of its Controlling persons or Controlled Affiliates, and (c) the respective agents or representatives of such Indemnitee, in the case of this clause (c), acting on behalf of or at the instructions of such Indemnitee; provided that each reference to a Controlling person or Controlled Affiliate in this sentence pertains to a Controlling person or Controlled Affiliate involved in the negotiation or syndication of this Agreement and the Credit Facility.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time, or if the Total Credit Exposure has been reduced to zero, then based on such Lender's share of the Total Credit Exposure immediately prior to such reduction) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 5.7.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower and each other Credit Party shall not assert, and hereby waives, any claim against any Indemnitee, 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, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by

it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby except for direct or actual damages (not special, indirect, consequential or punitive damages) resulting from such Indemnitee's gross negligence or willful misconduct as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall, unless otherwise set forth above, be payable not later than ten Business Days after written demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

Section 12.4 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 Applicable Law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Credit Party against any and all of the obligations of the Borrower or such Credit Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Credit Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 5.15 and, pending such payment, shall be segregated by such Defaulting Lender or Affiliate of a Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender or its Affiliate shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Guaranteed Obligations owing to such Defaulting Lender or any of its Affiliates as to which such right of setoff was exercised. The rights of each Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 12.5 Governing Law; Jurisdiction, Etc.

(a) Governing Law. This Agreement and the other Loan Documents and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. The Borrower and each other Credit Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right

that the Administrative Agent or any Lender, may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or any other Credit Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. The Borrower and each other Credit Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 12.6 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.7 Reversal of Payments. To the extent any Credit Party makes a payment or payments to the Administrative Agent for the ratable benefit of any of the Guaranteed Parties or to any Guaranteed Party directly or the Administrative Agent or any Guaranteed Party exercises its right of setoff, which payments or proceeds (including any proceeds of such setoff) or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, other Applicable Law or equitable cause, then, to the extent of such payment or proceeds repaid, the Guaranteed Obligations or part thereof intended to be satisfied shall be revived and continued in full force and effect as if such payment or proceeds had not been received by the Administrative Agent, and each Lender severally agrees to pay to the Administrative Agent upon demand its applicable ratable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent plus interest thereon at a per annum rate equal to the Federal Funds Rate from the date of such demand to the date such payment is made to the Administrative Agent.

Section 12.8 [Reserved]

Section 12.9 Successors and Assigns; Participations.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns

permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement; provided that, in each case with respect to any Credit Facility, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Credit Facility) or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the 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 or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$10,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided that the Borrower shall be deemed to have given its consent ten (10) Business Days after the date written notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrower prior to such tenth (10th) Business Day;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Term Loan Lender, an Affiliate of a Term Loan Lender or an Approved Fund of a Term Loan Lender; 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 ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of the Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment and Assumption. 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 for each assignment; provided that (A) only one such fee will be payable in connection with simultaneous assignments to two or more related Approved Funds by a Lender and (B) the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of its Subsidiaries or Affiliates or (B) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested, but not funded by, the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon). Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 5.8, Section 5.9, Section 5.10, Section 5.11 and Section 12.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section (other than a purported assignment to a natural Person or the Borrower or any of the Borrower's Subsidiaries or Affiliates, which shall be null and void).

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and such agency being solely for Tax purposes), shall maintain at the Administrative Agent's Office, a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amounts of (and stated interest on) the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the

Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (but only to the extent of entries in the Register that are applicable to such Lender), at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person), (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Subsidiaries or Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.3(c), without regard to the existence of any participations.

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 Section 12.2(b), Section 12.2(c), Section 12.2(d) or Section 12.2(e) that directly and adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 5.9, Section 5.10 and Section 5.11 (subject to the requirements and limitations therein, including the requirements under Section 5.11(g) (it being understood that the documentation required under Section 5.11(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 5.12 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 5.10 or Section 5.11, with respect to any participation, than the Lender from whom it acquired the applicable participation 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. 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 5.12(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.4 as though it were a Lender; provided that such Participant agrees to be subject to Section 5.6 and Section 12.4 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 of (and stated interest on) each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (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 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.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve

Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Disqualified Institutions. (i) No assignment or, to the extent the DQ List has been made available to the Administrative Agent for posting on the Platform for all Lenders, participation shall be made to any Person that was a Disqualified Institution as of the date (the “Trade Date”) on which the assigning Lender entered into a binding agreement to sell and assign or participate all or a portion of its rights and obligations under this Agreement to such Person (unless the Borrower has consented to such assignment or participation in writing in its sole and absolute discretion, in which case such Person will not be considered a Disqualified Institution for the purpose of such assignment or participation). For the avoidance of doubt, with respect to any assignee that becomes a Disqualified Institution after the applicable Trade Date (including as a result of the delivery of a notice pursuant to, and/or the expiration of the notice period referred to in, the definition of “Disqualified Institution”), (x) such assignee shall not retroactively be disqualified from becoming a Lender and (y) the execution by the Borrower of an Assignment and Assumption with respect to such assignee will not by itself result in such assignee no longer being considered a Disqualified Institution. Any assignment in violation of this clause (f)(i) shall not be void, but the other provisions of this clause (f) shall apply.

(i) If any assignment or participation is made to any Disqualified Institution without the Borrower’s prior written consent in violation of clause (i) above, the Borrower may, at its sole expense and effort, upon notice to the applicable Disqualified Institution and the Administrative Agent, (A) in the case of outstanding Term Loans held by Disqualified Institutions, purchase or prepay such Term Loan by paying the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such Term Loans, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder and the other Loan Documents and/or (B) require such Disqualified Institution to assign, without recourse (in accordance with and subject to the restrictions contained in this Section 12.9), all of its interest, rights and obligations under this Agreement and the related Loan Documents to one or more Eligible Assignees that shall assume such obligations at the lesser of (x) the principal amount thereof and (y) the amount that such Disqualified Institution paid to acquire such interests, rights and obligations, in each case plus accrued interest, accrued fees and all other amounts (other than principal amounts) payable to it hereunder; provided that, (x) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 12.9(b), and (y) such assignment does not conflict with the Applicable Laws.

(ii) Notwithstanding anything to the contrary contained in this Agreement, Disqualified Institutions (A) will not (x) have the right to receive information, reports or other materials provided to Lenders by the Borrower, the Administrative Agent or any other Lender, (y) attend or participate in meetings attended by the Lenders and the Administrative Agent, or (z) access any electronic site established for the Lenders or confidential communications from counsel to or financial advisors of the Administrative Agent or the Lenders and (B) (x) for purposes of any consent to any amendment, waiver or modification of, or any action under, and for the purpose of any direction to the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) under this Agreement or any other Loan Document, each Disqualified Institution will be deemed to have consented in the same proportion as the Lenders that are not Disqualified Institutions consented to such matter, and (y) for purposes of voting on any plan of reorganization or plan of liquidation pursuant to any Debtor Relief Laws (each, a “Plan”), each Disqualified Institution party hereto hereby agrees (1) not to vote on such Plan, (2) if such Disqualified Institution does vote on such Plan notwithstanding the restriction in the foregoing clause (1), such vote will be deemed not to be in good faith and shall be “designated” pursuant to Section 1126(e) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws), and such vote shall not be counted in determining whether the applicable class has accepted or rejected such Plan in

accordance with Section 1126(c) of the Bankruptcy Code (or any similar provision in any other Debtor Relief Laws) and (3) not to contest any request by any party for a determination by the Bankruptcy Court (or other applicable court of competent jurisdiction) effectuating the foregoing clause (2).

(iii) The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Borrower and any updates thereto from time to time (collectively, the “DQ List”) on the Platform, including that portion of the Platform that is designated for “public side” Lenders or (B) provide the DQ List to each Lender requesting the same.

Section 12.10 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates’ respective Related Parties in connection with the Credit Facility, this Agreement, the transactions contemplated hereby (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by, or required to be disclosed to, any regulatory or similar authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) as to the extent required by Applicable Laws or regulations or in any legal, judicial, administrative proceeding or other compulsory process, (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, under any other Loan Document or under any Guaranteed Hedge Agreement or Guaranteed Cash Management Agreement, or any action or proceeding relating to this Agreement, any other Loan Document or any Guaranteed Hedge Agreement or Guaranteed Cash Management Agreement, or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap or derivative transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder (it being understood that the DQ List may be disclosed to any assignee or Participant, or prospective assignee or Participant, in reliance on this clause (f)), (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Credit Facility or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Credit Facility, (h) with the consent of the Borrower, (i) deal terms and other information customarily reported to Thomson Reuters, other bank market data collectors and similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of the Loan Documents, (j) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates from a third party that is not, to such Person’s knowledge, subject to confidentiality obligations to the Borrower, (k) to the extent that such information is independently developed by such Person, or (l) for purposes of establishing a “due diligence” defense. For purposes of this Section, “Information” means all information received from any Credit Party or any Subsidiary thereof relating to any Credit Party or any Subsidiary thereof or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by any Credit Party or any Subsidiary thereof; provided that, in the case of information received from a Credit Party or any Subsidiary thereof after the Closing Date, 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 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. After such time as this Agreement has been publicly filed by the Borrower with the SEC, the Borrower consents to the publication by the Administrative Agent or any Lender of customary advertising materials relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of the Borrower.

Section 12.11 [Reserved]

Section 12.12 [Reserved]

Section 12.13 Survival. All representations and warranties set forth in Article VII and all representations and warranties contained in any Loan Document (including, but not limited to, any such representation or warranty made in or in connection with any amendment thereto) shall constitute representations and warranties made under this Agreement. All representations and warranties made under this Agreement shall be made or deemed to be made at and as of the Closing Date (except those that are expressly made as of a specific date), shall survive the Closing Date and shall not be waived by the execution and delivery of this Agreement, any investigation made by or on behalf of the Lenders or any borrowing hereunder.

Section 12.14 Titles and Captions. Titles and captions of Articles, Sections and subsections in, and the table of contents of, this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

Section 12.15 Severability of Provisions. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction. In the event that any provision is held to be so prohibited or unenforceable in any jurisdiction, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such provision to preserve the original intent thereof in such jurisdiction (subject to the approval of the Required Lenders).

Section 12.16 Integration; Effectiveness; Electronic Execution.

(a) **Integration; Effectiveness.** This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent and/or the Joint Lead Arrangers, 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 6.1, 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 that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) **Electronic Execution.** This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Credit Parties and each of the Administrative Agent and each Lender agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“**Electronic Copy**”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no

obligation to accept an Electronic Signature in any form or in any format unless agreed to by such Person pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Credit Party and/or the Administrative Agent or any Lender without further verification and regardless of the appearance or form of such Electronic Signature, and (b) upon the request of the Administrative Agent or any Lender, any Communication executed using an Electronic Signature shall be promptly followed by a manually executed counterpart.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

Each of the Credit Parties, the Administrative Agent and each Lender hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement and/or such other Loan Document, and (ii) any claim against the Administrative Agent, each Lender and each Related Party for any liabilities arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Credit Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 12.17 Term of Agreement. This Agreement shall remain in effect from the Closing Date through and including the date upon which all Obligations (other than contingent indemnification obligations not then due) arising hereunder or under any other Loan Document shall have been indefeasibly and irrevocably paid and satisfied in full. No termination of this Agreement shall affect the rights and obligations of the parties hereto arising prior to such termination or in respect of any provision of this Agreement which survives such termination.

Section 12.18 USA PATRIOT Act; Anti-Money Laundering Laws. The Administrative Agent and each Lender hereby notifies the Borrower that pursuant to the requirements of the PATRIOT Act or any other Anti-Money Laundering Laws, each of them is required to obtain, verify and record information that identifies each Credit Party, which information includes the name, address and tax identification number of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the PATRIOT Act or such Anti-Money Laundering Laws.

Section 12.19 Independent Effect of Covenants. The Borrower expressly acknowledges and agrees that each covenant contained in Articles VIII or IX hereof shall be given independent effect. Accordingly, the Borrower shall not engage in any transaction or other act otherwise permitted under any covenant contained in Articles VIII or IX, before or after giving effect to such transaction or act, the Borrower shall or would be in breach of any other covenant contained in Articles VIII or IX.

Section 12.20 No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby, the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that (i) the facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Joint Lead Arrangers and the Lenders, on the other hand, and the Borrower has consulted its own legal, accounting,

regulatory and tax advisors to the extent it has deemed appropriate and is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof), (ii) in connection with the process leading to such transaction, each of the Administrative Agent, the Joint Lead Arrangers and the Lenders is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person, (iii) except as specifically provided in this Agreement, none of the Administrative Agent, the Joint Lead Arrangers or the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether the Joint Lead Arrangers or Lender has advised or is currently advising the Borrower or any of its Affiliates on other matters) and none of the Administrative Agent, the Joint Lead Arrangers or the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the financing transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, (iv) the Joint Lead Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Administrative Agent, the Joint Lead Arrangers or the Lenders has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship and (v) the Administrative Agent, the Joint Lead Arrangers and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

(b) The Borrower acknowledges and agrees that each Lender, the Joint Lead Arrangers and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrower, any Affiliate thereof or any other person or entity that may do business with or own securities of any of the foregoing, all as if such Lender, the Joint Lead Arrangers or Affiliate thereof were not a Lender or Joint Lead Arrangers or an Affiliate thereof (or an agent or any other person with any similar role under the Credit Facilities) and without any duty to account therefor to any other Lender, the Joint Lead Arrangers, the Borrower or any Affiliate of the foregoing. Each Lender, the Joint Lead Arrangers and any Affiliate thereof may accept fees and other consideration from the Borrower or any Affiliate thereof for services in connection with this Agreement, the Credit Facilities or otherwise without having to account for the same to any other Lender, the Joint Lead Arrangers, the Borrower or any Affiliate of the foregoing.

Section 12.21 Inconsistencies with Other Documents. In the event there is a conflict or inconsistency between this Agreement and any other Loan Document, the terms of this Agreement shall control.

Section 12.22 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 Lender that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

Section 12.23 Lender ERISA Representation

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans or the Commitments;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Credit Party, that none of the Administrative Agent, the Joint Lead Arrangers and their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with

the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

Section 12.24 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Hedge Agreements 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 FDIC 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 12.24, 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).

[Signature pages to follow]

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

BORROWER: KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC., a Delaware corporation

By: _____
Name:
Title:

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.

By: _____
Name:
Title:

LENDERS: BANK OF AMERICA, N.A.

By: _____
Name:
Title:

☐

By: _____
Name:
Title:

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, David A. Jackson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Knight-Swift Transportation Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2023

/s/ David A. Jackson

David A. Jackson

Chief Executive Officer (principal executive officer)

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Adam W. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Knight-Swift Transportation Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2023

/s/ Adam W. Miller

Adam W. Miller
Chief Financial Officer
(principal financial officer)

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

In connection with the Quarterly Report of Knight-Swift Transportation Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David A. Jackson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

a Delaware corporation

Date: August 2, 2023

By: /s/ David A. Jackson

David A. Jackson

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Knight-Swift Transportation Holdings Inc. and will be retained by Knight-Swift Transportation Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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

In connection with the Quarterly Report of Knight-Swift Transportation Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam W. Miller, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

a Delaware corporation

Date: August 2, 2023

By: /s/ Adam W. Miller

Adam W. Miller

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Knight-Swift Transportation Holdings Inc. and will be retained by Knight-Swift Transportation Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.