

**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 **September 30, 2024**  
or  
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
**Commission File Number: 001-35007**



**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 Wanhalla 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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
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	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

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

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

There were approximately 161,893,000 shares of the registrant's common stock outstanding as of October 23, 2024.

**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
<b>Knight-Swift/the Company/Management/We/Us/Our</b>	Unless otherwise indicated or the context otherwise requires, these terms represent Knight-Swift Transportation Holdings Inc. and its subsidiaries.
<b>2017 Merger</b>	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.
<b>2021 Debt Agreement</b>	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
<b>2021 Prudential Notes</b>	Third amended and restated note purchase and private shelf agreement, entered into on September 3, 2021 by ACT with unrelated financial entities
<b>2021 Revolver</b>	Revolving line of credit under the 2021 Debt Agreement, maturing on September 3, 2026
<b>2021 Term Loans</b>	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
<b>2021 Term Loan A-1</b>	The Company's term loan under the 2021 Debt Agreement, which matured on December 3, 2022
<b>2021 Term Loan A-2</b>	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2026, as amended by the 2024 Amendment
<b>2021 Term Loan A-3</b>	The Company's term loan under the 2021 Debt Agreement, maturing on September 3, 2026
<b>2023 Term Loan</b>	The Company's term loan entered into on June 22, 2023, maturing on September 3, 2026
<b>2022 RSA</b>	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
<b>2023 RSA</b>	Seventh Amendment to the Amended and Restated Receivables Sales Agreement, entered into on October 23, 2023 by Swift Receivables Company II, LLC with unrelated financial entities
<b>2024 Amendment</b>	First Amendment to the Company's 2021 Debt Agreement, entered into on August 6, 2024
<b>ACT</b>	AAA Cooper Transportation, and its affiliated entity
<b>ACT Acquisition</b>	The Company's acquisition of 100% of the securities of ACT on July 5, 2021
<b>Annual Report</b>	Annual Report on Form 10-K
<b>ASC</b>	Accounting Standards Codification
<b>ASU</b>	Accounting Standards Update
<b>Board</b>	Knight-Swift's Board of Directors
<b>BSBY</b>	Bloomberg Short-Term Bank Yield Index
<b>DHE</b>	The non-union regional LTL division of Dependable Highway Express, Inc.
<b>DHE Acquisition</b>	The acquisition by one of the Company's wholly owned subsidiaries of the operating assets and assumption of certain liabilities of DHE on July 30, 2024
<b>EPS</b>	Earnings Per Share
<b>ESPP</b>	Knight-Swift Transportation Holdings Inc. Amended and Restated 2012 Employee Stock Purchase Plan
<b>GAAP</b>	United States Generally Accepted Accounting Principles
<b>IRS</b>	Internal Revenue Service
<b>NYSE</b>	New York Stock Exchange
<b>LTL</b>	Less-than-truckload
<b>MME</b>	MME, Inc. and its subsidiary, Midwest Motor Express, Inc.
<b>Quarterly Report</b>	Quarterly Report on Form 10-Q
<b>RSU</b>	Restricted Stock Unit
<b>SEC</b>	United States Securities and Exchange Commission
<b>SOFR</b>	Secured overnight financing rate as administered by the Federal Reserve Bank of New York
<b>US</b>	The United States of America
<b>U.S. Xpress</b>	U.S. Xpress Enterprises, Inc. and its subsidiaries
<b>U.S. Xpress Acquisition</b>	The Company's acquisition of 100% of the securities of U.S. Xpress on July 1, 2023
<b>UTXL</b>	UTXL Enterprises, Inc.

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

	September 30, 2024	December 31, 2023
	(In thousands, except per share data)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 166,348	\$ 168,545
Cash and cash equivalents – restricted	150,870	297,275
Restricted investments, held-to-maturity, amortized cost	—	530
Trade receivables, net of allowance for doubtful accounts of \$39,298 and \$39,458, respectively	835,248	888,603
Contract balance – revenue in transit	11,056	12,246
Prepaid expenses	114,793	148,696
Assets held for sale	74,787	83,366
Income tax receivable	46,191	65,815
Other current assets	38,330	43,939
Total current assets	1,437,623	1,709,015
Gross property and equipment	7,081,485	6,720,610
Less: accumulated depreciation and amortization	(2,322,511)	(2,104,211)
Property and equipment, net	4,758,974	4,616,399
Operating lease right-of-use-assets	415,856	484,821
Goodwill	3,963,142	3,848,798
Intangible assets, net	2,075,315	2,058,882
Other long-term assets	173,871	152,850
Total assets	\$ 12,824,781	\$ 12,870,765
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 293,244	\$ 355,173
Accrued payroll and purchased transportation	190,830	164,884
Accrued liabilities	207,143	220,350
Claims accruals – current portion	336,010	480,200
Finance lease liabilities and long-term debt – current portion	272,355	459,759
Operating lease liabilities – current portion	129,938	144,921
Total current liabilities	1,429,520	1,825,287
Revolving line of credit	227,000	67,000
Long-term debt – less current portion	1,501,565	1,223,021
Finance lease liabilities – less current portion	466,863	407,150
Operating lease liabilities – less current portion	310,584	371,407
Accounts receivable securitization	458,911	526,508
Claims accruals – less current portion	328,968	315,476
Deferred tax liabilities	920,685	951,749
Other long-term liabilities	114,469	79,086
Total liabilities	5,758,565	5,766,684
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; 161,871 and 161,385 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively.	1,619	1,613
Additional paid-in capital	4,439,029	4,426,852
Accumulated other comprehensive income (loss)	168	(830)
Retained earnings	2,617,880	2,659,755
Total Knight-Swift stockholders' equity	7,058,696	7,087,390
Noncontrolling interest	7,520	16,691
Total stockholders' equity	7,066,216	7,104,081
Total liabilities and stockholders' equity	\$ 12,824,781	\$ 12,870,765

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



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

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
(In thousands, except per share data)				
<b>Revenue:</b>				
Revenue, excluding truckload and LTL fuel surcharge	\$ 1,680,893	\$ 1,775,249	\$ 4,935,408	\$ 4,615,990
Truckload and LTL fuel surcharge	195,783	244,687	610,389	593,857
Total revenue	1,876,676	2,019,936	5,545,797	5,209,847
<b>Operating expenses:</b>				
Salaries, wages, and benefits	726,358	710,543	2,111,143	1,780,522
Fuel	213,489	272,376	670,651	628,435
Operations and maintenance	142,418	142,913	415,302	343,604
Insurance and claims	86,510	148,865	314,394	424,210
Operating taxes and licenses	32,220	30,506	93,923	84,728
Communications	8,411	8,411	24,208	20,344
Depreciation and amortization of property and equipment	178,598	176,613	539,313	488,960
Amortization of intangibles	18,922	18,907	56,009	51,595
Rental expense	42,322	50,401	129,248	81,542
Purchased transportation	295,261	330,683	859,286	869,671
Impairments	1,008	—	10,867	—
Miscellaneous operating expenses	49,739	48,662	156,018	116,363
Total operating expenses	1,795,256	1,938,880	5,380,362	4,889,974
Operating income	81,420	81,056	165,435	319,873
<b>Other (expenses) income:</b>				
Interest income	4,005	5,542	12,844	16,099
Interest expense	(44,398)	(39,354)	(126,116)	(86,799)
Other income, net	3,169	11,433	17,049	30,815
Total other (expenses) income, net	(37,224)	(22,379)	(96,223)	(39,885)
Income before income taxes	44,196	58,677	69,212	279,988
Income tax expense (benefit)	14,137	(1,220)	22,253	53,474
Net income	30,059	59,897	46,959	226,514
Net loss attributable to noncontrolling interest	405	297	1,170	1,290
Net income attributable to Knight-Swift	30,464	60,194	48,129	227,804
Other comprehensive income	995	152	998	1,772
Comprehensive income	\$ 31,459	\$ 60,346	\$ 49,127	\$ 229,576
<b>Earnings per share:</b>				
Basic	\$ 0.19	\$ 0.37	\$ 0.30	\$ 1.41
Diluted	\$ 0.19	\$ 0.37	\$ 0.30	\$ 1.41
<b>Dividends declared per share:</b>				
	\$ 0.16	\$ 0.14	\$ 0.48	\$ 0.42
<b>Weighted average shares outstanding:</b>				
Basic	161,861	161,332	161,687	161,124
Diluted	162,233	161,888	162,120	161,782

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 September 30,	
	2024	2023
	(In thousands)	
<b>Cash flows from operating activities:</b>		
Net income	\$ 46,959	\$ 226,514
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment, and intangibles	595,322	540,555
Gain on sale of property and equipment	(21,839)	(46,628)
Impairments	10,867	—
Deferred income taxes	(21,569)	9,587
Non-cash lease expense	137,768	68,778
Loss (gain) on equity securities	11,562	(2,100)
Other adjustments to reconcile net income to net cash provided by operating activities	(3,684)	46,224
Increase (decrease) in cash resulting from changes in:		
Trade receivables	39,612	84,149
Income tax receivable	19,624	(1,237)
Accounts payable	(57,066)	(10,495)
Accrued liabilities and claims accrual	(135,189)	26,599
Operating lease liabilities	(146,973)	(68,140)
Other assets and liabilities	49,347	(304)
Net cash provided by operating activities	524,741	873,502
<b>Cash flows from investing activities:</b>		
Proceeds from maturities of held-to-maturity investments	530	3,620
Purchases of held-to-maturity investments	—	(30)
Proceeds from sale of property and equipment, including assets held for sale	183,589	214,234
Purchases of property and equipment	(592,081)	(852,677)
Expenditures on assets held for sale	(312)	(785)
Net cash, restricted cash, and equivalents invested in acquisitions	(185,491)	(458,288)
Other cash flows from investing activities	(25,255)	5,896
Net cash used in investing activities	(619,020)	(1,088,030)
<b>Cash flows from financing activities:</b>		
Repayments of finance leases and long-term debt	(214,881)	(81,354)
Proceeds from long-term debt	150,000	250,000
Borrowings on revolving lines of credit, net	160,000	257,000
Borrowings under accounts receivable securitization	28,800	25,000
Repayments of accounts receivable securitization	(96,600)	(82,000)
Proceeds from common stock issued	4,177	4,200
Dividends paid	(78,256)	(68,550)
Other cash flows from financing activities	(7,735)	(18,206)
Net cash (used in) provided by financing activities	(54,495)	286,090
Net (decrease) increase in cash, restricted cash, and equivalents	(148,774)	71,562
Cash, restricted cash, and equivalents at beginning of period	469,686	385,345
Cash, restricted cash, and equivalents at end of period	\$ 320,912	\$ 456,907

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 September 30,	
	2024	2023
	(In thousands)	
<b>Supplemental disclosures of cash flow information:</b>		
<b>Cash paid during the period for:</b>		
Interest	\$ 130,680	\$ 84,361
Income taxes	10,382	38,455
<b>Non-cash investing and financing activities:</b>		
Equipment acquired included in accounts payable	\$ 39,522	\$ 19,639
Financing provided to independent contractors for equipment sold	1,715	4,285
Transfers from property and equipment to assets held for sale	89,794	136,453
Noncontrolling interest associated with acquisitions	—	5,178
Contingent consideration associated with acquisitions and investments	—	174,107
U.S. Xpress assumed equity awards	—	1,462
Conversion of note receivable to equity investment	—	12,107
Right-of-use assets obtained in exchange for operating lease liabilities	58,767	41,888
Right-of-use assets obtained in exchange for operating lease liabilities through acquisitions	12,400	—
Property and equipment obtained in exchange for finance lease liabilities	190,298	70,051
Property and equipment obtained in exchange for debt and finance lease liabilities reclassified from operating lease liabilities	20,025	—

	September 30, 2024	December 31, 2023	September 30, 2023	December 31, 2022
	(In thousands)			
<b>Consolidated Balance Sheets</b>				
Cash and cash equivalents	\$ 166,348	\$ 168,545	\$ 193,372	\$ 196,770
Cash and cash equivalents – restricted <sup>1</sup>	150,870	297,275	259,979	185,792
Other long-term assets <sup>1</sup>	3,694	3,866	3,556	2,783
<b>Consolidated Statements of Cash Flows</b>				
Cash, restricted cash, and equivalents	\$ 320,912	\$ 469,686	\$ 456,907	\$ 385,345

<sup>1</sup> Reflects cash and cash equivalents that are primarily restricted for claims payments.

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 (Loss) Income	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
<b>Balances – December 31, 2023</b>	161,385	\$ 1,613	\$ 4,426,852	\$ 2,659,755	\$ (830)	\$ 7,087,390	\$ 16,691	\$ 7,104,081
Common stock issued to employees	403	4	—			4		4
Common stock issued to the Board	24	—	1,206			1,206		1,206
Common stock issued under ESPP	59	2	2,965			2,967		2,967
Shares withheld – RSU settlement				(11,839)		(11,839)		(11,839)
Employee stock-based compensation expense			17,011			17,011		17,011
Cash dividends paid and dividends accrued (\$0.48 per share)				(78,165)		(78,165)		(78,165)
Net income (loss)				48,129		48,129	(1,170)	46,959
Other comprehensive income					998	998		998
Investment in noncontrolling interest							2,212	2,212
Distribution to noncontrolling interest			(9,005)			(9,005)	(10,213)	(19,218)
<b>Balances – September 30, 2024</b>	161,871	\$ 1,619	\$ 4,439,029	\$ 2,617,880	\$ 168	\$ 7,058,696	\$ 7,520	\$ 7,066,216

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
<b>Balances – December 31, 2022</b>	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	565	5	158			163		163
Common stock issued to the Board	18	—	977			977		977
U.S. Xpress assumed equity awards			1,462			1,462		1,462
Common stock issued under ESPP	58	1	3,059			3,060		3,060
Shares withheld – RSU settlement				(19,548)		(19,548)		(19,548)
Employee stock-based compensation expense			21,059			21,059		21,059
Cash dividends paid and dividends accrued (\$0.42 per share)				(68,255)		(68,255)		(68,255)
Net income (loss)				227,804		227,804	(1,290)	226,514
Other comprehensive income					1,772	1,772		1,772
Investment in noncontrolling interest							7,555	7,555
Distribution to noncontrolling interest							(239)	(239)
<b>Balances – September 30, 2023</b>	161,347	\$ 1,613	\$ 4,418,981	\$ 2,693,568	\$ (664)	\$ 7,113,498	\$ 16,303	\$ 7,129,801

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 (Loss) Income	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
<b>Balances – June 30, 2024</b>	161,836	\$ 1,618	\$ 4,439,489	\$ 2,613,684	\$ (827)	\$ 7,053,964	\$ 16,389	\$ 7,070,353
Common stock issued to employees	10	—	—			—		—
Common stock issued under ESPP	25	1	1,068			1,069		1,069
Shares withheld – RSU settlement				(188)		(188)		(188)
Employee stock-based compensation expense			6,430			6,430		6,430
Cash dividends paid and dividends accrued (\$0.16 per share)				(26,080)		(26,080)		(26,080)
Net income (loss)				30,464		30,464	(405)	30,059
Other comprehensive income					995	995		995
Investment in noncontrolling interest							739	739
Distribution to noncontrolling interest			(7,958)			(7,958)	(9,203)	(17,161)
<b>Balances – September 30, 2024</b>	161,871	\$ 1,619	\$ 4,439,029	\$ 2,617,880	\$ 168	\$ 7,058,696	\$ 7,520	\$ 7,066,216

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Knight- Swift Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Par Value						
	(In thousands, except per share data)							
<b>Balances – June 30, 2023</b>	161,276	\$ 1,613	\$ 4,412,069	\$ 2,657,415	\$ (815)	\$ 7,070,282	\$ 10,761	\$ 7,081,043
Common stock issued to employees	53	—	—			—		—
U.S. Xpress assumed equity awards			1,462			1,462		1,462
Common stock issued under ESPP	18	—	978			978		978
Shares withheld – RSU settlement				(1,277)		(1,277)		(1,277)
Employee stock-based compensation expense			4,472			4,472		4,472
Cash dividends paid and dividends accrued (\$0.14 per share)				(22,764)		(22,764)		(22,764)
Net income (loss)				60,194		60,194	(297)	59,897
Other comprehensive income					151	151		151
Investment in noncontrolling interest							5,839	5,839
<b>Balances – September 30, 2023</b>	161,347	\$ 1,613	\$ 4,418,981	\$ 2,693,568	\$ (664)	\$ 7,113,498	\$ 16,303	\$ 7,129,801

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

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## Notes to Condensed Consolidated Financial Statements (Unaudited)

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### 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 September 30, 2024, the Company operated an average of 22,986 tractors (comprised of 20,838 company tractors and 2,148 independent contractor tractors) and 92,642 trailers within the Truckload segment and leasing activities within the All Other Segments. The LTL segment operated an average of 3,505 tractors and 9,160 trailers. Additionally, the Intermodal segment operated an average of 615 tractors and 12,577 intermodal containers. As of September 30, 2024, 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 2023 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.

*Note regarding comparability* — The reported results do not include U.S. Xpress' operating results prior to its acquisition by the Company on July 1, 2023 in accordance with the accounting treatment applicable to the transaction. The reported results do not include the LTL operations of DHE prior to its acquisition by the Company on July 30, 2024 in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's current and prior period results may not be meaningful.

#### 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 2024	ASU No. 2024-02: Codification Improvements - Amendments to Remove References to the Concepts Statements	The amendments in this ASU contain amendments to the Codification that remove references to various Concepts Statements. In most cases, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Statements to provide guidance in certain topical areas.	January 2025, Prospective or retrospective	Currently under evaluation, but not expected to be material
March 2024	ASU No. 2024-01: Compensation - Stock Compensation (Topic 718)	The amendments in this ASU improve GAAP by adding an illustrative example that includes four fact patterns to demonstrate how an entity should apply the scope guidance in paragraph 718-10-15-3 to determine whether a profits interest award should be accounted for in accordance with Topic 718.	January 2025, Prospective or retrospective	Currently under evaluation, but not expected to be material
November 2023	ASU 2023-07: Segment Reporting (ASC 280) — <i>Improvements to Reportable Segment Disclosures</i>	The amendments in this ASU update reportable segment disclosure requirements by requiring that an entity disclose significant segment expenses, disclose other segment items by reportable segments, provide annual disclosures about a reportable segment's profit and loss, the title of the chief operating decision maker, and other items.	January 2024	Currently under evaluation, but not expected to be material <sup>1</sup>

1 ASC Topic 280, Segment Reporting — The Company has evaluated the segment reporting disclosure changes required by ASU 2023-07. Management has created a quantitative mock-up of our segments disclosure under ASC Topic 280.

Since management is continuing to evaluate the impact of ASU 2023-07, the above disclosures are tentative and subject to change.

**Note 3 — Acquisitions and Investments**
**DHE**

On July 30, 2024, the Company, through a wholly owned subsidiary, acquired the operating assets and assumed certain liabilities of the regional less-than-truckload division of Dependable Highway Express, Inc. based in Los Angeles, California.

The total purchase price consideration of \$185.0 million, including net working capital adjustments, was funded through borrowing on the 2021 Revolver on the transaction date. At closing, \$1.5 million of the cash consideration was placed in escrow to secure certain of the sellers' indemnification obligations and remains subject to further adjustments.

The goodwill recognized represents expected synergies from combining the operations of DHE with the Company, including enhanced service offerings, as well as other intangible assets that did not meet the criteria for separate recognition. The goodwill is expected to be deductible for tax purposes.

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

The purchase price allocation for DHE is preliminary and has been allocated based on estimated fair values of the assets acquired and liabilities assumed at the acquisition date, and among other things may be pending the completion of the valuation of acquired tangible assets, an independent valuation of certain acquired intangible assets, assessment of lease agreements, assessment of certain liabilities, the calculation of deferred taxes based upon the underlying tax basis of assets acquired and liabilities assumed, and assessment of other tax related items as applicable. As the Company obtains more information, the preliminary purchase price allocations disclosed above are subject to change. Any future adjustments to the preliminary purchase price allocations, including changes within identifiable intangible assets or estimation uncertainty impacted by market conditions, may impact future net earnings. The purchase price allocation adjustments can be made through the end of the measurement period, which is not to exceed one year from the acquisition date.

	July 30, 2024 Opening Balance Sheet as Reported at September 30, 2024
<b><i>Fair value of the consideration transferred</i></b>	<b>\$ 184,986</b>
Other current assets	445
Property and equipment	29,796
Operating lease right-of-use assets	15,448
Identifiable intangible assets <sup>1</sup>	72,400
Other noncurrent assets	98
<b><i>Total assets</i></b>	<b>118,187</b>
Claims accruals – current and noncurrent portions	(4,000)
Operating lease liabilities – current and noncurrent portions	(12,400)
<b><i>Total liabilities</i></b>	<b>(16,400)</b>
<b><i>Goodwill</i></b>	<b>\$ 83,199</b>

<sup>1</sup> Includes \$57.0 million in customer relationships and \$15.4 million in trade names.

***Eleos***

On July 17, 2024, the Company acquired the remaining 18.5% non-controlling interest of Eleos.

***U.S. Xpress***

On July 1, 2023, the Company acquired Chattanooga, Tennessee-based U.S. Xpress Enterprises, Inc. ("U.S. Xpress"), one of the largest asset-based truckload carriers in the United States. The purchase price was allocated based on estimated fair values of the assets acquired and liabilities assumed at the acquisition date. The purchase price allocation was open for adjustments through the end of the measurement period, which closed one year from the July 1, 2023 acquisition date.

During the quarter ended September 30, 2024, the Company's condensed consolidated operating results included U.S. Xpress' total revenue of \$409.6 million and a net loss of \$10.1 million. U.S. Xpress' net loss during the quarter ended September 30, 2024 included \$2.3 million related to the amortization of intangible assets acquired in the U.S. Xpress Acquisition.

During the year-to-date period ended September 30, 2024, the Company's condensed consolidated operating results included U.S. Xpress' total revenue of \$1.2 billion and a net loss of \$29.4 million. U.S. Xpress' net loss during the year-to-date period ended September 30, 2024 included \$6.9 million related to the amortization of intangible assets acquired in the U.S. Xpress Acquisition.

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

The purchase price was allocated based on estimated fair values of the assets and liabilities acquired as of the acquisition date. The purchase price allocation was open for adjustments through the end of the measurement period, which closed one year from the July 1, 2023 acquisition date.

	July 1, 2023 Opening Balance Sheet as Reported at December 31, 2023	Adjustments	July 1, 2023 Opening Balance Sheet as Reported at June 30, 2024
<b>Fair value of the consideration transferred</b>	\$ 632,109	\$ —	\$ 632,109
Cash and cash equivalents	3,321	—	3,321
Receivables	216,659	345	217,004
Prepaid expenses	21,347	—	21,347
Other current assets	47,317	—	47,317
Property and equipment	433,210	—	433,210
Operating lease right-of-use assets	337,055	—	337,055
Identifiable intangible assets <sup>1</sup>	348,000	—	348,000
Other noncurrent assets	28,457	—	28,457
<b>Total assets</b>	<b>1,435,366</b>	<b>345</b>	<b>1,435,711</b>
Accounts payable	(115,494)	(1,600)	(117,094)
Accrued payroll and payroll-related expenses	(27,485)	—	(27,485)
Accrued liabilities	(19,966)	(809)	(20,775)
Claims accruals – current and noncurrent portions	(180,251)	(11,650)	(191,901)
Operating lease liabilities – current and noncurrent portions	(376,763)	—	(376,763)
Long-term debt and finance leases – current and noncurrent portions	(337,949)	—	(337,949)
Deferred tax liabilities	(33,072)	9,942	(23,130)
Other long-term liabilities	(34,230)	(26,872)	(61,102)
<b>Total liabilities</b>	<b>(1,125,210)</b>	<b>(30,989)</b>	<b>(1,156,199)</b>
Noncontrolling interest	(391)	—	(391)
<b>Total stockholders' equity</b>	<b>(391)</b>	<b>—</b>	<b>(391)</b>
<b>Goodwill</b>	<b>\$ 322,344</b>	<b>\$ 30,644</b>	<b>\$ 352,988</b>

<sup>1</sup> Includes \$184.5 million in customer relationships and \$163.5 million in trade names.

**Pro Forma Information** — The following unaudited pro forma information combines the historical operations of the Company and U.S. Xpress giving effect to the U.S. Xpress Acquisition, and related transactions as if consummated on January 1, 2023.

	Quarter Ended September 30, 2023	Year-to-Date September 30, 2023
	2023	2023
	(In thousands, except per share data)	
Total revenue	\$ 2,019,936	\$ 6,165,131
Net income attributable to Knight-Swift	33,584	146,522
Earnings per share – diluted	0.21	0.91

**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED**

The unaudited pro forma condensed combined financial information has been presented for comparative purposes only and includes certain adjustments such as recognition of assets acquired at estimated fair values and related depreciation and amortization, elimination of transaction costs incurred by Knight-Swift and U.S. Xpress during the periods presented that were directly related to the U.S. Xpress Acquisition, and related income tax effects of these items. As a result of the U.S. Xpress Acquisition, both Knight-Swift and U.S. Xpress incurred certain acquisition-related expenses, including professional legal and advisory fees, acceleration of share-based compensation, bonus incentives, severance payments, filing fees and other miscellaneous expenses. These acquisition-related expenses totaled \$6.5 million and \$31.8 million during the quarter and year-to-date periods ended September 30, 2023, respectively. These expenses were eliminated in the presentation of the unaudited pro forma "Net income attributable to Knight-Swift" presented above.

The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that Knight-Swift and U.S. Xpress would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the identified transactions. The unaudited pro forma condensed combined financial information does not reflect any cost savings that may be realized as a result of the U.S. Xpress Acquisition and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings.

***Equity Method Investments***

During the quarter and year-to-date periods ended September 30, 2024, the Company recognized a \$12.1 million realized loss on a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter of 2024, which is recorded in "Other income, net" in the condensed consolidated statements of comprehensive income.

The Company did not complete any other material acquisitions during the quarter ended September 30, 2024.

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**Note 4 — Income Taxes**

***Effective Tax Rate*** — The effective tax rates for the quarters ended September 30, 2024 and September 30, 2023 were 32.0% and (2.1)%, respectively. The effective tax rates for the year-to-date periods ended September 30, 2024 and September 30, 2023 were 32.2% and 19.1% respectively. The current quarter effective tax rate was primarily impacted by a reduction in pre-tax income.

***Valuation Allowance*** — Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. As of September 30, 2024 and December 31, 2023, the Company has \$10.4 million in valuation allowance associated with the capital loss and state operating loss carryforwards which may not be utilized in the future.

***Unrecognized Tax Benefits*** — The Company has unrecognized tax benefits associated with tax credit carryforwards. Management does not expect a decrease in unrecognized tax benefits relating to credits to be necessary within the next twelve months.

***Interest and Penalties*** — The Company did not have accrued interest and penalties related to unrecognized tax benefits as of September 30, 2024 and December 31, 2023.

***Tax Examinations*** — Certain of the Company's subsidiaries are currently under examination by various Federal and state jurisdictions for tax years ranging from 2009 to 2022. At the completion of these examinations, management does not expect any adjustments which would have a material impact on the Company's effective tax rate. Years subsequent to 2018 remain subject to examination.

**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED**
**Note 5 — Accounts Receivable Securitization**

On October 23, 2023, the Company entered into the 2023 RSA, which further amended the 2022 RSA. The 2023 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 September 30, 2024, the Company's eligible receivables generally have high credit quality, as determined by the obligor's corporate credit rating.

The 2023 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 September 30, 2024. 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.

The following table summarizes the key terms of the 2023 RSA (dollars in thousands):

	2023 RSA
	(Dollars in thousands)
Effective date	October 23, 2023
Final maturity date	October 1, 2025
Borrowing capacity	\$575,000
Accordion option <sup>1</sup>	\$100,000
Unused commitment fee rate <sup>2</sup>	20 to 40 basis points
Program fees on outstanding balances <sup>3</sup>	one month SOFR + credit spread adjustment 10 basis points + 82.5 basis points

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

<sup>2</sup> The commitment fee rates are based on the percentage of the maximum borrowing capacity utilized.

<sup>3</sup> As identified within the 2023 RSA, the lender can trigger an amendment by identifying and deciding upon a replacement index for SOFR.

Availability under the 2023 RSA is calculated as follows:

	September 30, 2024	December 31, 2023
	(In thousands)	
Borrowing base, based on eligible receivables	\$ 492,400	\$ 527,600
Less: outstanding borrowings <sup>1</sup>	(459,200)	(527,000)
Less: outstanding letters of credit	(27,167)	—
Availability under accounts receivable securitization facilities	\$ 6,033	\$ 600

<sup>1</sup> Outstanding borrowings are included in "Accounts receivable securitization" in the condensed consolidated balance sheets and are offset by deferred loan costs of \$0.3 million and \$0.5 million as of September 30, 2024 and December 31, 2023, respectively. Interest accrued on the aggregate principal balance at a rate of 6.1% and 6.3% as of September 30, 2024 and December 31, 2023, respectively.

Refer to Note 12 for information regarding the fair value of the 2023 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:

	September 30, 2024	December 31, 2023
	(In thousands)	
2021 Term Loan A-2, due September 3, 2026, net <sup>1 2</sup>	349,021	199,902
2021 Term Loan A-3, due September 3, 2026, net <sup>1 2</sup>	789,323	799,058
2023 Term Loan, due September 3, 2026, net <sup>1 3</sup>	249,378	249,135
Revenue equipment installment notes <sup>1 4</sup>	219,510	279,339
Prudential Notes, net <sup>1</sup>	16,787	25,078
Other	6,952	8,567
Total long-term debt, including current portion	1,630,971	1,561,079
Less: current portion of long-term debt	(129,406)	(338,058)
Long-term debt, less current portion	\$ 1,501,565	\$ 1,223,021

	September 30, 2024	December 31, 2023
	(In thousands)	
Total long-term debt, including current portion	\$ 1,630,971	\$ 1,561,079
2021 Revolver, due September 3, 2026 <sup>1 5</sup>	227,000	67,000
Long-term debt, including revolving line of credit	\$ 1,857,971	\$ 1,628,079

<sup>1</sup> Refer to Note 12 for information regarding the fair value of debt.

<sup>2</sup> As of September 30, 2024, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$1.0 million and \$0.7 million in deferred loan costs, respectively. As of December 31, 2023, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.1 million and \$0.9 million in deferred loan costs, respectively.

<sup>3</sup> As of September 30, 2024, the carrying amount of the 2023 Term Loan was net of \$0.6 million in deferred loan costs. As of December 31, 2023, the carrying amounts of the 2023 Term Loan was net of \$0.9 million in deferred loan costs.

<sup>4</sup> The revenue equipment installment loans were assumed at the close of the U.S. Xpress Acquisition and have a weighted average interest rate of 4.8% and 4.7% as of September 30, 2024 and December 31, 2023, respectively.

<sup>5</sup> The Company also had outstanding letters of credit of \$18.1 million and \$18.0 million under the 2021 Revolver, primarily related to workers' compensation and self-insurance liabilities for both September 30, 2024 and December 31, 2023, respectively. The Company also had outstanding letters of credit of \$248.0 million and \$264.3 million under a separate bilateral agreement which do not impact the availability of the 2021 Revolver as of September 30, 2024 and December 31, 2023, 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 2021 Debt Agreement included the 2021 Term Loan A-1 which was paid off on December 3, 2022. On August 6, 2024, the Company entered into the 2024 Amendment which, among other things, extended the maturity of the Company's 2021 Term Loan A-2 from September 3, 2024 to September 3, 2026, increased the size of the 2021 Term Loan A-2 from \$200 million to \$350 million, aligned the applicable margin for the 2021 Term Loan A-2 with that of the rest of the credit facility, transitioned the reference rate for the credit facility from BSBY to SOFR, and made other conforming changes. The following table presents the key terms of the 2021 Debt Agreement as amended by the 2024 Amendment:

	2021 Term Loan A-2	2021 Term Loan A-3	2021 Revolver <sup>2</sup>
<b>2021 Debt Agreement Terms</b>	<b>(Dollars in thousands)</b>		
Maximum borrowing capacity	\$350,000	\$800,000	\$1,100,000
Final maturity date	September 3, 2026	September 3, 2026	September 3, 2026
Interest rate margin reference rate	SOFR + credit spread adjustment 10 basis points	SOFR + credit spread adjustment 10 basis points	SOFR + credit spread adjustment 10 basis points
Interest rate minimum margin <sup>1</sup>	0.88%	0.88%	0.88%
Interest rate maximum margin <sup>1</sup>	1.50%	1.50%	1.50%
Minimum principal payment — amount	\$—	\$10,000	\$—
Minimum principal payment — frequency	Once	Quarterly	Once
Minimum principal payment — commencement date	September 3, 2026	September 30, 2024	September 3, 2026

<sup>1</sup> The interest rate margin for the 2021 Term Loans and 2021 Revolver is based on the Company's consolidated leverage ratio. As of September 30, 2024, interest accrued at 6.46% on the 2021 Term Loan A-2, 6.46% on the 2021 Term Loan A-3, and 6.46% on the 2021 Revolver.

<sup>2</sup> 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 September 30, 2024, commitment fees on the unused portion of the 2021 Revolver accrued at 0.2% and outstanding letter of credit fees accrued at 1.5%.

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 September 30, 2024, 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 September 30, 2024 is equal to SOFR plus the 0.1% SOFR adjustment plus 1.75%. As of September 30, 2024, interest accrued at 6.71% on the 2023 Term Loan.

**U.S. Xpress' Revenue Equipment Installment Notes** — In connection with the U.S. Xpress Acquisition, the Company assumed revenue equipment installment notes with various lenders to finance tractors and trailers. Payments are due in monthly installments with final maturities at various dates through March 15, 2028, and the notes are secured by related revenue equipment with a net book value of \$190.2 million as of September 30, 2024. Terms generally range from 48 months to 84 months. The interest rates as of September 30, 2024 range from 2.0% to 7.2%.

**2021 Prudential Notes** — The 2021 Prudential Notes previously allowed ACT to borrow up to \$125 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 January 2025 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 September 30, 2024, the Company was in compliance with the covenants under the 2021 Prudential Notes.

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

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**Note 7 — Defined Benefit Pension Plan**

Net periodic pension income and benefits paid during the quarter ended September 30, 2024 and 2023 were immaterial.

**Assumptions**

A weighted-average discount rate of 4.73% was used to determine benefit obligations as of September 30, 2024.

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

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
Discount rate	5.25 %	4.86 %	4.96 %	4.79 %
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.

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**Note 8 — Purchase Commitments**

As of September 30, 2024, the Company had outstanding commitments to purchase revenue equipment of \$203.8 million in the remainder of 2024 (\$163.8 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 September 30, 2024, the Company had outstanding commitments to purchase facilities and non-revenue equipment of \$50.3 million in the remainder of 2024, \$65.0 million from 2025 through 2026, \$5.3 million from 2027 through 2028, and \$0.2 million 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

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**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.

Based on our present knowledge of the facts and, in certain cases, advice of outside counsel, management believes the resolution of open claims and pending litigation, taking into account existing reserves, is not likely to have a materially adverse impact on our condensed consolidated financial statements. However, any future claims or adverse developments in existing claims could impact this analysis. 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, as well as legal fees which are included in "Accrued liabilities" in the condensed consolidated balance sheets. The Company has recorded an aggregate accrual of approximately \$6.9 million, relating to the Company's outstanding legal proceedings as of September 30, 2024.

***Commutation of Third-Party Carrier Insurance Risk***

On February 14, 2024, the Company finalized the terms of a transaction with the insurer under the third-party reinsurance agreement covering auto liability associated with the Company's third-party carrier insurance business. The agreement effectively transferred \$161.1 million in third-party auto liability insurance claim liabilities to the insurer for policy periods from October 1, 2020 through March 31, 2023 funded by transferring the corresponding restricted cash held in trust for payment of the third-party insurance claims.

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**Note 10 — Share Repurchase Plans**

In April 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 September 30, 2024 and 2023.

As of September 30, 2024 and December 31, 2023, the Company had \$200.0 million remaining under the 2022 Knight-Swift Share Repurchase Plan.

## KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED

**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 Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
	(In thousands)			
Basic weighted average common shares outstanding	161,861	161,332	161,687	161,124
Dilutive effect of equity awards	372	556	433	658
Diluted weighted average common shares outstanding	162,233	161,888	162,120	161,782
Anti-dilutive shares excluded from earnings per diluted share <sup>1</sup>	232	57	426	141

- <sup>1</sup> 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		September 30, 2024		December 31, 2023	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
(In thousands)					
<b>Financial Assets:</b>					
Equity method investments	Other long-term assets	\$ 122,781	\$ 122,781	\$ 102,252	\$ 102,252
<b>Financial Liabilities:</b>					
2021 Term Loan A-2, due September 2026 <sup>1</sup>	Finance lease liabilities and long-term debt – current portion	349,021	350,000	199,902	200,000
2021 Term Loan A-3, due September 2026 <sup>1</sup>	Finance lease liabilities and long-term debt – current portion, Long-term debt – less current portion	789,323	790,000	799,058	800,000
2023 Term Loan, due September 2026 <sup>2</sup>	Long-term debt – less current portion	249,378	250,000	249,135	250,000
2021 Revolver, due September 2026	Revolving line of credit	227,000	227,000	67,000	67,000
Revenue equipment installment notes <sup>3</sup>	Finance lease liabilities and long-term debt – current portion, Long-term debt – less current portion	219,510	219,510	279,339	279,339
2021 Prudential Notes <sup>4</sup>	Finance lease liabilities and long-term debt – current portion, Long-term debt – less current portion	16,787	16,800	25,078	25,100
2023 RSA, due October 2025 <sup>5</sup>	Accounts receivable securitization -less current portion	458,911	459,200	526,508	527,000
Mandatorily redeemable contingent consideration <sup>6</sup>	Accrued liabilities	134,107	134,107	134,107	134,107
Contingent consideration <sup>6</sup>	Accrued liabilities, Other long-term liabilities	40,000	40,000	40,859	40,859

- As of September 30, 2024, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$1.0 million and \$0.7 million in deferred loan costs, respectively. As of December 31, 2023, the carrying amounts of the 2021 Term Loan A-2 and 2021 Term Loan A-3 were net of \$0.1 million and \$0.9 million in deferred loan costs, respectively.
- As of September 30, 2024, the carrying amount of the 2023 Term Loan was net of \$0.6 million in deferred loan costs. As of December 31, 2023, the carrying amount of the 2023 Term Loan was net of \$0.9 million in deferred loan costs.
- As of September 30, 2024, the carrying amount of the revenue equipment installment notes included \$0.8 million in fair value adjustments. As of December 31, 2023, the carrying amount of the revenue equipment installment notes included \$1.3 million in fair value adjustments.
- As of September 30, 2024, the carrying amount of the 2021 Prudential Notes was net of approximately \$13,000 in deferred loan costs and included \$0.7 million in fair value adjustments. As of December 31, 2023, the carrying amount of the 2021 Prudential Notes was net of \$22,000 in deferred loan costs and included \$1.1 million in fair value adjustments.
- The carrying amount of the 2023 RSA was net of \$0.3 million and \$0.5 million in deferred loan costs as of September 30, 2024 and December 31, 2023, respectively.
- The contingent consideration is primarily related to the U.S. Xpress Acquisition.

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

**Recurring Fair Value Measurements (Assets)** — As of September 30, 2024 and December 31, 2023, there were no major categories of assets estimated at fair value that were measured on a recurring basis.

**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 September 30, 2024 and December 31, 2023:

	Fair Value Measurements at Reporting Date Using							Total Gain (Loss)		
	Estimated Fair Value	Level 1 Inputs		Level 2 Inputs		Level 3 Inputs				
		(In thousands)								
<b>As of September 30, 2024</b>										
Mandatorily redeemable contingent consideration <sup>1 2</sup>	\$	134,107	\$	—	\$	—	\$	134,107	\$	—
Contingent consideration <sup>1</sup>	\$	40,000	\$	—	\$	—	\$	40,000	\$	859
<b>As of December 31, 2023</b>										
Mandatorily redeemable contingent consideration <sup>1</sup>	\$	134,107	\$	—	\$	—	\$	134,107	\$	—
Contingent consideration <sup>1</sup>	\$	40,859	\$	—	\$	—	\$	40,859	\$	3,359

1 Contingent consideration is associated with the U.S. Xpress Acquisition and certain other investments. The Company recognized a gain of \$0.9 million during the quarter and year-to-date periods ended September 30, 2024. The Company recognized a gain of \$0.9 million during the quarter ended September 30, 2023 and a gain of \$3.4 million during the year-to-date period ended September 30, 2023.

2 As of September 30, 2024, the call option has expired and the mandatorily redeemable contingent consideration is now in the put option period.

**Nonrecurring Fair Value Measurements (Assets)** — 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 September 30, 2024 and December 31, 2023:

	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 September 30, 2024									
Buildings <sup>1</sup>	\$	—	\$	—	\$	—	\$	—	\$ (288)
Operating lease right-of-use assets <sup>2</sup>	\$	—	\$	—	\$	—	\$	—	\$ (5,300)
Equipment <sup>3</sup>	\$	—	\$	—	\$	—	\$	—	\$ (5,279)
As of December 31, 2023									
Buildings <sup>1</sup>	\$	—	\$	—	\$	—	\$	—	\$ (187)
Equipment <sup>3</sup>	\$	—	\$	—	\$	—	\$	—	\$ (469)
Software <sup>4</sup>	\$	—	\$	—	\$	—	\$	—	\$ (1,580)

1 Reflects the non-cash impairment of building improvements (within the Truckload segment and the All Other Segments).

2 Reflects the non-cash impairment related to the market value of a facility lease (within the Truckload Segment).

3 Reflects the non-cash impairment of certain revenue equipment held for sale and other equipment (within the Truckload segment and the All Other Segments).

4 Reflects the non-cash impairment of software (within the All Other Segments).

**Nonrecurring Fair Value Measurements (Liabilities)** — As of September 30, 2024 and December 31, 2023, the Company had no major categories of liabilities estimated at fair value that were measured on a nonrecurring basis.

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

**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:

- \$9.2 million and \$11.4 million for the quarters ended September 30, 2024 and 2023, respectively.
- \$21.8 million and \$46.6 million for the year-to-date periods ended September 30, 2024 and 2023, 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)				
<b>As of September 30, 2024</b>				
Fixed income funds	34,528	34,528	—	—
Cash and cash equivalents	1,379	1,379	—	—
Total pension plan assets	<u>\$ 35,907</u>	<u>\$ 35,907</u>	<u>\$ —</u>	<u>\$ —</u>
<b>As of December 31, 2023</b>				
Fixed income funds	34,536	34,536	—	—
Cash and cash equivalents	887	887	—	—
Total pension plan assets	<u>\$ 35,423</u>	<u>\$ 35,423</u>	<u>\$ —</u>	<u>\$ —</u>

**Note 13 — Related Party Transactions**

	Quarter Ended September 30,				Year-to-Date September 30,			
	2024		2023		2024		2023	
	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	\$ 250	\$ 145	\$ —	\$ 21	\$ 697	\$ 436	\$ —	\$ 67
Other Services	\$ —	\$ 9	\$ —	\$ 9	\$ —	\$ 26	\$ 27	\$ 402

	September 30, 2024		December 31, 2023	
	Receivable	Payable	Receivable	Payable
	(In thousands)			
Certain affiliates <sup>1</sup>	\$ —	\$ 58	\$ 23	\$ 37

<sup>1</sup> "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 and other services.



**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) — CONTINUED**
**Note 14 — Financial Information by Segment and Geography**
**Segment Information**

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>Revenue:</b>	(In thousands)			
Truckload	\$ 1,258,156	\$ 1,380,781	\$ 3,785,408	\$ 3,346,685
LTL	325,412	284,168	914,012	806,577
Logistics	143,581	159,489	402,010	417,715
Intermodal	102,679	101,219	288,192	316,118
Subtotal	\$ 1,829,828	\$ 1,925,657	\$ 5,389,622	\$ 4,887,095
All Other Segments	68,438	119,677	221,796	391,773
Intersegment eliminations	(21,590)	(25,398)	(65,621)	(69,021)
Total revenue	\$ 1,876,676	\$ 2,019,936	\$ 5,545,797	\$ 5,209,847

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>Operating income (loss):</b>	(In thousands)			
Truckload	\$ 45,356	\$ 48,361	\$ 91,986	\$ 232,171
LTL	24,556	32,275	77,892	89,095
Logistics	6,684	10,364	13,916	32,750
Intermodal	(1,387)	(4,524)	(8,012)	(6,054)
Subtotal	\$ 75,209	\$ 86,476	\$ 175,782	\$ 347,962
All Other Segments <sup>1</sup>	6,211	(5,420)	(10,347)	(28,089)
Operating income	\$ 81,420	\$ 81,056	\$ 165,435	\$ 319,873

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>Depreciation and amortization of property and equipment:</b>	(In thousands)			
Truckload	\$ 135,376	\$ 135,774	\$ 412,321	\$ 369,006
LTL	20,872	17,069	57,966	50,077
Logistics	778	1,048	2,708	3,078
Intermodal	5,641	5,194	16,651	14,403
Subtotal	\$ 162,667	\$ 159,085	\$ 489,646	\$ 436,564
All Other Segments	15,931	17,528	49,667	52,396
Depreciation and amortization of property and equipment	\$ 178,598	\$ 176,613	\$ 539,313	\$ 488,960

<sup>1</sup> The year-to-date \$10.3 million operating loss within our All Other Segments is primarily driven by the \$17.1 million operating loss in the third-party insurance business.

**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 September 30, 2024 and 2023. Additionally, long-lived assets on the Company's international subsidiary balance sheets were less than 5.0% of consolidated total assets as of September 30, 2024 and December 31, 2023.

**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, future market position, 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, 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,
- 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 amortization, purchased transportation, impairments, interest rates, cost structure, and our ability to control costs,
- future rates, operating profitability and margin, load count, 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

- future classification of our independent contractors, including the impact of new laws and regulations regarding classification,
- political conditions and regulations, including conflicts, trade regulation, quotas, duties, or tariffs, and any future changes to the foregoing,
- 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 I, Item 1A "Risk Factors" in our 2023 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.

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## 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.*

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## 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 2023 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 — Year-to-Date September 30, 2024

Consolidated operating income decreased 48.3% to \$165.4 million during the year-to-date period ended September 30, 2024, as compared to the same period last year. Net income attributable to Knight-Swift decreased 78.9% to \$48.1 million.

- **Truckload** — 97.6% operating ratio during the year-to-date period ended September 30, 2024. The Adjusted Operating Ratio<sup>1</sup> was 96.7%, with a 14.9% year-over-year increase in revenue, excluding fuel surcharge and intersegment transactions, as a result of the inclusion of the truckload business of U.S. Xpress. Adjusted Operating Ratio worsened by 520 basis points year-over-year primarily due to the 4.8% decline in revenue per loaded mile, excluding fuel surcharge and intersegment transactions, and the 1.3% increase in cost per mile largely due to inflationary prices.
- **LTL** — 91.5% operating ratio during the year-to-date period ended September 30, 2024. The Adjusted Operating Ratio<sup>1</sup> increased 330 basis points year-over-year to 88.5%, primarily as a result of incremental operating, maintenance, and labor costs as we expand. We opened 34 new locations during the year-to-date period of 2024, and we acquired the assets of DHE effective July 30, 2024, as we continue to grow our network.
- **Logistics** — 96.5% operating ratio during the year-to-date period ended September 30, 2024. The Adjusted Operating Ratio<sup>1</sup> was 95.7% with a gross margin of 17.5% while revenue, excluding intersegment transactions, decreased 2.7%, including the U.S. Xpress logistics business. Load count decreased 11.5% due to the soft demand environment.
- **Intermodal** — 102.8% operating ratio during the year-to-date period ended September 30, 2024, as revenue per load declined 10.0% year-over-year and load count increased 1.3%.
- **All Other Segments** — Operating loss decreased to \$10.3 million during the year-to-date period ended September 30, 2024 from \$28.1 million during the comparable period of 2023, largely as a result of exiting the third-party insurance business.
- **Liquidity and Capital** — During the year-to-date period ended September 30, 2024, we generated \$524.7 million in operating cash flows and Free Cash Flow<sup>1</sup> of \$116.2 million, which was negatively impacted by our decision to transfer \$161.1 million of third-party insurance claim liabilities to another insurance company as discussed during the previous quarter, funded by transferring the corresponding restricted cash held in trust for payment of the third-party insurance claims. The use of restricted cash in this transaction does not impact the availability of operating cash for the needs of our ongoing businesses. We paid down \$112.3 million in finance lease liabilities, \$147.0 million in operating lease liabilities, and made \$92.2 million of net repayments on our 2021 Revolver and 2023 RSA. As of September 30, 2024, we had a balance of \$166.3 million in unrestricted cash and cash equivalents, \$1.4 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.

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

<sup>1</sup> Refer to "Non-GAAP Financial Measures" below.

**Key Financial Data and Operating Metrics**

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP financial data:</b>				
	(Dollars in thousands, except per share data)			
Total revenue	\$ 1,876,676	\$ 2,019,936	\$ 5,545,797	\$ 5,209,847
Revenue, excluding truckload and LTL fuel surcharge	\$ 1,680,893	\$ 1,775,249	\$ 4,935,408	\$ 4,615,990
Net income attributable to Knight-Swift	\$ 30,464	\$ 60,194	\$ 48,129	\$ 227,804
Earnings per diluted share	\$ 0.19	\$ 0.37	\$ 0.30	\$ 1.41
Operating ratio	95.7 %	96.0 %	97.0 %	93.9 %
<b>Non-GAAP financial data:</b>				
Adjusted Net Income Attributable to Knight-Swift <sup>1</sup>	\$ 54,447	\$ 67,162	\$ 113,596	\$ 264,271
Adjusted EPS <sup>1</sup>	\$ 0.34	\$ 0.41	\$ 0.70	\$ 1.63
Adjusted Operating Ratio <sup>1</sup>	93.9 %	93.8 %	95.1 %	91.6 %
<b>Revenue equipment statistics by segment:</b>				
<b>Truckload</b>				
Average tractors <sup>2</sup>	22,814	24,159	22,986	20,054
Average trailers <sup>3</sup>	90,935	95,976	92,642	85,125
<b>LTL</b>				
Average tractors <sup>4</sup>	3,730	3,206	3,505	3,177
Average trailers <sup>5</sup>	9,888	8,496	9,160	8,445
<b>Intermodal</b>				
Average tractors	622	677	615	647
Average containers	12,569	12,669	12,577	12,780

- <sup>1</sup> 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.
- <sup>2</sup> Our tractor fleet within the Truckload segment had a weighted average age of 2.6 years and 2.5 years as of September 30, 2024 and 2023, respectively.
- <sup>3</sup> Our average trailers includes 8,510 and 8,432 trailers related to leasing activities recorded within our All Other Segments for the quarters ended September 30, 2024 and 2023, respectively. Our trailer fleet within the Truckload segment had a weighted average age of 9.1 years and 9.1 years as of September 30, 2024 and 2023, respectively. Our average trailers includes 8,718 and 8,599 trailers related to leasing activities recorded within our All Other Segments for the year-to-date periods September 30, 2024 and 2023, respectively.
- <sup>4</sup> Our LTL tractor fleet had a weighted average age of 4.2 years and 4.3 years as of September 30, 2024 and 2023, respectively. Our LTL tractor fleet includes 615 and 609 tractors from ACT's and MME's dedicated and other businesses for the quarters ended September 30, 2024 and 2023, respectively. Our LTL tractor fleet includes 613 and 610 tractors from ACT's and MME's dedicated and other businesses for the year-to-date period September 30, 2024 and 2023, respectively.

**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.**

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

- 5 Our LTL trailer fleet had a weighted average age of 8.5 years as of September 30, 2024 and 2023. Our LTL trailer fleet includes 843 and 777 trailers from ACT's and MME's dedicated and other businesses for the quarters ended September 30, 2024 and 2023, respectively. Our LTL trailer fleet includes 831 and 778 trailers from ACT's and MME's dedicated and other businesses for the year-to-date periods September 30, 2024 and 2023, respectively.

**Market Trends and Outlook**

The national unemployment rate was 4.1%<sup>1</sup> as of September 30, 2024, as compared to 3.8% as of September 30, 2023. The US gross domestic product, which is the broadest measure of goods and services produced across the economy, increased by 3.0%<sup>2</sup> on a quarter-over-quarter basis, per the most recent third-party forecasts. The increase, compared to the prior quarter increase of 1.6%, primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investments. These were partially offset by increased imports. The most recent US employment cost index indicates a quarter-over-quarter increase of 4.1%<sup>1</sup> and a sequential increase of 0.9%<sup>1</sup>.

Our Company outlook for the fourth quarter of 2024 and the first quarter of 2025 includes the following:

**Truckload**

- Truckload Segment revenue up slightly sequentially in the fourth quarter and down low-to-mid single-digit percent sequentially into the first quarter with operating margins improving modestly sequentially in the fourth quarter and declining modestly sequentially into the first quarter,
- Tractor count down low single-digit percent sequentially in the fourth and first quarters.

**LTL**

- LTL Segment with high-teens percent growth in revenue, excluding fuel surcharge, year-over-year in both fourth and first quarters driven by shipment count growth from our expanding network, the inclusion of DHE, and yield improvement,
- Adjusted operating ratios in the high 80's as we continue to absorb costs from our network expansion.

**Logistics**

- Logistics Segment revenue up high single-digit percent sequentially in the fourth quarter and declining high-teens percent sequentially in the first quarter, with Adjusted Operating Ratios in the mid-90's.

**Intermodal**

- Intermodal Segment load count down mid-to-high single-digit percent sequentially in the fourth quarter before growing low single-digit percent sequentially in the first quarter with approximately break-even operating margins.

**All Other**

- All Other Segment operating income, before including the \$11.7 million quarterly intangible asset amortization, approximately break-even for the fourth quarter as some of these services experience their typical seasonal slowdown, and \$16 million to \$21 million for the first quarter.

**Additional**

- Equipment gains to be in the range of \$5 million to \$10 million per quarter,
- Net interest expense down modestly sequentially in the fourth quarter and first quarter,
- Net cash capital expenditures for the full year 2024 expected range of \$525 million - \$575 million,
- Expected effective tax rate on adjusted income before taxes of approximately 26% to 27% for fourth quarter 2024 and approximately 26% to 28% for full year 2025.

## 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 pursue opportunities, as we implement a decentralized operating model within our new U.S. Xpress locations, 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, which we expanded in the third quarter of 2024 with the DHE Acquisition, that we expect will provide additional yield and revenue opportunities. The Intermodal segment continues to build out its network that aligns with our new rail partners as we pursue a more diversified portfolio of customers. Our All Other Segments are further expanding to complement our other service offerings.

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 during 2024. With significant tightening in the insurance markets, we may also experience changes in premiums, retention limits, and excess coverage limits in the remainder of 2024. 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, as illustrated by the DHE Acquisition.

<sup>1</sup> Source: bls.gov

<sup>2</sup> Source: bea.gov

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## Results of Operations — Summary

**Note:** The reported results do not include U.S. Xpress' operating results prior to its acquisition by the Company on July 1, 2023 in accordance with the accounting treatment applicable to the transaction. The reported results do not include the LTL operations of DHE prior to its acquisition by the Company on July 30, 2024 in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's current and prior period results may not be meaningful.

### *Operating Results: Third Quarter 2024 compared to Third Quarter 2023*

The \$29.7 million decrease in net income attributable to Knight-Swift to \$30.5 million during the third quarter of 2024 from \$60.2 million during the same period last year includes the following:

- **Contributor** — \$3.0 million decrease in operating income within our Truckload segment primarily due to a 5.7% decline in loaded miles, partially offset by a 1.3% decrease in cost per mile.
- **Contributor** — \$7.7 million decrease in operating income within our LTL segment primarily due to start-up costs and early stage operations at the recently opened facilities.
- **Contributor** — \$3.7 million decrease in operating income within our Logistics segment due to the 21.1% decrease in load count, partially offset by a 13.6% increase in revenue per load.
- **Contributor** — \$5.0 million increase in consolidated interest expense primarily driven by higher debt balances related to the DHE acquisition and higher interest rates.
- **Contributor** — \$8.3 million decrease in other income, net, primarily due the \$12.1 million loss on investment as a result of the write-off of a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter of 2024.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

- **Contributor** — \$15.4 million increase in consolidated income tax expense, primarily due to a partial release in the third quarter of 2023 of the valuation allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits. Our effective tax rate for the third quarter of 2024 was 32.0%, compared to (2.1)% for the third quarter of 2023.
- **Offset** — \$3.1 million decrease in operating loss within our Intermodal segment, driven by a 7.2% increase in load count, partially offset by a 5.3% decrease in revenue per load.
- **Offset** — \$11.6 million increase in operating income within the All Other Segments, largely as a result of exiting the third-party insurance business at the end of the first quarter of 2024.

**Operating Results: Year-To-Date September 30, 2024 Compared to Year-To-Date September 30, 2023**

The \$179.7 million decrease in net income attributable to Knight-Swift to \$48.1 million during the year-to-date period ended September 30, 2024 from \$227.8 million during the same period last year includes the following:

- **Contributor** — \$140.2 million decrease in operating income within our Truckload segment primarily due to a 4.8% decline in revenue per loaded mile, excluding fuel surcharge and intersegment transactions, and a 1.3% increase in cost per mile.
- **Contributor** — \$11.2 million decrease in operating income within our LTL segment due to severe winter weather experienced during the first quarter of 2024 and start-up costs and early stage operations at our recently opened facilities.
- **Contributor** — \$18.8 million decrease in operating income within our Logistics segment due to an 11.5% decline in load count.
- **Contributor** — \$2.0 million increase in operating loss within our Intermodal segment, driven by a 10.0% decrease in revenue per load, partially offset by a 1.3% increase in load count.
- **Contributor** — \$39.3 million increase in consolidated interest expense primarily driven by higher debt balances related to the U.S. Xpress and DHE acquisitions and higher interest rates.
- **Contributor** — \$13.8 million decrease in other income, net, primarily due the \$12.1 million loss on investment as a result of the write-off of a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter of 2024.
- **Offset** — \$17.7 million decrease in operating loss within the All Other Segments, largely as a result of exiting the third-party insurance business at the end of the first quarter.
- **Offset** — \$31.2 million decrease in consolidated income tax expense, primarily due to a reduction of pre-tax income which was partially offset by the partial release in the third quarter of 2023 of the valuation allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits. This resulted in an effective tax rate of 32.2% for the year-to-date period ended September 30, 2024, and 19.1% for the year-to-date period ended September 30, 2023.



**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 other operating segments included within our All Other Segments.

### Consolidating Tables for Total Revenue and Operating Income (Loss)

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>Revenue:</b>	(In thousands)			
Truckload	\$ 1,258,156	\$ 1,380,781	\$ 3,785,408	\$ 3,346,685
LTL	325,412	284,168	914,012	806,577
Logistics	143,581	159,489	402,010	417,715
Intermodal	102,679	101,219	288,192	316,118
Subtotal	\$ 1,829,828	\$ 1,925,657	\$ 5,389,622	\$ 4,887,095
All Other Segments	68,438	119,677	221,796	391,773
Intersegment eliminations	(21,590)	(25,398)	(65,621)	(69,021)
Total revenue	\$ 1,876,676	\$ 2,019,936	\$ 5,545,797	\$ 5,209,847

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>Operating income (loss):</b>	(In thousands)			
Truckload	\$ 45,356	\$ 48,361	\$ 91,986	\$ 232,171
LTL	24,556	32,275	77,892	89,095
Logistics	6,684	10,364	13,916	32,750
Intermodal	(1,387)	(4,524)	(8,012)	(6,054)
Subtotal	\$ 75,209	\$ 86,476	\$ 175,782	\$ 347,962
All Other Segments	6,211	(5,420)	(10,347)	(28,089)
Operating income	\$ 81,420	\$ 81,056	\$ 165,435	\$ 319,873

**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 16,300 irregular route and 6,500 dedicated tractors.
- Our LTL business, which was initially established in 2021 through the ACT Acquisition and later the acquisitions of MME and the LTL division of DHE, provides our customers with regional LTL transportation service through our growing network of over 160 facilities and a door count of approximately 6,000. Our LTL segment operates approximately 3,700 tractors and approximately 9,900 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 offer power-only services through our Logistics segment leveraging our fleet of nearly 91,000 trailers.
- Our All Other Segments include support services provided to our customers and third-party carriers including equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services, as well as insurance prior to the first quarter of 2024. Our All Other 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
<b>Average Revenue per Tractor</b>	Truckload	Measures productivity and represents revenue (excluding fuel surcharge and intersegment transactions) divided by average tractor count
<b>Total Miles per Tractor</b>	Truckload	Total miles (including loaded and empty miles) a tractor travels on average
<b>Average Length of Haul</b>	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.
<b>Non-paid Empty Miles Percentage</b>	Truckload	Percentage of miles without trailer cargo
<b>Shipments per Day</b>	LTL	Average number of shipments completed each business day
<b>Weight per Shipment</b>	LTL	Total weight (in pounds) divided by total shipments
<b>Revenue per shipment</b>	LTL	Total revenue divided by total shipments
<b>Revenue xFSC per shipment</b>	LTL	Total revenue, excluding fuel surcharge, divided by total shipments
<b>Revenue per hundredweight</b>	LTL	Measures yield and is calculated as total revenue divided by total weight (in pounds) times 100
<b>Revenue xFSC per hundredweight</b>	LTL	Total revenue, excluding fuel surcharge, divided by total weight (in pounds) times 100
<b>Average Tractors</b>	Truckload, LTL, Intermodal	Average tractors in operation during the period including company tractors and tractors provided by independent contractors
<b>Average Trailers</b>	Truckload, LTL	Average trailers in operation during the period
<b>Average Revenue per Load</b>	Logistics, Intermodal	Total revenue (excluding intersegment transactions) divided by load count
<b>Gross Margin Percentage</b>	Logistics	Logistics gross margin (revenue, excluding intersegment transactions, less purchased transportation expense, excluding intersegment transactions) as a percentage of logistics revenue, excluding intersegment transactions
<b>Average Containers</b>	Intermodal	Average containers in operation during the period
<b>GAAP Operating Ratio</b>	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.
<b>Non-GAAP Adjusted Operating Ratio</b>	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 16,300 irregular route tractors and approximately 6,500 dedicated route tractors in use during the quarter ended September 30, 2024. 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 Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands, except per tractor data)				Increase (Decrease)	
Total revenue	\$ 1,258,156	\$ 1,380,781	\$ 3,785,408	\$ 3,346,685	(8.9 %)	13.1 %
Revenue, excluding fuel surcharge and intersegment transactions	\$ 1,107,461	\$ 1,179,978	\$ 3,304,302	\$ 2,875,331	(6.1 %)	14.9 %
GAAP: Operating income	\$ 45,356	\$ 48,361	\$ 91,986	\$ 232,171	(6.2 %)	(60.4 %)
Non-GAAP: Adjusted Operating Income <sup>1</sup>	\$ 48,505	\$ 60,148	\$ 108,775	\$ 244,600	(19.4 %)	(55.5 %)
Average revenue per tractor <sup>2</sup>	\$ 48,543	\$ 48,842	\$ 143,753	\$ 155,081	(0.6 %)	(7.3 %)
GAAP: Operating ratio <sup>2</sup>	96.4 %	96.5 %	97.6 %	93.1 %	(10 bps)	450 bps
Non-GAAP: Adjusted Operating Ratio <sup>1 2</sup>	95.6 %	94.9 %	96.7 %	91.5 %	70 bps	520 bps
Non-paid empty miles percentage <sup>2</sup>	14.1 %	13.6 %	14.1 %	14.5 %	50 bps	(40 bps)
Average length of haul (miles) <sup>2</sup>	378	400	386	393	(5.5 %)	(1.8 %)
Total miles per tractor <sup>2</sup>	20,469	20,384	60,870	62,781	0.4 %	(3.0 %)
Average tractors <sup>2 3</sup>	22,814	24,159	22,986	20,054	(5.6 %)	14.6 %
Average trailers <sup>2 4</sup>	90,935	95,976	92,642	85,125	(5.3 %)	8.8 %

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

2 Defined under "Operating Statistics," above. In order to improve comparability, average tractors of 18,541 is used as the denominator in the average revenue per tractor and total miles per tractor calculations for year-to-date 2023, reflecting the pro-rata portion of the year for which U.S. Xpress' results of operations were reported following the close of the U.S. Xpress Acquisition.

3 Includes 20,688 and 21,676 average company-owned tractors for the third quarter of 2024 and 2023, respectively. Includes 20,838 and 17,977 average company-owned tractors for the year-to date periods September 30, 2024 and 2023, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

4 Our average trailers includes 8,510 and 8,432 trailers related to leasing activities recorded within our All Other Segments for the quarters ended September 30, 2024 and 2023, respectively. Our average trailers includes 8,718 and 8,599 trailers related to leasing activities recorded within our All Other Segments for the year-to-date periods September 30, 2024 and 2023, respectively.

Comparison Between the Quarters Ended September 30, 2024 and 2023 — Truckload segment revenue, excluding fuel surcharge and intersegment transactions, declined 6.1% year-over-year, driven by a 5.7% decrease in loaded miles as we lapped the acquisition of U.S. Xpress at the beginning of the quarter. The third quarter Adjusted Operating Ratio was 95.6% in an environment that remained challenging. On a sequential basis, the Adjusted Operating Ratio of our legacy trucking businesses improved 250 basis points over the second quarter, while stable margins at U.S. Xpress negatively impacted this segment's Adjusted Operating Ratio by 220 basis points for the quarter. Third quarter revenue per loaded mile, excluding fuel surcharge and intersegment transactions, was flat year-over-year and increased slightly over the second quarter. The sequential improvement in revenue per loaded mile was achieved through positive rate changes in bid awards and our spot activity which continues to be at a premium to our average contractual revenue per loaded mile.

Cost per mile improved 1.3% year-over-year as we continue to focus on what we can control. We are working diligently to improve our cost structure and equipment utilization to mitigate pressure on margins through this prolonged freight cycle while remaining disciplined on pricing and capacity commitments to position our business to respond when market conditions improve.

Comparison Between Year-to-Date September 30, 2024 and 2023 — Truckload segment revenue, excluding fuel surcharge and intersegment transactions, was \$3.3 billion, an increase of 14.9% year-over-year, reflecting a 7.1% decline in the legacy truckload business prior to the inclusion of U.S. Xpress. Adjusted Operating Ratio was 96.7%, largely driven by a 4.8% decrease in revenue per loaded mile, excluding fuel surcharge and intersegment transactions and a 1.3% increase in cost per mile, net of fuel surcharge recovery.

**LTL Segment**

Dothan, Alabama-based ACT and Bismarck, North Dakota-based MME, both acquired in 2021, and the LTL division of DHE, acquired in 2024, 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.

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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands, except per tractor data)				Increase (Decrease)	
Total revenue	\$ 325,412	\$ 284,168	\$ 914,012	\$ 806,577	14.5 %	13.3 %
Revenue, excluding fuel surcharge	\$ 280,181	\$ 239,984	\$ 784,266	\$ 682,491	16.7 %	14.9 %
GAAP: Operating income	\$ 24,556	\$ 32,275	\$ 77,892	\$ 89,095	(23.9 %)	(12.6 %)
Non-GAAP: Adjusted Operating Income <sup>1</sup>	\$ 29,119	\$ 36,195	\$ 90,295	\$ 100,855	(19.5 %)	(10.5 %)
GAAP: Operating ratio <sup>2</sup>	92.5 %	88.6 %	91.5 %	89.0 %	390 bps	250 bps
Non-GAAP: Adjusted Operating Ratio <sup>1</sup>	89.6 %	84.9 %	88.5 %	85.2 %	470 bps	330 bps
LTL shipments per day <sup>2</sup>	21,907	19,712	20,397	18,771	11.1 %	8.7 %
LTL weight per shipment <sup>2</sup>	1,001	1,042	1,005	1,053	(3.9 %)	(4.6 %)
LTL average length of haul (miles) <sup>2</sup>	592	562	584	548	5.3 %	6.6 %
LTL revenue per shipment <sup>2</sup>	\$ 202.20	\$ 196.59	\$ 201.56	\$ 191.36	2.9 %	5.3 %
LTL revenue xFSC per shipment <sup>2</sup>	\$ 173.83	\$ 165.80	\$ 172.67	\$ 161.74	4.8 %	6.8 %
LTL revenue per hundredweight <sup>2</sup>	\$ 20.21	\$ 18.86	\$ 20.05	\$ 18.17	7.2 %	10.3 %
LTL revenue xFSC per hundredweight	\$ 17.37	\$ 15.91	\$ 17.18	\$ 15.36	9.2 %	11.8 %
LTL average tractors <sup>2 3</sup>	3,730	3,206	3,505	3,177	16.3 %	10.3 %
LTL average trailers <sup>2 4</sup>	9,888	8,496	9,160	8,445	16.4 %	8.5 %

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

2 Defined under "Operating Statistics," above.

3 Our LTL tractor fleet includes 615 and 609 tractors from ACT's and MME's dedicated and other businesses for the third quarter of 2024 and 2023, respectively. Our LTL tractor fleet includes 613 and 610 tractors from ACT's and MME's dedicated and other businesses for the year-to-date periods September 30, 2024 and 2023, respectively.

4 Our LTL trailer fleet includes 843 and 777 trailers from ACT's and MME's dedicated and other businesses for the third quarter of 2024 and 2023, respectively. Our LTL trailer fleet includes 831 and 778 trailers from ACT's and MME's dedicated and other businesses for the year-to-date periods September 30, 2024 and 2023, respectively.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

*Comparison Between the Quarters Ended September 30, 2024 and 2023* — Our LTL segment grew revenue, excluding fuel surcharge, 16.7% as shipments per day increased 11.1% year-over-year. Our previously announced acquisition of DHE on July 30, 2024 contributed approximately 7.5% to each of these improvements and added the key Southwest markets of California, Arizona, and Nevada to our network. Revenue per hundredweight, excluding fuel surcharge, increased 9.2%, while revenue per shipment, excluding fuel surcharge, increased by 4.8%, reflecting a 3.9% decrease in weight per shipment. This segment produced an 89.6% Adjusted Operating Ratio during the third quarter, and Adjusted Operating Income decreased 19.5% year-over-year due to start-up costs and sub-scale operations at our recently opened facilities.

During the quarter, we opened 16 additional service centers following 18 openings in the first half of the year. We expect to open 4 more service centers by the end of 2024. Also, our DHE acquisition represents approximately 10% growth in both service centers and door count for our LTL network. Overall, our organic and inorganic expansion activities in 2024 should add nearly 1,500 doors, representing a 32.2% increase to our door count from the beginning of the year. We believe this meaningfully impacts the reach of our service offering and increases the density of our network. We believe the investments we are making in our network during 2024 bring opportunities to service additional freight and customers, though the associated set-up costs and initial operational inefficiencies are near-term headwinds to improving margins. Our focus for 2025 will be to have these locations continue to scale, particularly as they participate in the next bid cycle, to help drive growth and margin expansion in the business. We continue to look for both organic and inorganic opportunities to geographically expand our footprint within the LTL market.

*Comparison Between Year-to-Date September 30, 2024 and 2023* — The LTL segment produced an 88.5% Adjusted Operating Ratio during the year-to-date period ending September 30, 2024, as revenue, excluding fuel surcharge, increased 14.9%. Adjusted Operating Income decreased 10.5% due to severe winter weather experienced during the first quarter of 2024 and start-up costs and early stage operations at our recently opened facilities. Average shipments per day increased 8.7%. Revenue per hundredweight, excluding fuel surcharge, increased 11.8%, while revenue per shipment, excluding fuel surcharge, increased 6.8%, reflecting a 4.6% decrease in weight per shipment.

***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 logistics 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.

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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands, except per load data)				Increase (Decrease)	
Total revenue	\$ 143,581	\$ 159,489	\$ 402,010	\$ 417,715	(10.0 %)	(3.8 %)
Revenue, excluding intersegment transactions	\$ 143,581	\$ 158,601	\$ 402,010	\$ 413,160	(9.5 %)	(2.7 %)
GAAP: Operating income	\$ 6,684	\$ 10,364	\$ 13,916	\$ 32,750	(35.5 %)	(57.5 %)
Non-GAAP: Adjusted Operating Income <sup>1 2</sup>	\$ 7,848	\$ 10,699	\$ 17,408	\$ 33,753	(26.6 %)	(48.4 %)
Revenue per load - Brokerage only	\$ 1,898	\$ 1,671	\$ 1,828	\$ 1,680	13.6 %	8.8 %
Gross margin percentage - Brokerage only <sup>2</sup>	17.8 %	18.0 %	17.5 %	19.0 %	(20 bps)	(150 bps)
GAAP: Operating ratio <sup>2</sup>	95.3 %	93.5 %	96.5 %	92.2 %	180 bps	430 bps
Non-GAAP: Adjusted Operating Ratio <sup>1 2</sup>	94.5 %	93.3 %	95.7 %	91.8 %	120 bps	390 bps

<sup>1</sup> Refer to "Non-GAAP Financial Measures" below.

<sup>2</sup> Defined under "Operating Statistics," above.

**Comparison Between the Quarters Ended September 30, 2024 and 2023** — The Logistics segment Adjusted Operating Ratio was 94.5%, with a gross margin of 17.8% in the third quarter of 2024. Logistics load count was down 21.1% year-over-year as we lapped the acquisition of the U.S. Xpress logistics business at the beginning of the quarter, though load count improved 5.5% over the second quarter. Revenue per load increased year-over-year by 13.6% in the third quarter. We remain disciplined on price and diligent in carrier qualification to provide value to customers while maintaining profitability. We continue to leverage our power-only capabilities to complement our asset business, build a broader and more diversified freight portfolio, and to enhance the returns on our capital assets.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The Logistics segment Adjusted Operating Ratio was 95.7%, with a gross margin of 17.5% in the year-to-date period ending September 30, 2024, down from 19.0% in the same period of the prior year. Logistics load count decreased 11.5%, reflecting the inclusion of U.S. Xpress logistics volumes. Revenue per load increased by 8.8% year-over-year, largely driven by the inclusion of U.S. Xpress logistics in the current period, as it has a different business mix.

**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.



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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands, except per load data)				Increase (Decrease)	
Total revenue	\$ 102,679	\$ 101,219	\$ 288,192	\$ 316,118	1.4 %	(8.8 %)
GAAP: Operating loss	\$ (1,387)	\$ (4,524)	\$ (8,012)	\$ (6,054)	69.3 %	(32.3 %)
Average revenue per load <sup>1</sup>	\$ 2,569	\$ 2,714	\$ 2,599	\$ 2,889	(5.3 %)	(10.0 %)
GAAP: Operating ratio <sup>1</sup>	101.4 %	104.5 %	102.8 %	101.9 %	(310 bps)	90 bps
Load count	39,968	37,292	110,905	109,430	7.2 %	1.3 %
Average tractors <sup>1 2</sup>	622	677	615	647	(8.1 %)	(4.9 %)
Average containers <sup>1</sup>	12,569	12,669	12,577	12,780	(0.8 %)	(1.6 %)

<sup>1</sup> Defined under "Operating Statistics," above.

<sup>2</sup> Includes 566 and 612 company-owned tractors for the third quarter of 2024 and 2023, respectively.

Includes 558 and 583 company-owned tractors for the year-to-date periods ended September 30, 2024 and 2023, respectively.

**Comparison Between the Quarters Ended September 30, 2024 and 2023** — The Intermodal segment improved its operating ratio to 101.4% while growing total revenue 1.4% year-over-year. This is the first year-over-year revenue increase in six quarters and was driven by a 7.2% increase in load count, partially offset by a 5.3% decline in revenue per load. We remain focused on growing our load count with disciplined pricing across a diverse group of customers.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The Intermodal segment operated with a 102.8% operating ratio, while total revenue decreased 8.8% year-over-year to \$288.2 million. The drop in revenue was driven by a 10.0% decline in revenue per load, offset by a 1.3% increase in load count year-over-year.

**All Other Segments**

Our All Other Segments include support services provided to our customers and third-party carriers including equipment maintenance, equipment leasing, warehousing, trailer parts manufacturing, and warranty services, as well as insurance prior to the first quarter of 2024. Our All Other Segments also include certain corporate expenses (such as legal settlements and accruals, certain impairments, and \$11.7 million in quarterly amortization of intangibles related to the 2017 Merger and various acquisitions).

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
Total revenue	\$ 68,438	\$ 119,677	\$ 221,796	\$ 391,773	(42.8 %)	(43.4 %)
Operating income (loss)	\$ 6,211	\$ (5,420)	\$ (10,347)	\$ (28,089)	214.6 %	63.2 %

**Comparison Between the Quarters Ended September 30, 2024 and 2023** — The \$6.2 million operating income within our All Other Segments is primarily driven by the warehousing and equipment leasing businesses. Revenue within our All Other Segments declined 42.8% year-over-year, largely as a result of winding down our third-party insurance program, which ceased operation at the end of the first quarter of 2024.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Revenue declined 43.4% year-over-year, largely as a result of winding down our third-party insurance program, ultimately ceasing operations at the end of the first quarter. The \$10.3 million operating loss within our All Other Segments is primarily driven by the \$17.1 million operating loss in our third-party insurance business.

**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.

**Note:** The reported results do not include U.S. Xpress' operating results prior to its acquisition by the Company on July 1, 2023 in accordance with the accounting treatment applicable to the transaction. The reported results do not include the LTL operations of DHE prior to its acquisition by the Company on July 30, 2024 in accordance with the accounting treatment applicable to the transaction. Accordingly, comparisons between the Company's current and prior periods may not be meaningful.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Salaries, wages, and benefits</b>	\$ 726,358	\$ 710,543	\$ 2,111,143	\$ 1,780,522	2.2 %	18.6 %
% of total revenue	38.7 %	35.2 %	38.1 %	34.2 %	350 bps	390 bps
% of revenue, excluding truckload and LTL fuel surcharge	43.2 %	40.0 %	42.8 %	38.6 %	320 bps	420 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 September 30, 2024 and 2023** — The \$15.8 million increase in consolidated salaries, wages, and benefits for the third quarter of 2024, as compared to the third quarter of 2023, is primarily due to a \$24.6 million increase in LTL wages as a result of service center expansion, the DHE Acquisition, and labor to support increased shipment count from expansion efforts. This was partially offset by a \$12.8 million decrease in Truckload driver mileage pay primarily due to the 5.7% decrease in loaded miles.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$330.6 million increase in consolidated salaries, wages, and benefits for the year-to-date period ended September 30, 2024, as compared to the year-to-date period ended September 30, 2023, includes a \$276.8 million increase from the results of U.S. Xpress and a \$56.0 million increase in LTL wages as a result of shipment count growth facilitated by new service centers.

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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Fuel</b>	\$ 213,489	\$ 272,376	\$ 670,651	\$ 628,435	(21.6 %)	6.7 %
% of total revenue	11.4 %	13.5 %	12.1 %	12.1 %	(210 bps)	— bps
% of revenue, excluding truckload and LTL fuel surcharge	12.7 %	15.3 %	13.6 %	13.6 %	(260 bps)	— 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 September 30, 2024 and 2023** — The \$58.9 million decrease in consolidated fuel expense for the third quarter of 2024 is primarily driven by the 5.2% decrease in Truckload total miles and the decrease in the average weekly DOE fuel prices for the third quarter of 2024, as compared to the third quarter of 2023. Average weekly DOE fuel prices were \$3.69 per gallon for the third quarter of 2024 and \$4.27 per gallon for the third quarter of 2023.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$42.2 million increase in consolidated fuel expense for the year-to-date period ended September 30, 2024 includes a \$95.1 million increase from the results of U.S. Xpress. The increase was partially offset by the decrease in the average weekly DOE fuel prices for the year-to-date period ended September 30, 2024, as compared to the year-to-date period ended September 30, 2023. Average weekly DOE fuel prices were \$3.83 per gallon for the year-to-date period ended September 30, 2024 and \$4.20 per gallon for the year-to-date period ended September 30, 2023.

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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Operations and maintenance</b>	\$ 142,418	\$ 142,913	\$ 415,302	\$ 343,604	(0.3 %)	20.9 %
% of total revenue	7.6 %	7.1 %	7.5 %	6.6 %	50 bps	90 bps
% of revenue, excluding truckload and LTL fuel surcharge	8.5 %	8.1 %	8.4 %	7.4 %	40 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 2024, which could increase future driving associate development and recruiting costs and negatively affect our operations and maintenance expense. We expect to prudently decrease our idle tractor and trailer capacity, in the coming quarters, to reduce operations and maintenance expense while remaining well positioned for potential market inflection.

Comparison Between Quarters Ended September 30, 2024 and 2023 — Operations and maintenance expense remained relatively flat for the third quarter of 2024, as compared to the same period last year.

Comparison Between Year-to-Date September 30, 2024 and 2023 — Operations and maintenance expense increased \$71.7 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The increase for the year-to-date period ended September 30, 2024 includes \$65.0 million increase from the results of U.S. Xpress.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Insurance and claims</b>	\$ 86,510	\$ 148,865	\$ 314,394	\$ 424,210	(41.9 %)	(25.9 %)
% of total revenue	4.6 %	7.4 %	5.7 %	8.1 %	(280 bps)	(240 bps)
% of revenue, excluding truckload and LTL fuel surcharge	5.1 %	8.4 %	6.4 %	9.2 %	(330 bps)	(280 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. 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 and lower excess coverage limits, may cause increased volatility in our consolidated insurance and claims expense.

In the first quarter of 2024, we exited our third-party insurance business, which offered insurance products to third-party carriers, earning premium revenues, which were partially offset by increased insurance reserves, and which exposed us to claims and inability to collect premiums. We ceased operating this business in the first quarter of 2024, which we expect will result in some reduction of volatility as we will no longer be exposed to new claims from the third-party insurance business.

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

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Consolidated insurance and claims expense decreased by \$62.4 million for the third quarter of 2024, as compared to the same period last year primarily due to the Company exiting the third-party insurance business at the end of the first quarter of 2024.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Consolidated insurance and claims expense decreased by \$109.8 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The decrease for the year-to-date period ended September 30, 2024 is primarily related to the Company exiting the third-party insurance business at the end of the first quarter of 2024. This was partially offset by an increase of \$38.8 million from the results of U.S. Xpress and an increase of \$12.5 million for the settlement of an auto liability claim from 2020.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
(Dollars in thousands)						Increase (Decrease)
<b>Operating taxes and licenses</b>	\$ 32,220	\$ 30,506	\$ 93,923	\$ 84,728	5.6 %	10.9 %
% of total revenue	1.7 %	1.5 %	1.7 %	1.6 %	20 bps	10 bps
% of revenue, excluding truckload and LTL fuel surcharge	1.9 %	1.7 %	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.

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Operating taxes and licenses expenses increased by \$1.7 million for the third quarter of 2024, as compared to the same period last year primarily as a result of expanding the LTL network. It remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Operating taxes and licenses expenses increased by \$9.2 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The change includes a \$7.9 million increase from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
(Dollars in thousands)						Increase (Decrease)
<b>Communications</b>	\$ 8,411	\$ 8,411	\$ 24,208	\$ 20,344	— %	19.0 %
% of total revenue	0.4 %	0.4 %	0.4 %	0.4 %	— bps	— bps
% of revenue, excluding truckload and LTL fuel surcharge	0.5 %	0.5 %	0.5 %	0.4 %	— bps	10 bps

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

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Communications expense remained flat for the third quarter of 2024, as compared to the same period last year.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Communications expense increased \$3.9 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The change includes a \$3.3 million increase from the results of U.S. Xpress. However, it remained relatively flat as a percentage of revenue, excluding truckload and LTL fuel surcharge, as compared to the same period last year.

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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
(Dollars in thousands)						Increase (Decrease)
<b>Depreciation and amortization of property and equipment</b>	\$ 178,598	\$ 176,613	\$ 539,313	\$ 488,960	1.1 %	10.3 %
% of total revenue	9.5 %	8.7 %	9.7 %	9.4 %	80 bps	30 bps
% of revenue, excluding truckload and LTL fuel surcharge	10.6 %	9.9 %	10.9 %	10.6 %	70 bps	30 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.

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Consolidated depreciation and amortization of property and equipment remained relatively flat for the third quarter of 2024, as compared to the same period last year.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Consolidated depreciation and amortization of property and equipment increased by \$50.4 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The increase includes a \$60.1 million increase from the results of U.S. Xpress, partially offset by a decrease in our legacy Truckload tractor depreciation due to a decrease in its tractor count. With the inclusion of U.S. Xpress, tractor count increased year-over-year.

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 2024.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
(Dollars in thousands)						Increase (Decrease)
<b>Amortization of intangibles</b>	\$ 18,922	\$ 18,907	\$ 56,009	\$ 51,595	0.1 %	8.6 %
% of total revenue	1.0 %	0.9 %	1.0 %	1.0 %	10 bps	— bps
% of revenue, excluding truckload and LTL fuel surcharge	1.1 %	1.1 %	1.1 %	1.1 %	— bps	— bps

Amortization of intangibles relates to intangible assets identified with the 2017 Merger, ACT Acquisition, U.S. Xpress Acquisition, and various other 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 Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Rental expense</b>	\$ 42,322	\$ 50,401	\$ 129,248	\$ 81,542	(16.0 %)	58.5 %
% of total revenue	2.3 %	2.5 %	2.3 %	1.6 %	(20 bps)	70 bps
% of revenue, excluding truckload and LTL fuel surcharge	2.5 %	2.8 %	2.6 %	1.8 %	(30 bps)	80 bps

Rental expense consists primarily of payments for revenue equipment assumed in the U.S. Xpress Acquisition, as well as our terminals and other real estate leases.

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Consolidated rental expense decreased \$8.1 million for the third quarter of 2024, as compared to the same period last year. The decrease is primarily related to an increase in our owned versus leased equipment.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Consolidated rental expense increased \$47.7 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The increase is primarily related to the increase of \$46.8 million from the results of U.S. Xpress. Additional increases relate to the incorporation of new facilities as we expand our LTL network and were partially offset by a decrease in the rental expense for revenue equipment.

We anticipate that rental expense will decrease, as a percentage of revenue, excluding truckload and LTL fuel surcharge, as we intend to purchase, rather than enter into operating leases, a majority of our revenue equipment, terminal improvements, or terminal expansions in the remainder of 2024.

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Purchased transportation</b>	\$ 295,261	\$ 330,683	\$ 859,286	\$ 869,671	(10.7 %)	(1.2 %)
% of total revenue	15.7 %	16.4 %	15.5 %	16.7 %	(70 bps)	(120 bps)
% of revenue, excluding truckload and LTL fuel surcharge	17.6 %	18.6 %	17.4 %	18.8 %	(100 bps)	(140 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. Purchased transportation expense may also fluctuate as a percentage of revenue based on the relative growth of our logistics and intermodal businesses as compared to our full truckload and LTL businesses.

**Comparison Between Quarters Ended September 30, 2024 and 2023** — Consolidated purchased transportation expense decreased \$35.4 million for the third quarter of 2024, as compared to the same period last year. The decrease is primarily driven by the decrease in load volume within our logistics business.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Consolidated purchased transportation expense decreased \$10.4 million for the year-to-date period ended September 30, 2024, as compared to the same period last year. The decrease is primarily due to decreased load volume within our logistics business, partially offset by the increase of \$143.1 million from the results of U.S. Xpress.



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

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Impairments</b>	\$ 1,008	\$ —	\$ 10,867	\$ —	100.0 %	100.0 %

In 2024, we incurred impairment charges associated with building improvements certain revenue equipment held for sale, leases, and other equipment (within the Truckload segment and All Other Segments).

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
<b>Miscellaneous operating expenses</b>	\$ 49,739	\$ 48,662	\$ 156,018	\$ 116,363	2.2 %	34.1 %

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 September 30, 2024 and 2023** — The \$1.1 million increase in net consolidated miscellaneous operating expenses is primarily due to a \$2.2 million decrease in gain on sales of equipment.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$39.7 million increase in net consolidated miscellaneous operating expenses is primarily due to the \$18.9 million increase from the results of U.S. Xpress as well as a \$22.9 million decrease in gain on sales of equipment.

**Consolidated Other Expenses (Income)**

	Quarter Ended September 30,		Year-to-Date September 30,		QTD 2024 vs.	YTD 2024 vs.
	2024	2023	2024	2023	QTD 2023	YTD 2023
	(Dollars in thousands)				Increase (Decrease)	
Interest expense	\$ 44,398	\$ 39,354	\$ 126,116	\$ 86,799	12.8 %	45.3 %
Other (income) expenses, net	(3,169)	(11,433)	(17,049)	(30,815)	(72.3 %)	(44.7 %)
Income tax expense (benefit)	14,137	(1,220)	22,253	53,474	1,258.8 %	(58.4 %)

**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 third quarter and the year-to-date period ended of 2024 was primarily due to higher debt balances related to the acquisitions of U.S. Xpress and DHE. 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, 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 September 30, 2024 and 2023** — The \$8.3 million decrease in other (income) expenses, net is primarily driven by a \$12.1 million write-off of a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter. This was partially offset by an increase in the net gain recorded within our remaining portfolio of investments during the third quarter of 2024.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$13.8 million decrease in other (income) expenses, net is primarily driven by a \$12.1 million write-off of a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter. The remaining decrease is a result of the net loss recorded within our remaining portfolio of investments during the year-to-date period ended September 30, 2024.



KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

**Income tax expense (benefit)** — 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 September 30, 2024 and 2023** — The \$15.4 million increase in consolidated income tax expense (benefit) was primarily due to the partial release in the third quarter of 2023 of the valuation allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits. Our effective tax rate for the third quarter of 2024 was 32.0%, compared to (2.1)% for the third quarter of 2023.

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$31.2 million decrease in consolidated income tax expense (benefit) was primarily due to a reduction of pre-tax income which was partially offset by the partial release in the third quarter of 2023 of the valuation allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits. This resulted in an effective tax rate of 32.2% for the year-to-date period ended September 30, 2024, and 19.1% for the year-to-date period ending September 30, 2023.

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

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## 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 Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
	(In thousands)			
GAAP: Net income attributable to Knight-Swift	\$ 30,464	\$ 60,194	\$ 48,129	\$ 227,804
Adjusted for:				
Income tax expense (benefit) attributable to Knight-Swift	14,137	(1,220)	22,253	53,474
Income before income taxes attributable to Knight-Swift	44,601	58,974	70,382	281,278
Amortization of intangibles <sup>1</sup>	19,189	18,907	56,276	51,595
Impairments <sup>2</sup>	1,008	—	10,867	—
Legal accruals <sup>3</sup>	366	150	2,194	1,150
Transaction fees <sup>4</sup>	602	—	602	6,868
Other acquisition related expenses <sup>5</sup>	—	6,546	—	6,546
Severance expense <sup>6</sup>	—	3,699	7,219	5,151
Change in fair value of deferred earnout <sup>7</sup>	(859)	(859)	(859)	(3,359)
Loss on investment <sup>8</sup>	12,107	—	12,107	—
Adjusted income before income taxes	77,014	87,417	158,788	349,229
Provision for income tax expense at effective rate <sup>9</sup>	(22,567)	(20,255)	(45,192)	(84,958)
Non-GAAP: Adjusted Net Income Attributable to Knight-Swift	\$ 54,447	\$ 67,162	\$ 113,596	\$ 264,271

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

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
GAAP: Earnings per diluted share	\$ 0.19	\$ 0.37	\$ 0.30	\$ 1.41
Adjusted for:				
Income tax expense (benefit) attributable to Knight-Swift	0.09	(0.01)	0.14	0.33
Income before income taxes attributable to Knight-Swift	0.27	0.36	0.43	1.74
Amortization of intangibles <sup>1</sup>	0.12	0.12	0.35	0.32
Impairments <sup>2</sup>	0.01	—	0.07	—
Legal accruals <sup>3</sup>	—	—	0.01	0.01
Transaction fees <sup>4</sup>	—	—	—	0.04
Other acquisition related expenses <sup>5</sup>	—	0.04	—	0.04
Severance expense <sup>6</sup>	—	0.02	0.04	0.03
Change in fair value of deferred earnout <sup>7</sup>	(0.01)	(0.01)	(0.01)	(0.02)
Loss on investment <sup>8</sup>	0.07	—	0.07	—
Adjusted income before income taxes	0.47	0.54	0.98	2.16
Provision for income tax expense at effective rate <sup>9</sup>	(0.14)	(0.13)	(0.28)	(0.53)
Non-GAAP: Adjusted EPS	\$ 0.34	\$ 0.41	\$ 0.70	\$ 1.63

**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.**

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

- 1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the 2017 Merger, the ACT Acquisition, the U.S. Xpress Acquisition, and other acquisition, as well as the non-cash amortization expense related to the fair value of favorable leases assumed in the DHE acquisition included within "Rental expense" in the condensed consolidated statements of comprehensive income. 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 impairments of building improvements, certain revenue equipment held for sale, leases, and other equipment (within the Truckload segment and All Other Segments).
- 3 "Legal accruals" are included in "Miscellaneous operating expenses" in the condensed consolidated statements of comprehensive income and reflect the following:
  - Year-to-date 2024 legal expense reflects the increased estimated exposures for accrued legal matters based on recent settlement agreements.
  - During the second and third quarters of 2023, legal expense reflects the increased estimated exposure for various accrued legal matters based on recent settlement agreements. First quarter 2023 legal expense 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.
- 4 "Transaction fees" reflects certain legal and professional fees associated with the July 1, 2023 and July 30, 2024 acquisitions of U.S. Xpress and DHE, respectively. The transaction fees are primarily included within "Miscellaneous operating expenses" and "Salaries, wages, and benefits" and with smaller amounts included in other line items in the condensed statements of comprehensive income.
- 5 "Other acquisition related expenses" represents one-time expenses associated with the U.S. Xpress acquisition, including certain severance expense, including the acceleration of stock compensation as well as other operating expenses. These are primarily included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.
- 6 "Severance expense" is included within "Salaries, wages, and benefits" in the condensed statements of comprehensive income.
- 7 "Change in fair value of deferred earnout" reflects the expense for the change in fair value of a deferred earnout related to various acquisitions, which is recorded in "Miscellaneous operating expenses."
- 8 "Loss on investment" reflects the write-off of a minority investment in a transportation-adjacent technology venture which ceased operations in the third quarter of 2024.
- 9 For the third quarter of 2024, an adjusted effective tax rate of 29.3% was applied in our Adjusted EPS calculation to exclude certain discrete items. For the year-to-date period ended September 30, 2024, an adjusted effective tax rate of 28.5% was applied in our Adjusted EPS calculation to exclude certain discrete items.  
  
For the third quarter and year-to-date of 2023, an effective tax rate of 23.2% and 24.3%, respectively was applied in our Adjusted EPS calculation to exclude the tax benefit from the partial release of the pre-acquisition allowance associated with the U.S. Xpress net operating loss and tax credit carryforward benefits.

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

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP Presentation</b>				
	(Dollars in thousands)			
Total revenue	\$ 1,876,676	\$ 2,019,936	\$ 5,545,797	\$ 5,209,847
Total operating expenses	(1,795,256)	(1,938,880)	(5,380,362)	(4,889,974)
Operating income	<u>\$ 81,420</u>	<u>\$ 81,056</u>	<u>\$ 165,435</u>	<u>\$ 319,873</u>
Operating ratio	95.7 %	96.0 %	97.0 %	93.9 %
<b>Non-GAAP Presentation</b>				
Total revenue	\$ 1,876,676	\$ 2,019,936	\$ 5,545,797	\$ 5,209,847
Truckload and LTL fuel surcharge	(195,783)	(244,687)	(610,389)	(593,857)
Revenue, excluding truckload and LTL fuel surcharge	<u>1,680,893</u>	<u>1,775,249</u>	<u>4,935,408</u>	<u>4,615,990</u>
Total operating expenses	1,795,256	1,938,880	5,380,362	4,889,974
Adjusted for:				
Truckload and LTL fuel surcharge	(195,783)	(244,687)	(610,389)	(593,857)
Amortization of intangibles <sup>1</sup>	(19,189)	(18,907)	(56,276)	(51,595)
Impairments <sup>2</sup>	(1,008)	—	(10,867)	—
Legal accruals <sup>3</sup>	(366)	(150)	(2,194)	(1,150)
Transaction fees <sup>4</sup>	(602)	—	(602)	(6,868)
Other acquisition related expenses <sup>5</sup>	—	(6,546)	—	(6,546)
Severance expense <sup>6</sup>	—	(3,699)	(7,219)	(5,151)
Change in fair value of deferred earnout <sup>7</sup>	859	859	859	3,359
Adjusted Operating Expenses	<u>1,579,167</u>	<u>1,665,750</u>	<u>4,693,674</u>	<u>4,228,166</u>
Adjusted Operating Income	<u>\$ 101,726</u>	<u>\$ 109,499</u>	<u>\$ 241,734</u>	<u>\$ 387,824</u>
Adjusted Operating Ratio	<u>93.9 %</u>	<u>93.8 %</u>	<u>95.1 %</u>	<u>91.6 %</u>

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.

7 See Non-GAAP Reconciliation: Consolidated Adjusted Net Income Attributable to Knight-Swift and Adjusted EPS footnote 7.

**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 Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP Presentation</b>	(Dollars in thousands)			
Total revenue	\$ 1,258,156	\$ 1,380,781	\$ 3,785,408	\$ 3,346,685
Total operating expenses	(1,212,800)	(1,332,420)	(3,693,422)	(3,114,514)
Operating income	\$ 45,356	\$ 48,361	\$ 91,986	\$ 232,171
Operating ratio	96.4 %	96.5 %	97.6 %	93.1 %
<b>Non-GAAP Presentation</b>				
Total revenue	\$ 1,258,156	\$ 1,380,781	\$ 3,785,408	\$ 3,346,685
Fuel surcharge	(150,552)	(200,503)	(480,643)	(469,771)
Intersegment transactions	(143)	(300)	(463)	(1,583)
Revenue, excluding fuel surcharge and intersegment transactions	1,107,461	1,179,978	3,304,302	2,875,331
Total operating expenses	1,212,800	1,332,420	3,693,422	3,114,514
Adjusted for:				
Fuel surcharge	(150,552)	(200,503)	(480,643)	(469,771)
Intersegment transactions	(143)	(300)	(463)	(1,583)
Amortization of intangibles <sup>1</sup>	(1,775)	(2,605)	(5,325)	(3,247)
Impairments <sup>2</sup>	(1,008)	—	(9,662)	—
Legal accruals <sup>3</sup>	(366)	—	(336)	—
Other acquisition related expenses <sup>4</sup>	—	(6,546)	—	(6,546)
Severance expense <sup>5</sup>	—	(2,636)	(1,466)	(2,636)
Adjusted Operating Expenses	1,058,956	1,119,830	3,195,527	2,630,731
Adjusted Operating Income	\$ 48,505	\$ 60,148	\$ 108,775	\$ 244,600
Adjusted Operating Ratio	95.6 %	94.9 %	96.7 %	91.5 %

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

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 5.

5 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**
**LTL Segment**

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP Presentation</b>	(Dollars in thousands)			
Total revenue	\$ 325,412	\$ 284,168	\$ 914,012	\$ 806,577
Total operating expenses	(300,856)	(251,893)	(836,120)	(717,482)
Operating income	\$ 24,556	\$ 32,275	\$ 77,892	\$ 89,095
Operating ratio	92.5 %	88.6 %	91.5 %	89.0 %
<b>Non-GAAP Presentation</b>				
Total revenue	\$ 325,412	\$ 284,168	\$ 914,012	\$ 806,577
Fuel surcharge	(45,231)	(44,184)	(129,746)	(124,086)
Revenue, excluding fuel surcharge	280,181	239,984	784,266	682,491
Total operating expenses	300,856	251,893	836,120	717,482
Adjusted for:				
Fuel surcharge	(45,231)	(44,184)	(129,746)	(124,086)
Amortization of intangibles <sup>1</sup>	(4,563)	(3,920)	(12,403)	(11,760)
Adjusted Operating Expenses	251,062	203,789	693,971	581,636
Adjusted Operating Income	\$ 29,119	\$ 36,195	\$ 90,295	\$ 100,855
Adjusted Operating Ratio	89.6 %	84.9 %	88.5 %	85.2 %

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified with the ACT, MME, and DHE acquisitions, as well as the non-cash amortization expense related to the fair value of favorable leases assumed in the DHE acquisition.

**Logistics Segment**

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP Presentation</b>	(Dollars in thousands)			
Total revenue	\$ 143,581	\$ 159,489	\$ 402,010	\$ 417,715
Total operating expenses	(136,897)	(149,125)	(388,094)	(384,965)
Operating income	\$ 6,684	\$ 10,364	\$ 13,916	\$ 32,750
Operating ratio	95.3 %	93.5 %	96.5 %	92.2 %
<b>Non-GAAP Presentation</b>				
Total revenue	\$ 143,581	\$ 159,489	\$ 402,010	\$ 417,715
Intersegment transactions	—	(888)	—	(4,555)
Revenue, excluding intersegment transactions	143,581	158,601	402,010	413,160
Total operating expenses	136,897	149,125	388,094	384,965
Adjusted for:				
Intersegment transactions	—	(888)	—	(4,555)
Amortization of intangibles <sup>1</sup>	(1,164)	(335)	(3,492)	(1,003)
Adjusted Operating Expenses	135,733	147,902	384,602	379,407
Adjusted Operating Income	\$ 7,848	\$ 10,699	\$ 17,408	\$ 33,753
Adjusted Operating Ratio	94.5 %	93.3 %	95.7 %	91.8 %

1 "Amortization of intangibles" reflects the non-cash amortization expense relating to intangible assets identified in the U.S. Xpress and UTXL acquisitions.

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

	Quarter Ended September 30,		Year-to-Date September 30,	
	2024	2023	2024	2023
<b>GAAP Presentation</b>	(Dollars in thousands)			
Total revenue	\$ 102,679	\$ 101,219	\$ 288,192	\$ 316,118
Total operating expenses	(104,066)	(105,743)	(296,204)	(322,172)
Operating loss	\$ (1,387)	\$ (4,524)	\$ (8,012)	\$ (6,054)
Operating ratio	101.4 %	104.5 %	102.8 %	101.9 %

**Non-GAAP Reconciliation: Free Cash Flow**

	Year-to-Date September 30, 2024
<b>GAAP: Cash flows from operations</b>	\$ 524,741
Adjusted for:	
Proceeds from sale of property and equipment, including assets held for sale	183,589
Purchases of property and equipment	(592,081)
<b>Non-GAAP: Free Cash Flow</b>	\$ 116,249

**Liquidity and Capital Resources**
**Sources of Liquidity**

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

Source	September 30, 2024 (In thousands)
Cash and cash equivalents, excluding restricted cash	\$ 166,348
Availability under 2021 Revolver, due September 2026 <sup>1</sup>	854,899
Availability under 2023 RSA, due October 2025 <sup>2</sup>	6,033
Total unrestricted liquidity	\$ 1,027,280
Cash and cash equivalents – restricted <sup>3</sup>	154,564
Total liquidity, including restricted cash	\$ 1,181,844

1 As of September 30, 2024, we had \$227.0 million borrowings under our \$1.1 billion 2021 Revolver. We additionally had \$18.1 million in outstanding letters of credit (discussed below) issued under the 2021 Revolver, leaving \$854.9 million available under the 2021 Revolver.

2 Based on eligible receivables at September 30, 2024, our borrowing base for the 2023 RSA was \$492.4 million, while outstanding borrowings were \$459.2 million, along with \$27.2 million in outstanding letters of credit, leaving \$6.0 million available under the 2023 RSA. Refer to Note 5 in Part I, Item 1 of this Quarterly Report for more information regarding the 2023 RSA.

3 Restricted cash is primarily held by our captive insurance companies for claims payments. "Cash and cash equivalents – restricted" consists of \$150.9 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 \$3.7 million is included in "Other long-term assets" and is held in escrow accounts to meet statutory requirements.



KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

**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 \$525.0 – \$575.0 million for full-year 2024. Our expected net cash capital expenditures primarily represent replacements of existing tractors and trailers and investments in our terminal network, driver amenities, and technology, and excludes 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.

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 September 30, 2024, we had debt, accounts receivable securitization, and finance lease obligations of \$2.9 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 2023 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 2023 RSA is reduced accordingly. As of September 30, 2024, we also had outstanding letters of credit of \$248.0 million pursuant to a bilateral agreement which do not impact the availability of the 2021 Revolver and 2023 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 Flow<sup>1</sup> 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 September 30, 2024, 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.

<sup>1</sup> Refer to "Non-GAAP Financial Measures."

## KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

**Working Capital**

We had a working capital surplus of \$8.1 million as of September 30, 2024 and a working capital deficit of \$116.3 million as of December 31, 2023. The change in our working capital is primarily attributed to the 2024 Amendment which extended the maturity related to the 2021 Term Loan A-2 from September 2024 to September 2026.

**Material Debt Agreements**

As of September 30, 2024, we had \$2.9 billion in material debt obligations at the following carrying values:

- \$349.0 million: 2021 Term Loan A-2, due September 2026, net of \$1.0 million in deferred loan costs
- \$789.3 million: 2021 Term Loan A-3, due September 2026, net of \$0.7 million in deferred loan costs
- \$249.4 million: 2023 Term Loan, due September 2026, net of \$0.6 million in deferred loan costs
- \$458.9 million: 2023 RSA outstanding borrowings, net of \$0.3 million in deferred loan costs
- \$609.8 million: Finance lease obligations
- \$227.0 million: 2021 Revolver, due September 2026
- \$219.5 million: Revenue equipment installment notes
- \$23.7 million: Other, net of approximately \$13,000 in deferred loan costs

As of December 31, 2023, we had \$2.7 billion in material debt obligations at the following carrying values:

- \$199.9 million: 2021 Term Loan A-2, due September 2024, net of \$0.1 million in deferred loan costs
- \$799.1 million: 2021 Term Loan A-3, due September 2026, net of \$0.9 million in deferred loan costs
- \$249.1 million: 2023 Term Loan, due September 2026, net of \$0.9 million in deferred loan costs
- \$526.5 million: 2023 RSA outstanding borrowings, net of \$0.5 million in deferred loan costs
- \$528.9 million: Finance lease obligations
- \$67.0 million: 2021 Revolver, due September 2026
- \$279.3 million: Revenue equipment installment notes
- \$33.6 million: Other, net of \$22,000 in deferred loan costs

**Cash Flow Analysis**

	Year-to-Date September 30,		Change
	2024	2023	
	(In thousands)		
Net cash provided by operating activities	\$ 524,741	\$ 873,502	\$ (348,761)
Net cash used in investing activities	(619,020)	(1,088,030)	469,010
Net cash (used in) provided by financing activities	(54,495)	286,090	(340,585)

**Net Cash Provided by Operating Activities**

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$348.8 million decrease in net cash provided by operating activities included a \$154.4 million decrease in operating income for year-to-date September 30, 2024, a \$161.1 million cash payment for a commutation agreement to transfer certain outstanding insurance reserves to a third party, and a \$46.3 million increase in cash paid for interest. This was partially offset by a \$28.1 million decrease in cash paid for income taxes. **Note:** Factors affecting the increase in operating income are discussed in "Results of Operations — Consolidated Operating and Other Expenses."

KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

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

**Net Cash Used in Investing Activities**

**Comparison Between Year-to-Date September 30, 2024 and 2023** — The \$469.0 million decrease in net cash used in investing activities was primarily due to a \$230.0 million decrease in net cash capital expenditures and a \$272.8 million decrease in cash used on acquisitions.

**Net Cash Used in Financing Activities**

**Comparison Between Year-to-Date September 30, 2024 and 2023** — Net cash used in financing activities increased by \$340.6 million, primarily due to a \$133.5 million increase in repayments on our finance leases and long-term debt, \$100.0 million decrease in proceeds from our long-term debt, and \$97.0 million decrease in net proceeds from our 2021 Revolver.

**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 manufactured 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 2023 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 6.6% as of September 30, 2024) and fixed rate equipment lease financing. Assuming the level of borrowings as of September 30, 2024, a hypothetical one percentage point increase in interest rates would increase our annual interest expense by \$20.9 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 \$3.69 for the third quarter of 2024 from an average of \$4.27 in the third quarter of 2023. The weekly average diesel price per gallon decreased to \$3.83 for year-to-date September 30, 2024 from an average price of \$4.20 for year-to-date September 30, 2023. 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 September 30, 2024, 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.

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.

## KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.

**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 September 30, 2024, 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 2023 Annual Report in the section entitled "Item 1A. Risk Factors," describes 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 <sup>1</sup>
(in thousands, except per share data)				
July 1, 2024 to July 31, 2024	—	\$ —	—	\$ 200,041
August 1, 2024 to August 31, 2024	—	\$ —	—	\$ 200,041
September 1, 2024 to September 30, 2024	—	\$ —	—	\$ 200,041
Total	—	\$ —	—	\$ 200,041

<sup>1</sup> In April 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 September 30, 2024, 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
<a href="#">3.1</a>	<a href="#">Fourth Amended and Restated Certificate of Incorporation of Knight-Swift Transportation Holdings Inc.</a>	<a href="#">Incorporated by reference to Exhibit 3.1 of Form 10-Q for the quarter ended June 30, 2020</a>
<a href="#">3.2</a>	<a href="#">Fifth Amended and Restated By-laws of Knight-Swift Transportation Holdings Inc.</a>	<a href="#">Incorporated by reference to Exhibit 3.1 of Form 8-K filed on November 12, 2023</a>
<a href="#">10.1*</a>	<a href="#">First Amendment to Credit Agreement, dated as of August 6, 2024, by and among Knight-Swift Transportation Holdings Inc., the lenders thereto, 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</a>	<a href="#">Filed herewith</a>
<a href="#">31.1</a>	<a href="#">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 Executive Officer (principal executive officer).</a>	<a href="#">Filed herewith</a>
<a href="#">31.2</a>	<a href="#">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 Andrew Hess, the Company's Chief Financial Officer (principal financial officer).</a>	<a href="#">Filed herewith</a>
<a href="#">32.1</a>	<a href="#">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 Executive Officer.</a>	<a href="#">Furnished herewith</a>
<a href="#">32.2</a>	<a href="#">Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Andrew Hess, the Company's Chief Financial Officer.</a>	<a href="#">Furnished herewith</a>
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	<a href="#">Filed herewith</a>
101.CAL	XBRL Taxonomy Calculation Linkbase Document	<a href="#">Filed herewith</a>
101.LAB	XBRL Taxonomy Label Linkbase Document	<a href="#">Filed herewith</a>
101.PRE	XBRL Taxonomy Presentation Linkbase Document	<a href="#">Filed herewith</a>
101.DEF	XBRL Taxonomy Extension Definition Document	<a href="#">Filed herewith</a>
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	<a href="#">Filed herewith</a>

\* Schedules and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to supplementally furnish to the SEC a copy of any omitted schedule upon request by the SEC.

**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: October 30, 2024

*/s/ Adam W. Miller*

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

Date: October 30, 2024

*/s/ Andrew Hess*

---

Andrew Hess  
Chief Financial Officer, in his capacity as such and on  
behalf of the registrant

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT CREDIT AGREEMENT (this “Agreement”) is entered into as of August 6, 2024 among KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC., a Delaware corporation (the “Borrower”), each Lender party hereto and BANK OF AMERICA, N.A., as Administrative Agent, Swingline Lender and Issuing Lender. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Amended Credit Agreement (as defined below).

RECITALS

- A. The Borrower, the Lenders and the Administrative Agent entered into that certain Credit Agreement, dated as of September 3, 2021 (as amended or modified from time to time to time prior to the date hereof, the “Credit Agreement”).
- B. The Borrower has requested that the Lenders amend the Credit Agreement as set forth below.
- C. The parties hereto have agreed to amend the Credit Agreement as provided herein.
- D. In consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows.

AGREEMENT

- 1. Amendments: Effective upon satisfaction of the conditions precedent set forth in Section 2 below:

(a) (i) the Credit Agreement (but not the Schedules or Exhibits thereto, other than as set forth below) is hereby amended as set forth in Annex A attached hereto (the Credit Agreement, as amended by this Agreement, the “Amended Credit Agreement”). Language being inserted into the applicable sections of the Credit Agreement is evidenced by bold and underline formatting. Language being deleted from the applicable sections of the Credit Agreement is evidenced by ~~strike through~~ formatting and (ii) each reference to “BSBY Rate” and “BSBY Daily Floating Rate” in Exhibit B and D to the Credit Agreement is amended to read as “Term SOFR” and “Term SOFR Daily Floating Rate”, respectively.

(b) Schedule 1.1(b) of the Credit Agreement is hereby amended as set forth in Schedule 1.1(b) attached hereto, and each Lender agrees to fund its additional amount of Initial Term A-2 Loans set forth therein. On the date hereof, the outstanding Initial Term A-2 Loans shall be assigned and/or re-allocated, as the Administrative Agent may deem necessary, among the Lenders so that the respective outstanding Initial Term A-2 Loans (after giving effect to this Agreement and the borrowing of additional Initial Term A-2 Loans contemplated hereby) shall be as set forth on Schedule 1.1(b) attached hereto. The Administrative Agent and the Lenders hereby waive any notice period requirements set forth in the Credit Agreement with respect to any borrowings, prepayments or re-allocations of Loans and Commitments to occur on the date hereof in connection with the transactions contemplated by this Agreement, and any assignments necessary to effectuate the foregoing shall be deemed to be made in compliance with Section 12.9 of the Credit Agreement.



(c) with respect to any Loan bearing interest at the (i) BSBY Rate (as defined immediately prior to the effectiveness of this Agreement) outstanding immediately prior to the effectiveness of this Agreement, such Loan shall be automatically converted to a Term SOFR Loan with a corresponding Interest Period at the end of the current Interest Period for such BSBY Rate Loan and (ii) BSBY Daily Floating Rate (as defined immediately prior to the effectiveness of this Agreement) outstanding immediately prior to the effectiveness of this Agreement, such Loan shall automatically be deemed to bear interest at the Term SOFR Daily Floating Rate (as defined after effectiveness of this Agreement). Notwithstanding the foregoing, each Lender hereby waives any notice requirements under Sections 5.2 of the Credit Agreement (as in effect immediately prior to the effectiveness of this Agreement), in each case, as a result of the conversion described in clause (i) and clause (ii) of this Section 1(c).

Each Lender party hereto waives any “breakage” costs that it would otherwise be entitled to pursuant to Section 5.7 of the Credit Agreement solely as a result of the foregoing.

2. Conditions Precedent. This Agreement shall be effective on the date hereof upon the satisfaction of the following conditions:

(a) receipt by the Administrative Agent of copies of this Agreement duly executed by the Borrower, the Administrative Agent and the Lenders;

(b) receipt by the Administrative Agent of: (i) copies of the Organization Document of each Credit Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the jurisdiction of its organization and certified by a Responsible Officer of such Credit Party to be true and correct as of the Second Amendment Effective Date (or a certification that no modifications have been made to such Organization Documents since the date last delivered to the Administrative Agent); (ii) such certificates of resolutions or other action, incumbency certificates, and/or other certificates of Responsible Officers of each Credit Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Credit Party is a party; and (iii) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Credit Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its jurisdiction of organization;

(c) customary legal opinions, 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);

(d) (i) upon the reasonable request of any Lender made at least five days prior to the date hereof, receipt by such Lender of the documentation and other information so requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least five days prior to the date hereof; and (ii) upon the request of any Lender made at least five days prior to the date hereof, if the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, receipt by the Administrative Agent of a Beneficial Ownership Certification in relation to the Borrower;

(e) payment by the Borrower of all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent in connection with this Agreement required

to be paid by the Borrower as provided in the Amended Credit Agreement (directly to such counsel if requested by the Administrative Agent); and

- (f) payment by the Borrower of all agreed fees to the Arranger and the Lenders executing this Agreement.

3. Representations and Warranties of the Credit Parties. (a) After giving effect to this Agreement, the representations and warranties of each Credit Party contained in Article VII of the Amended Credit Agreement or any other Loan Document are true and correct in all material respects on and as of the date hereof (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) no Default has occurred and is continuing or will exist immediately after giving effect to this Agreement.

4. Authority/Enforceability. The Borrower represents and warrants as follows:

- (a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by the Borrower and constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, subject to applicable Debtor Relief Laws and to general principles of equity or principles of good faith and fair dealing.

(c) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by the Borrower of this Agreement other than those that have already been obtained and are in full force and effect.

(d) The execution and delivery of this Agreement does not (i) contravene the terms of its Organization Documents or (ii) violate any Applicable Law relating to any Credit Party thereof where such violation could reasonably be expected to have a Material Adverse Effect.

5. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopy or in any other electronic format (such as .pdf format) shall be effective as delivery of a manually executed original counterpart of this Amendment. Subject to Section 12.16 of the Credit Agreement, execution of this Agreement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper based recordkeeping system, as the case may be.

6. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. Section 12.5 of the Amended Credit Agreement is hereby incorporated by reference with the full force and effect as if fully set forth herein.

7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

8. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

9. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. Continuing Effectiveness, etc. Except to the extent expressly set forth herein, all of the terms and conditions of the Credit Agreement and the other Loan Documents remain unchanged and in full force and effect. Upon the effectiveness hereof, all references to the Credit Agreement set forth in any other agreement or instrument shall, unless otherwise specifically provided, be references to the Amended Credit Agreement. This Agreement is a Loan Document.

*[signature pages follow]*

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWER: KNIGHT-SWIFT TRANSPORTATION HOLDINGS

INC.,corporation

By:\_\_\_\_\_

Name: Adam Miller

Title: Chief Executive Officer

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A.,  
as Administrative Agent

By: \_\_ Name: Kelly Weaver  
Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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LENDERS: BANK OF AMERICA, N.A.,

as a Lender, Swingline Lender and Issuing Lender

By: \_\_ Name: Jonathan M. Phillips

Title: Senior Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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PNC BANK, NATIONAL ASSOCIATION,  
as a Lender and Issuing Lender

By: \_\_\_\_\_

Name: Kyle Steinbuch Title: Senior Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as a Lender

By: \_\_\_\_\_

Name: Michael J. Stein

Title: Executive Director

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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THE TORONTO-DOMINION BANK,  
NEW YORK BRANCH, as a Lender

By: \_\_ Name: David Perlman  
Title: Authorized Signatory

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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U.S. BANK NATIONAL ASSOCIATION,  
as a Lender

By: \_\_ Name: Eric M. Herm  
Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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JPMORGAN CHASE BANK, N.A.,  
as a Lender

By:\_\_\_ Name: Michael J. Stein  
Title: Executive Director

TRUIST BANK,  
as a Lender

By:\_\_\_

Name: Chris Hursey Title: Director

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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CITY NATIONAL BANK,  
as a Lender

By:\_\_\_ Name: Karina Castillo  
Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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REGIONS BANK,  
as a Lender

By: \_\_\_\_\_  
Name: Griffin Higginbotham Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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THE BANK OF NOVA SCOTIA,  
as a Lender

By:\_\_\_ Name: Kevin McCarthy  
Title: Director

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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FIFTH THIRD BANK, NATIONAL ASSOCIATION  
as a Lender

By: \_\_\_\_\_  
Name: Ira Allen  
Title: Principal

FIRST AMENDMENT TO CREDIT AGREEMENT KNIGHT-SWIFT  
TRANSPORTATION HOLDINGS INC.

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ANNEX A  
AMENDED CREDIT AGREEMENT  
(see attached)



[ANNEX A](#)

Published CUSIP Number: 49904UAD9 Revolving Credit CUSIP Number:  
49904UAE7 Term Loan A-1 CUSIP Number: 49904UAF4 Term Loan A-2  
CUSIP Number: 49904UAG2 Term Loan A-3 CUSIP Number: 49904UAH0

~~\$2,300,000,000~~

**CREDIT AGREEMENT**

dated as of September 3, 2021, ([as amended through August 6, 2024](#)),

by and among

**KNIGHT-SWIFT TRANSPORTATION HOLDINGS INC.,**  
as Borrower,

the Lenders referred to herein, as Lenders,

and

**BANK OF AMERICA, N.A.,**  
as Administrative Agent, Swingline Lender and Issuing  
Lender

[PNC BANK NATIONAL ASSOCIATION](#) and **WELLS FARGO BANK, NATIONAL ASSOCIATION** ~~and PNC BANK  
NATIONAL ASSOCIATION,~~  
as Co-Syndication Agents

**JPMORGAN CHASE BANK, N.A.,** [THE TORONTO-DOMINION BANK, NEW YORK BRANCH](#), **TRUIST BANK** and  
**U.S. BANK NATIONAL ASSOCIATION,**  
as Co-Documentation Agents

**BOFA SECURITIES, INC.,** [PNC CAPITAL MARKETS LLC](#) and **WELLS FARGO  
SECURITIES, LLC,** ~~and PNC CAPITAL MARKETS~~ LLC, as Joint Lead Arrangers and Joint Bookrunners

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**CREDIT AGREEMENT**, dated as of September 3, 2021, 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.

“Additional Commitment Lender” has the meaning assigned thereto in Section 5.16(d).

“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~~First Amendment Effective 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	Commitment Fee	Revolving Credit Loans that are <del>BSBY-Rate</del> <u>Term SOFR</u> Loans or	Revolving Credit Loans that are Base Rate Loans	<u>Initial Term A-2 Loans and</u> Initial Term A-3 Loans that are <del>BSBY-Rate</del> <u>Term SOFR</u>	<u>Initial Term A-2 Loans and</u> Initial Term A-3 Loans that are Base Rate Loans
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			<del>BSBY</del> <u>Term</u> <u>SOFR</u> Daily Floating Rate		Loans or <del>BSBY</del> <u>Term</u> <u>SOFR</u> Daily Floating Rate Loans	
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			Loans			
I	Less than or equal to 0.75 to 1.00	0.070%	0.875%	0.000%	0.875%	0.000%
II	Greater than 0.75 to 1.00, but less than or equal to 1.25 to 1.00	0.100%	1.000%	0.000%	1.000%	0.000%
III	Greater than 1.25 to 1.00, but less than or equal to 1.75 to 1.00	0.125%	1.125%	0.125%	1.125%	0.125%
IV	Greater than 1.75 to 1.00, but less than or equal to 2.25 to 1.00	0.150%	1.250%	0.250%	1.250%	0.250%
V	Greater than 2.25 to 1.00	0.200%	1.500%	0.500%	1.500%	0.500%

Pricing Level	Consolidated Total Net Leverage Ratio	Initial Term A-1 Loans and Initial Term A-2 Loans that are BSBY Rate Loans or BSBY Daily Floating Rate Loans	Initial Term A-1 Loans and Initial Term A-2 Loans that are
			Base Rate Loans
I	Less than or equal to 0.75 to 1.00	0.75%	0.00%
II	Greater than 0.75 to 1.00, but less than or equal to 1.25 to 1.00	0.875%	0.00%
III	Greater than 1.25 to 1.00, but less than or equal to 1.75 to 1.00	1.00%	0.00%
IV	Greater than 1.75 to 1.00, but less than or equal to 2.25 to 1.00	1.125%	0.125%
V	Greater than 2.25 to 1.00	1.375%	0.375%

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 ~~HH-level~~V until the Calculation Date occurring for the fiscal quarter of the Borrower ending September 30, ~~2021~~2024 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 V 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 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 Sections 5.1(b) and 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.

The Applicable Margins set forth above shall be increased as, and to the extent, required by Section 5.13.

"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, 2020, 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.

“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 sole lead arranger and sole 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 BSBY Rate~~ 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. ~~“Bloomberg” means Bloomberg Index Services Limited.~~

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

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



~~“BSBY” means the Bloomberg Short-Term Bank Yield Index rate.~~

~~“BSBY Daily Floating Rate” means, for any day, a fluctuating rate of interest per annum equal to the BSBY Screen Rate two Business Days prior to such day for a term of one (1) month; provided that, if the rate is not published on such determination date then BSBY Daily Floating Rate means the BSBY Screen Rate on the first Business Day immediately prior thereto; provided, further, if the BSBY Daily Floating Rate determined in accordance with the foregoing provisions of this definition would otherwise be less than zero, such rate shall be deemed zero for purposes of this Agreement.~~

~~“BSBY Daily Floating Rate Loan” means a Loan that bears interest at a rate based on the BSBY Daily Floating Rate.~~

~~“BSBY Rate” means:~~

~~(a) for any Interest Period with respect to a BSBY Rate Loan, the rate per annum equal to the BSBY Screen Rate two 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 on such determination date then BSBY Rate means the BSBY Screen Rate on the first Business Day immediately prior thereto; and~~

~~(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the BSBY Screen Rate with a term of one month commencing that day;~~

~~provided that if the BSBY Rate determined in accordance with the foregoing provisions of this definition would otherwise be less than zero, the BSBY Rate shall be deemed zero for purposes of this Agreement.~~

~~“BSBY Rate Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of BSBY Rate as provided in Section 5.1(a).~~

~~“BSBY Replacement Date” has the meaning specified in Section 5.8(b).~~

~~“BSBY Screen Rate” means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg 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).~~

“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 ~~and, if such day relates to any BSBY Rate Loan or a BSBY Daily Floating Rate Loan, in New York City.~~

"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 Collateral" shall have a meaning correlative to the definition of "Cash Collateralize" and shall include the proceeds of such cash collateral and other credit support.

"Cash Collateralize" means, to pledge and deposit with, or deliver to the Administrative Agent, or directly to the applicable Issuing Lender (with notice thereof to the Administrative Agent), for the benefit of one or more of the Issuing Lenders or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and the applicable Issuing Lender shall agree, in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and such Issuing Lender, as applicable.

"Cash Collateralized Letter of Credit" has the meaning assigned thereto in Section 3.11(d).

"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

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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.

“Class” means, when used in reference to any Loan, whether such Loan is a Revolving Credit Loan, Swingline Loan or Term Loan and, when used in reference to any Commitment, whether such Commitment is a Revolving Credit Commitment or a Term Loan Commitment.

“Closing Date” means September 3, 2021.

“CME” means CME Group Benchmark Administration Limited.

“Code” means the Internal Revenue Code of 1986.

“Commitment Fee” has the meaning assigned thereto in Section 5.3(a). “Commitment Percentage” means, as

to any Lender, such Lender’s Revolving Credit

Commitment Percentage or Term Loan Percentage, as applicable.

“Commitments” means, collectively, as to all Lenders, the Revolving Credit Commitments and 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 ~~BSBY~~SOFR or any proposed Successor Rate or Term SOFR or the Term SOFR Daily Floating Rate, as applicable, any conforming changes to the ~~definition~~definitions of Base Rate, ~~BSBY~~SOFR, Term SOFR, Term SOFR Daily Floating Rate, 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 ~~definition of~~ 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 the Closing Date, of any Indebtedness permitted under this Agreement, any acquisition after the Closing Date and any disposition or investment, in each case after the Closing Date, 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 costs, fees and expenses, (xi) the amount of any one-time restructuring costs incurred in connection with (A) the Specified Acquisition in an aggregate amount not to exceed \$5,000,000 during the term of this Agreement and (B) other Acquisitions consummated on or after the date that is 180 days prior to the Closing Date 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, which, in the case of the Revolving Credit Loans, shall be deemed to equal the aggregate principal amount of the Revolving Credit Loans outstanding as of the last day of the fiscal quarter ending on or immediately preceding the date of determination) 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 guarantees, 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

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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, collectively, the Revolving Credit Facility, the Term Loan Facility, the Swingline Facility and the L/C Facility.

“Credit Parties” means, collectively, the Borrower and the Subsidiary Guarantors. “Daily Simple SOFR” with respect to any applicable determination date means ~~the~~

~~secured overnight financing rate (“SOFR”)~~ published on such date ~~by the Federal Reserve~~

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~~Bank of New York, as the administrator of the benchmark (or a successor administrator)~~ on the Federal Reserve Bank of New York's website (or any successor source).

"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 Revolving Credit Loans or any 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, any Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, any Issuing Lender or the Swingline Lender 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, each Issuing Lender, the Swingline Lender 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 delegatee) 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;

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

(c) any Domestic Subsidiary of the Borrower substantially all of the assets of which consist (directly or indirectly through entities that are treated as 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");

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

(e) any Captive Insurance Company;

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

(g) 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);

(h) 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;

(i) any Receivables Subsidiary; and

(j) 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.

"Existing Credit Agreements" means (a) that certain Credit Agreement, dated as of September 29, 2017, between the Borrower, Wells Fargo Bank, National Association, as administrative agent, and the other parties thereto and (b) that certain Credit Agreement, dated as of July 6, 2021, between the Borrower, Bank of America, N.A., as administrative agent, and the other parties thereto.

"Existing Letters of Credit" means those letters of credit existing on the Closing Date and identified on Schedule 1.1(a).

“Existing Revolving Credit Maturity Date” has the meaning assigned thereto in Section 5.16(a).

“Extended Letter of Credit” has the meaning assigned thereto in Section 3.1(b). “Extension Date” has the meaning assigned thereto in Section 5.16(a).

“Extensions of Credit” means, as to any Lender at any time, (a) an amount equal to the sum of (i) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (ii) such Lender’s Revolving Credit Commitment Percentage of the L/C Obligations then outstanding, (iii) such Lender’s Revolving Credit Commitment Percentage of the Swingline Loans then outstanding and (iv) the aggregate principal amount of the Term Loans made by such Lender then outstanding, or (b) the making of any Loan or participation in any Letter of Credit 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 collectively, (a) that certain fee letter, dated July 6, 2021, between the Borrower and BAS, and (b) each other fee letter from time to time entered into between the Borrower, a Joint Lead Arranger and/or an Issuing Lender, as applicable.

“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.

“First Amendment Effective Date” means August 6, 2024.

“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. “Fronting Exposure” means, at

any time there is a Defaulting Lender, (a) with respect to any Issuing Lender, such Defaulting Lender’s Revolving Credit Commitment Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such Issuing Lender, other than such L/C Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swingline Lender, such Defaulting Lender’s Revolving Credit Commitment Percentage of outstanding Swingline Loans other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

“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 Issuing 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).

“Increased Amount Date” has the meaning assigned thereto in Section 5.13(a). “Incremental Commitment Increase” has the meaning assigned thereto in Section 5.13(a)(iii).

“Incremental Facilities Limit” means ~~\$500,000,000~~ \$350,000,000 less the total aggregate initial principal amount (as of the date of incurrence thereof) of all (without duplication) previously incurred unfunded Incremental Commitment Increases, Incremental Term Loan Commitments and Incremental Loans; provided that no more than ~~\$400,000,000~~ \$250,000,000 of the Incremental Facilities Limit may be utilized for Incremental Revolving Credit Increases.

“Incremental Initial Term Loan” has the meaning assigned thereto in Section 5.13(a)(ii).

“Incremental Initial Term Loan Increase” has the meaning assigned thereto in Section 5.13(a)(ii).

“Incremental Lender” has the meaning assigned thereto in Section 5.13(a). “Incremental Loans” has the meaning assigned thereto in Section 5.13(a)(iii). “Incremental Revolving Credit Commitment” has the meaning assigned thereto in Section 5.13(a)(iii).

“Incremental Revolving Credit Increase” has the meaning assigned thereto in Section 5.13(a)(iii).

“Incremental Term Loan” has the meaning assigned thereto in Section 5.13(a)(i). “Incremental Term Loan

Commitment” has the meaning assigned thereto in Section

5.13(a)(i).

“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, including, without

limitation, any Reimbursement Obligation, 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 Issuing Lender" means (a) Bank of America, (b) Wells Fargo Bank, National Association and (c) PNC Bank, National Association.

"Initial Term A-1 Loan" means the term loan made, or to be made, to the Borrower by the Term Loan Lenders pursuant to Section 4.1(a).

“Initial Term A-2 Loan” means the term loan made, or to be made, to the Borrower by the Term Loan Lenders pursuant to Section 4.1(b).

“Initial Term A-3 Loan” means the term loan made, or to be made, to the Borrower by the Term Loan Lenders pursuant to Section 4.1(c).

“Initial Term Loans” means the Initial Term A-1 Loan, the Initial Term A-2 Loan and the Initial Term A-3 Loan, and “Initial Term Loan” means any one of such Term Loans, as the context requires.

“Interest Period” means, as to each ~~BSBY-Rate~~Term SOFR Loan, the period commencing on the date such ~~BSBY-Rate~~Term SOFR Loan is disbursed or converted to or continued as a ~~BSBY-Rate~~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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~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.

“ISP” means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

“Issuing Lender” means (a) the Initial Issuing Lenders and (b) any other Revolving Credit Lender to the extent it has agreed in its sole discretion to act as an “Issuing Lender”

hereunder and that has been approved in writing by the Borrower and the Administrative Agent (such approval by the Administrative Agent not to be unreasonably delayed or withheld).

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

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

“L/C Commitment” means, as to any Issuing Lender, the obligation of such Issuing Lender to issue Letters of Credit for the account of the Borrower or one or more of its Subsidiaries from time to time in an aggregate amount equal to (a) for each of the Initial Issuing Lenders, the amount set forth opposite the name of each such Initial Issuing Lender on Schedule 1.1(b) and (b) for any other Issuing Lender becoming an Issuing Lender after the Closing Date, such amount as separately agreed to in a written agreement between the Borrower and such Issuing Lender (which such agreement shall be promptly delivered to the Administrative Agent upon execution), in each case of clauses (a) and (b) above, any such amount may be changed after the Closing Date in a written agreement between the Borrower and such Issuing Lender (which such agreement shall be promptly delivered to the Administrative Agent upon execution); provided that the L/C Commitment with respect to any Person that ceases to be an Issuing Lender for any reason pursuant to the terms hereof shall be \$0 (subject to the Letters of Credit of such Person remaining outstanding in accordance with the provisions hereof).

“L/C Facility” means the letter of credit facility established pursuant to Article III. “L/C Obligations” means at

any time, an amount equal to the sum of (a) the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 3.5.

“L/C Participants” means, with respect to any Letter of Credit, the collective reference to all the Revolving Credit Lenders other than the applicable Issuing Lender.

“L/C Sublimit” means the lesser of (a) \$300,000,000 and (b) the Revolving Credit Commitment.

“LCA Election” has the meaning specified in Section 1.11. “LCA Test Date” has the meaning specified in Section 1.11.

“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 or pursuant to Section 5.13, other than any Person that ceases to be a party hereto as a Lender pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lender.

“Lender Joinder Agreement” means a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent delivered in connection with Section 5.13.

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

“Letter of Credit Application” means an application requesting such Issuing Lender to issue a Letter of Credit and a reimbursement agreement, in each case in the form specified by the applicable Issuing Lender from time to time.

“Letters of Credit” means the collective reference to letters of credit issued pursuant to Section 3.1 and the Existing Letters 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.

“Limited Condition Acquisition” means an Acquisition not otherwise prohibited hereunder that the Borrower or one or more of its Subsidiaries is contractually committed to consummate (it being understood that such commitment may be subject to conditions precedent, which conditions precedent may be amended, satisfied or waived in accordance with the terms of the applicable agreement) and whose consummation is not conditioned on the availability of, or on obtaining, third party financing and which has been designated as a Limited Condition Acquisition by the Borrower in writing to the Administrative Agent.

“Loan Documents” means, collectively, this Agreement, each Note, the Letter of Credit Applications, 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 Revolving Credit Loans, the Term Loans and the Swingline Loans, 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. “Minimum Collateral Amount”

means, at any time, (a) with respect to Cash

Collateral consisting of cash or deposit account balances, the Fronting Exposure of the Issuing Lenders with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent and each of the applicable Issuing Lenders that is entitled to Cash Collateral hereunder at such time in their sole discretion.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto. “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-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Extending Revolving Credit Lender” has the meaning assigned thereto in Section 5.16(b).

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

“Notes” means the collective reference to the Revolving Credit Notes, the Swingline Note and the Term Loan Notes.

“Notice Date” has the meaning assigned thereto in Section 5.16(b).

“Notice of Borrowing/Conversion/Continuation” means a notice of (a) a borrowing of Revolving Credit Loans or Term Loans, (b) a conversion of Loans from one type to the other pursuant to Section 5.2, or (c) a continuation of ~~BSBY-Rate~~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, (b) the L/C Obligations and (c) 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, the Issuing Lenders or the Administrative Agent, in each case under any Loan Document, with respect to any Loan or Letter of Credit 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 requires 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 (A) the provisions of Section 1.11 and (B) 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, (b) any Lender and (c) any Issuing Lender, as applicable. "Register" has the meaning assigned thereto in Section 12.9(c).

"Reimbursement Obligation" means the obligation of the Borrower to reimburse any Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

"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.

~~"Relevant Governmental Body" means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.~~

"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; provided that the amount of any participation in any Swingline Loan or

unreimbursed drawings under Letters of Credit that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be

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deemed to be held by the Lender that is the Swingline Lender or the applicable Issuing Lender, as the case may be, in making such determination.

“Required Revolving Credit Lenders” means, at any date, any combination of Revolving Credit Lenders holding more than fifty percent (50%) of the sum of the aggregate amount of the Revolving Credit Commitment or, if the Revolving Credit Commitment has been terminated, any combination of Revolving Credit Lenders holding more than fifty percent (50%) of the aggregate Extensions of Credit under the Revolving Credit Facility; provided that the Revolving Credit Commitment of, and the portion of the Extensions of Credit under the Revolving Credit Facility, as applicable, held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Credit Lenders; provided further that the amount of any participation in any Swingline Loan or unreimbursed drawings under Letters of Credit that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swingline Lender or the applicable Issuing Lender, as the case may be, in making such determination.

“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.



“Revolving Credit Commitment” means (a) as to any Revolving Credit Lender, the obligation of such Revolving Credit Lender to make Revolving Credit Loans to, and to purchase participations in L/C Obligations and Swingline Loans for the account of, the Borrower hereunder in an aggregate principal amount at any time outstanding not to exceed the amount set forth opposite such Revolving Credit Lender’s name on the Register, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 5.13) and (b) as to all Revolving Credit Lenders, the aggregate commitment of all Revolving Credit Lenders to make Revolving Credit Loans, as such amount may be modified at any time or from time to time pursuant to the terms hereof (including, without limitation, Section 5.13). The aggregate Revolving Credit Commitment of all the Revolving Credit Lenders on the Closing Date shall be \$1,100,000,000. The Revolving Credit Commitment of each Revolving Credit Lender on the Closing Date is set forth opposite the name of such Lender on Schedule 1.1(b).

“Revolving Credit Commitment Percentage” means, with respect to any Revolving Credit Lender at any time, the percentage of the total Revolving Credit Commitments of all the Revolving Credit Lenders represented by such Revolving Credit Lender’s Revolving Credit Commitment. If the Revolving Credit Commitments have terminated or expired, the Revolving Credit Commitment Percentages shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments. The Revolving Credit Commitment Percentage of each Revolving Credit Lender on the Closing Date is set forth opposite the name of such Lender on Schedule 1.1(b).

“Revolving Credit Exposure” means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Revolving Credit Lender’s participation in L/C Obligations and Swingline Loans at such time.

“Revolving Credit Facility” means the revolving credit facility established pursuant to Article II (including any increase in such revolving credit facility established pursuant to Section 5.13).

“Revolving Credit Lenders” means, collectively, all of the Lenders with a Revolving Credit Commitment.

“Revolving Credit Loan” means any revolving loan made to the Borrower pursuant to Section 2.1, and all such revolving loans collectively as the context requires.

“Revolving Credit Maturity Date” means the earliest to occur of (a) (1) September 3, 2026 and (2) if the Revolving Credit Maturity Date is extended pursuant to Section 5.16 as to any Revolving Credit Lender, such extended maturity date as determined pursuant to such Section, (b) the date of termination of the entire Revolving Credit Commitment by the Borrower pursuant to Section 2.5, and (c) the date of termination of the Revolving Credit Commitment pursuant to Section 10.2(a).

“Revolving Credit Note” means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing the Revolving Credit Loans made by such Revolving Credit Lender, substantially in the form attached as Exhibit A-1, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

“Revolving Credit Outstandings” means the sum of (a) with respect to Revolving Credit Loans and Swingline Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swingline Loans, as the case may be, occurring on such date; plus (b) with respect to any L/C Obligations on any date, the aggregate outstanding amount thereof on such date after giving effect to any Extensions of Credit occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

“Revolving Extensions of Credit” means (a) any Revolving Credit Loan then outstanding, (b) any Letter of Credit then outstanding or (c) any Swingline Loan then outstanding.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary 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 (including, as of the Closing Date, Cuba, Iran, North Korea, Syria and Crimea).

“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 HerHis 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, ~~Her~~ [\(including any European Union member state\)](#), [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.

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

~~“SOFR Adjustment” with respect to Daily Simple SOFR means 0.26161% (26.161 basis points); and with respect to Term SOFR means 0.11448% (11.448 basis points) for an interest period of one-month’s duration, 0.26161% (26.161 basis points) for an interest period of three-month’s duration, 0.42826% (42.826 basis points) for an interest period of six-months’ duration, and 0.71513% (71.513 basis points) for an interest period of twelve-months’ duration.~~

[“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% \(10.0 basis points\).](#)

“Specified Acquisition” means the Acquisition by the Borrower of all of the outstanding Equity Interests of AAA Cooper Transportation, an Alabama corporation, and its Subsidiaries in accordance with the terms of the relevant merger, purchase or acquisition agreement therefor.

“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 QFC” 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.

“Swingline Commitment” means the lesser of (a) \$80,000,000 and (b) the Revolving Credit Commitment.

“Swingline Facility” means the swingline facility established pursuant to Section 2.2. “Swingline Lender” means Bank of America in its capacity as swingline lender hereunder or any successor thereto.

“Swingline Loan” means any swingline loan made by the Swingline Lender to the Borrower pursuant to Section 2.2, and all such swingline loans collectively as the context requires.

“Swingline Loan Notice” means a notice of a borrowing of Swingline Loans pursuant to Section 2.2, which shall be substantially in the form of Exhibit C or such other form as 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.

“Swingline Note” means a promissory note made by the Borrower in favor of the Swingline Lender evidencing the Swingline Loans made by the Swingline Lender, substantially in the form attached as Exhibit A-2, and any substitutes therefor, and any replacements, restatements, renewals or extension thereof, in whole or in part.

“Swingline Participation Amount” has the meaning assigned thereto in Section 2.2(b)(iii).

“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.

“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 A-1 Loan, the Initial Term A-2

Loan, the Initial Term A-3 Loan and/or Incremental Term Loans, as applicable, to the account of the Borrower hereunder on the Closing Date (in the case of any Initial Term [Loan](#)), [the First Amendment Effective Date \(in the case of the Initial Term A-2 Loan\)](#) or the applicable borrowing date (in the case of any Incremental Term Loan) 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 (i) the Initial Term A-1 Loan of all Term Loan Lenders is \$200,000,000, on the Closing Date, (ii) the Initial Term A-2 Loan of all Term Loan Lenders is [\(A\) \\$200,000,000, on the Closing Date and \(B\) \\$176,956,521.74, on the First Amendment Effective](#) Date and (iii) the Initial Term A-3 Loan of all Term Loan Lenders is \$800,000,000, on the Closing Date.

“Term Loan Facility” means the term loan facility established pursuant to [Article IV](#) (including any new term loan facility established pursuant to [Section 5.13](#)).

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

“Term Loan Maturity Date” means (a) with respect to the Initial Term A-1 Loan, the first to occur of (i) December 3, 2022 and (ii) the date of acceleration of the Term Loans pursuant to [Section 10.2\(a\)](#), (b) with respect to the Initial Term A-2 Loan, the first to occur of

(i) September 3, ~~2024~~[2026](#) and (ii) the date of acceleration of the Term Loans pursuant to [Section 10.2\(a\)](#) and (c) with respect to the Initial Term A-3 Loan, the first to occur of (i) September 3, 2026 and (ii) the date of acceleration of the Term Loans pursuant to [Section 10.2\(a\)](#).

“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 [or the First Amendment Effective Date, as applicable](#), is set forth opposite the name of such Lender on [Schedule 1.1\(b\)](#).

“Term Loans” means the Initial Term A-1 Loans, the Initial Term A-2 Loans, the Initial Term A-3 Loans and, if applicable, the Incremental Term Loans and “Term Loan” means any of such Term Loans.

“Term SOFR” means:

(i) 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; and

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

“Term SOFR Daily Floating Rate” means, for any interest calculation with respect to a Term SOFR Daily Floating Rate Loan on any date, a fluctuating rate of interest, which can change on each Business Day, 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 the Term SOFR Daily Floating Rate 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, further, that, if the Term SOFR Daily Floating Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Term SOFR Daily Floating Rate Loan” means a Loan that bears interest based on the Term SOFR Daily Floating Rate.

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

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

~~“Term SOFR” means, for the applicable corresponding Interest Period of BSBY (or if any Interest Period does not correspond to an interest period applicable to SOFR, the closest corresponding interest period of SOFR, and if such interest period of SOFR corresponds equally to two Interest Periods of BSBY, the corresponding interest period of the shorter duration shall be applied)~~ Screen Rate” means the forward-looking SOFR term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body 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).

“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, Revolving Credit Exposure 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 repayment in full of all Indebtedness outstanding under the Existing Credit Agreements, (b) the initial Extensions of Credit, and  
(c) the payment of the transaction costs incurred in connection with the foregoing.

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

“U.S. 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)(2)(c).

“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; Rates.** Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to ~~the rates in the definition of “BSBY Rate”, “BSBY Daily Floating Rate”~~ 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, ~~without limitation,~~ 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 1.7 Letter of Credit Amounts.** Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Application therefor (at the time specified therefor in such applicable Letter of Credit or Letter of Credit Application and as such amount may be reduced by (a) any permanent reduction of such Letter of Credit or (b) any amount which is drawn, reimbursed and no longer available under such Letter of Credit).

**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 Sections 9.1, 9.2, 9.4 and 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 Sections 9.1 and 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.

**Section 1.11 Limited Condition Acquisitions.** To the extent that the terms of this Agreement require (i) compliance on a Pro Forma Basis with the Consolidated Total Net Leverage Ratio or the Consolidated Interest Coverage Ratio or (ii) the absence of a Default or Event of Default as a condition precedent to the consummation of a Limited Condition Acquisition and/or the availability of an Incremental Term Loan that is to be used to finance such Limited Condition Acquisition, the date of determination as to the whether the relevant condition is satisfied (the "LCA Test Date") shall, at the election of the Borrower (an "LCA Election"), be the date of execution of the definitive agreements for such Limited Condition Acquisition, immediately after giving effect to such Limited Condition Acquisition on a Pro Forma Basis and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable four fiscal quarter test period; provided that, in connection with any Limited Condition Acquisition for which an LCA Election has been made, it shall be a condition to the consummation of such Limited Condition Acquisition that, as of the date of such consummation, no Event of Default under Section 10.1(a), (b), (h) or (i) exists or would result therefrom.

If any of such ratios or amounts for which compliance was determined or tested as of the LCA Test Date are exceeded as a result of fluctuations in such ratio or amount, at or prior to the consummation of the relevant transaction or action, such ratios or amounts will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the relevant transaction or action is permitted to be consummated or taken.

If the Borrower makes an LCA Election, then in connection with any calculation of any ratio, test or basket availability with respect to any transaction following the relevant LCA Test Date and

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prior to the earlier of the date on which such Limited Condition Acquisition is consummated or the date that the definitive agreement for such Limited Condition Acquisition is terminated or expires without consummation of such Limited Condition Acquisition, for purposes of determining whether such subsequent transaction is permitted under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis (i) assuming that such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming that such Limited Condition Acquisition and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated. For the avoidance of doubt, notwithstanding anything in this Section 1.11 to the contrary, the requirements of Section 6.2 are required to be satisfied in connection with any Extensions of Credit (except as expressly provided in Section 5.13 in connection with an Incremental Term Loan).

## ARTICLE II REVOLVING CREDIT FACILITY

**Section 2.1 Revolving Credit Loans.** 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 Revolving Credit Lender severally agrees to make Revolving Credit Loans in Dollars to the Borrower from time to time from the Closing Date to, but not including, the Revolving Credit Maturity Date as requested by the Borrower in accordance with the terms of Section 2.3; provided that (a) the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and (b) the Revolving Credit Exposure of any Revolving Credit Lender shall not at any time exceed such Revolving Credit Lender's Revolving Credit Commitment. Each Revolving Credit Loan by a Revolving Credit Lender shall be in a principal amount equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage of the aggregate principal amount of Revolving Credit Loans requested on such occasion. Subject to the terms and conditions hereof, the Borrower may borrow, repay and reborrow Revolving Credit Loans hereunder until the Revolving Credit Maturity Date.

### **Section 2.2 Swingline Loans.**

(a) Availability. Subject to the terms and conditions of this Agreement and the other Loan Documents, including, without limitation, Section 2.2(c) of this Agreement, and in reliance upon the representations and warranties set forth in this Agreement and the other Loan Documents, the Swingline Lender may, in its sole discretion, make Swingline Loans in Dollars to the Borrower from time to time from the Closing Date to, but not including, the

Revolving Credit Maturity Date; provided that (i) after giving effect to any amount requested, the Revolving Credit Outstandings shall not exceed the Revolving Credit Commitment and

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(ii) the aggregate principal amount of all outstanding Swingline Loans (after giving effect to any amount requested) shall not exceed the Swingline Commitment.

(b) Refunding.

(i) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), by written notice given no later than 11:00 a.m. on any Business Day request each Revolving Credit Lender to make, and each Revolving Credit Lender hereby agrees to make, a Revolving Credit Loan as a Base Rate Loan in an amount equal to such Revolving Credit Lender's Revolving Credit Commitment Percentage of the aggregate amount of the Swingline Loans outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Credit Lender shall make the amount of such Revolving Credit Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such notice. The proceeds of such Revolving Credit Loans shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Swingline Loans. No Revolving Credit Lender's obligation to fund its respective Revolving Credit Commitment Percentage of a Swingline Loan shall be affected by any other Revolving Credit Lender's failure to fund its Revolving Credit Commitment Percentage of a Swingline Loan, nor shall any Revolving Credit Lender's Revolving Credit Commitment Percentage be increased as a result of any such failure of any other Revolving Credit Lender to fund its Revolving Credit Commitment Percentage of a Swingline Loan.

(ii) The Borrower shall pay to the Swingline Lender on demand, and in any event on the Revolving Credit Maturity Date, in immediately available funds the amount of such Swingline Loans to the extent amounts received from the Revolving Credit Lenders are not sufficient to repay in full the outstanding Swingline Loans requested or required to be refunded. If any portion of any such amount paid to the Swingline Lender shall be recovered by or on behalf of the Borrower from the Swingline Lender in bankruptcy or otherwise, the loss of the amount so recovered shall be ratably shared among all the Revolving Credit Lenders in accordance with their respective Revolving Credit Commitment Percentages.

(iii) If for any reason any Swingline Loan cannot be refinanced with a Revolving Credit Loan pursuant to Section 2.2(b)(i), each Revolving Credit Lender shall, on the date such Revolving Credit Loan was to have been made pursuant to the

notice referred to in Section 2.2(b)(i), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender

an amount (the “Swingline Participation Amount”) equal to such Revolving Credit Lender’s Revolving Credit Commitment Percentage of the aggregate principal amount of Swingline Loans then outstanding. Each Revolving Credit Lender will immediately transfer to the Swingline Lender, in immediately available funds, the amount of its Swingline Participation Amount. Whenever, at any time after the Swingline Lender has received from any Revolving Credit Lender such Revolving Credit Lender’s Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Revolving Credit Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender’s participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Revolving Credit Lender’s pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Credit Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(iv) Each Revolving Credit Lender’s obligation to make the Revolving Credit Loans referred to in Section 2.2(b)(i) and to purchase participating interests pursuant to Section 2.2(b)(iii) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Revolving Credit Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article VI, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower, any other Credit Party or any other Revolving Credit Lender or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(v) If any Revolving Credit Lender fails to make available to the Administrative Agent, for the account of the Swingline Lender, any amount required to be paid by such Revolving Credit Lender pursuant to the foregoing provisions of this Section 2.2(b) by the time specified in Section 2.2(b)(i) or 2.2(b)(iii), as applicable, the Swingline Lender shall be entitled to recover from such Revolving Credit Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swingline Lender at a rate per

annum equal to the applicable Federal Funds Rate, plus any administrative, processing or similar fees customarily charged by the Swingline Lender in

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connection with the foregoing. If such Revolving Credit Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Revolving Credit Lender's Revolving Credit Loan or Swingline Participation Amount, as the case may be. A certificate of the Swingline Lender submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this clause (v) shall be conclusive absent manifest error.

(c) Defaulting Lenders. So long as any Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan. Notwithstanding anything to the contrary contained in this Agreement, this Section 2.2 shall be subject to the terms and conditions of Section 5.15.

### **Section 2.3 Procedure for Advances of Revolving Credit Loans and Swingline**

#### **Loans.**

(a) Requests for Borrowing. The Borrower shall give the Administrative Agent irrevocable prior notice of any request for borrowing of Revolving Credit Loans, which may be given by: (x) telephone or (y) a Notice of Borrowing/Conversion/Continuation; provided that any telephonic notice must be confirmed promptly by delivery to the Administrative Agent of a Notice of Borrowing/Conversion/Continuation not later than 12:00 noon (i) on the same Business Day as each Base Rate Loan and each ~~BSBY~~Term SOFR Daily Floating Rate Loan and (ii) at least two (2) Business Days before each ~~BSBY~~RateTerm SOFR Loan, specifying (A) the date of such borrowing, which shall be a Business Day, (B) the amount of such borrowing, which shall be, (x) with respect to Base Rate Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans in an aggregate principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof, and (y) with respect to ~~BSBY~~RateTerm SOFR Loans in an aggregate principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof, (C) whether the Revolving Credit Loans are to be ~~BSBY~~RateTerm SOFR Loans, ~~BSBY~~Term SOFR Daily Floating Rate Loans or Base Rate Loans, and (D) in the case of a ~~BSBY~~RateTerm SOFR Loan, the duration of the Interest Period applicable thereto. If the Borrower fails to specify a type of Loan in a Notice of Borrowing/Conversion/Continuation, then the applicable Revolving Credit Loans shall be made as Base Rate Loans. If the Borrower requests a borrowing of ~~BSBY~~RateTerm SOFR Loans in any such Notice of Borrowing/Conversion/Continuation, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. A Notice of Borrowing/Conversion/Continuation received after 12:00 noon shall be deemed received on the next Business Day. The Administrative Agent shall promptly notify the Revolving Credit Lenders of each Notice of Borrowing/Conversion/Continuation.



The Borrower shall give the Swingline Lender and the Administrative Agent irrevocable prior notice of any request for borrowing of Swingline Loans, which may be given by: (x) telephone or (y) a Swingline Loan Notice; provided that any telephonic notice must be confirmed promptly by delivery to the Swingline Lender and Administrative Agent of a Swingline Loan Notice not later than 1:00 p.m. on the same Business Day as such Swingline Loan, specifying (A) the date of such borrowing, which shall be a Business Day, and (B) the amount of such borrowing, which shall be in an aggregate principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof. A Swingline Loan Notice received after 1:00 p.m. shall be deemed received on the next Business Day.

(b) Disbursement of Revolving Credit and Swingline Loans. (i) Not later than 2:00 p.m. on the proposed borrowing date, each Revolving Credit Lender will make available to the Administrative Agent, for the account of the Borrower, at the Administrative Agent's Office in funds immediately available to the Administrative Agent, such Revolving Credit Lender's Revolving Credit Commitment Percentage of the Revolving Credit Loans to be made on such borrowing date. The Borrower hereby irrevocably authorizes the Administrative Agent to make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to the Administrative Agent by the Borrower. Subject to Section 5.7 hereof, the Administrative Agent shall not be obligated to disburse the portion of the proceeds of any Revolving Credit Loan requested pursuant to this Section to the extent that any Revolving Credit Lender has not made available to the Administrative Agent its Revolving Credit Commitment Percentage of such Loan.

(ii) Not later than 3:00 p.m. on the proposed borrowing date, the Swingline Lender will make available to the Borrower at its office by crediting the account of the Borrower on the books of the Swingline Lender in immediately available funds, the Swingline Loans to be made on such borrowing date.

Revolving Credit Loans to be made for the purpose of refunding Swingline Loans shall be made by the Revolving Credit Lenders as provided in Section 2.2(b).

#### **Section 2.4 Repayment and Prepayment of Revolving Credit and Swingline Loans.**

(a) Repayment on Termination Date. The Borrower hereby agrees to repay the outstanding principal amount of (i) all Revolving Credit Loans in full on the Revolving Credit Maturity Date, and (ii) all Swingline Loans on the earlier to occur of (A) the date ten



Business Days after such Loan is made and (ii) the Revolving Credit Maturity Date, together, in each case, with all accrued but unpaid interest thereon.

(b) Mandatory Prepayments. If at any time the Revolving Credit Outstandings exceed the Revolving Credit Commitment, the Borrower agrees to repay immediately upon notice from the Administrative Agent, by payment to the Administrative Agent for the account of the Revolving Credit Lenders, Revolving Extensions of Credit in an amount equal to such excess with each such repayment applied first, to the principal amount of outstanding Swingline Loans, second to the principal amount of outstanding Revolving Credit Loans and third, with respect to any Letters of Credit then outstanding, a payment of Cash Collateral into a Cash Collateral account opened by the Administrative Agent, for the benefit of the Revolving Credit Lenders, in an amount equal to such excess (such Cash Collateral to be applied in accordance with Section 10.2(b)).

(c) Optional Prepayments. The Borrower may at any time and from time to time prepay Revolving Credit Loans and Swingline Loans, in whole or in part, without premium or penalty, with an irrevocable Notice of Prepayment to the Administrative Agent (or, in the case of Swingline Loans, to the Swingline Lender, with a copy to the Administrative Agent) given not later than, unless the Administrative Agent, or Swingline Lender, as applicable, may agree, 12:00 noon (i) on the same Business Day as each Base Rate Loan, ~~BSBY~~Term SOFR Daily Floating Rate Loan and each Swingline Loan and (ii) at least two (2) Business Days before each ~~BSBY~~RateTerm SOFR Loan, specifying the date and amount of prepayment and whether the prepayment is of ~~BSBY~~RateTerm SOFR Loans, ~~BSBY~~Term SOFR Daily Floating Rate Loans, Base Rate Loans, Swingline Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. Upon receipt of such notice of prepayment of Revolving Credit Loans, the Administrative Agent shall promptly notify each Revolving Credit Lender. If any such notice is given, the amount specified in such notice shall be due and payable on the date set forth in such notice; provided that the Borrower may state that such notice 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 and, as applicable, the Swingline Lender, on or prior to the specified effective date) if such condition is not satisfied. Partial prepayments shall be in an aggregate amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof with respect to ~~BSBY~~Term SOFR Daily Floating Rate Loans and Base Rate Loans, \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof with respect to ~~BSBY~~RateTerm SOFR Loans and \$100,000 or a whole multiple of \$100,000 in excess thereof with respect to Swingline Loans. A Notice of Prepayment received after 12:00 noon shall be deemed received on the next Business Day. Each such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof.



(d) Hedge Agreements. No repayment or prepayment of the Loans pursuant to this Section shall affect any of the Borrower's obligations under any Hedge Agreement entered into with respect to the Loans.

#### **Section 2.5 Permanent Reduction of the Revolving Credit Commitment**

(a) Voluntary Reduction. The Borrower shall have the right at any time and from time to time, upon at least five (5) Business Days prior irrevocable written notice to the Administrative Agent, to permanently reduce, without premium or penalty, (i) the entire Revolving Credit Commitment at any time or (ii) portions of the Revolving Credit Commitment, from time to time, in an aggregate principal amount not less than \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof, in each case, unless otherwise agreed by the Administrative Agent. Any reduction of the Revolving Credit Commitment shall be applied to the Revolving Credit Commitment of each Revolving Credit Lender according to its Revolving Credit Commitment Percentage. All Commitment Fees accrued until the effective date of any termination of the Revolving Credit Commitment shall be paid on the effective date of such termination.

(b) Corresponding Payment. Each permanent reduction permitted pursuant to this Section shall be accompanied by a payment of principal sufficient to reduce the aggregate outstanding Revolving Credit Loans, Swingline Loans and L/C Obligations, as applicable, after such reduction to the Revolving Credit Commitment as so reduced, and if the aggregate amount of all outstanding Letters of Credit exceeds the Revolving Credit Commitment as so reduced, the Borrower shall be required to deposit Cash Collateral in a Cash Collateral account opened by the Administrative Agent in an amount equal to such excess. Such Cash Collateral shall be applied in accordance with Section 10.2(b). Any reduction of the Revolving Credit Commitment to zero shall be accompanied by payment of all outstanding Revolving Credit Loans and Swingline Loans (and furnishing of Cash Collateral satisfactory to the Administrative Agent for all L/C Obligations) and shall result in the termination of the Revolving Credit Commitment and the Swingline Commitment and the Revolving Credit Facility. If the reduction of the Revolving Credit Commitment requires the repayment of any ~~BSBY-Rate~~Term SOFR Loan, such repayment shall be accompanied by any amount required to be paid pursuant to Section 5.9 hereof.

#### **Section 2.6 Termination of Revolving Credit Facility**

The Revolving Credit Facility and the Revolving Credit Commitments shall terminate on the Revolving Credit Maturity Date.

## ARTICLE III

### LETTER OF CREDIT FACILITY

#### Section 3.1 L/C Facility.

(a) Availability. Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the Revolving Credit Lenders set forth in Section 3.4(a), agrees to issue standby Letters of Credit in an aggregate amount not to exceed its L/C Commitment for the account of the Borrower or, subject to Section 3.10, any Subsidiary thereof, Letters of Credit may be issued on any Business Day from the Closing Date to the Revolving Credit Maturity Date in such form as may be approved from time to time by the applicable Issuing Lender; provided that no Issuing Lender shall issue any Letter of Credit if, after giving effect to such issuance, (a) the L/C Obligations would exceed the L/C Sublimit or (b) the Revolving Credit Outstandings would exceed the Revolving Credit Commitment.

(b) Terms of Letters of Credit. Each Letter of Credit shall (i) be denominated in Dollars in a minimum amount of \$100,000, (or such lesser amount as agreed to by the applicable Issuing Lender), (ii) expire on a date no more than twelve (12) months after the date of issuance or last renewal of such Letter of Credit (subject to automatic renewal for additional one (1) year periods (but not to a date later than the date set forth below) pursuant to the terms of the Letter of Credit Application or other documentation acceptable to the applicable Issuing Lender), which date shall be no later than one year after the Revolving Credit Maturity Date; provided that any Letter of Credit may expire after the Revolving Credit Maturity Date (each such Letter of Credit, an "Extended Letter of Credit") subject to the requirements of Section 3.11, and (iii) be subject to the ISP as set forth in the Letter of Credit Application or as determined by the applicable Issuing Lender and, to the extent not inconsistent therewith, the laws of the State of New York. No Issuing Lender shall at any time be obligated to issue any Letter of Credit hereunder if (A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such Issuing Lender from issuing such Letter of Credit, or any Applicable Law applicable to such Issuing Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such Issuing Lender shall prohibit, or request that such Issuing Lender refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such Issuing Lender with respect to letters of credit generally or such Letter of Credit in particular any restriction or reserve or capital requirement (for which such Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or any unreimbursed loss, cost or expense that was not applicable, in effect as of the Closing Date and that such Issuing Lender in good faith deems material to

it, (B) the conditions set forth in Section 6.2 are not satisfied, (C) the issuance of such Letter of Credit would violate one or more policies of such Issuing Lender applicable to letters of

credit generally or (D) the beneficiary of such Letter of Credit is a Sanctioned Person. References herein to “issue” and derivations thereof with respect to Letters of Credit shall also include extensions or modifications of any outstanding Letters of Credit, unless the context otherwise requires. As of the Closing Date, each of the Existing Letters of Credit shall constitute, for all purposes of this Agreement and the other Loan Documents, a Letter of Credit issued and outstanding hereunder.

(c) Defaulting Lenders. So long as any Lender is a Defaulting Lender, no Issuing Lender shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto. Notwithstanding anything to the contrary contained in this Agreement, this Article III shall be subject to the terms and conditions of Section 5.14 and Section 5.15.

**Section 3.2 Procedure for Issuance of Letters of Credit.** The Borrower may from time to time request that any Issuing Lender issue a Letter of Credit by delivering to such Issuing Lender at its applicable office (with a copy to the Administrative Agent at the Administrative Agent’s Office) a Letter of Credit Application therefor, completed to the satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender or the Administrative Agent may request. Upon receipt of any Letter of Credit Application, the applicable Issuing Lender shall process such Letter of Credit Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 3.1 and Article VI, promptly issue the Letter of Credit requested thereby (but in no event shall such Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Letter of Credit Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by such Issuing Lender and the Borrower. The applicable Issuing Lender shall promptly furnish to the Borrower and the Administrative Agent a copy of such Letter of Credit and the Administrative Agent shall promptly notify each Revolving Credit Lender of the issuance and upon request by any Lender, furnish to such Revolving Credit Lender a copy of such Letter of Credit and the amount of such Revolving Credit Lender’s participation therein.

**Section 3.3 Commissions and Other Charges.**

(a) Letter of Credit Commissions. Subject to Section 5.15(a)(iii)(2), the Borrower shall pay to the Administrative Agent, for the account of the applicable Issuing Lender and the L/C Participants, a letter of credit commission with respect to each Letter of Credit in the amount equal to the daily amount available to be drawn under such Letters of Credit times the Applicable Margin with respect to Revolving Credit Loans that are ~~BSBY~~

~~Rate~~Term SOFR Loans (determined, in each case, on a per annum basis). Such commission shall be payable quarterly in arrears on the last Business Day of each calendar quarter

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beginning on September 30, 2021, on the Revolving Credit Maturity Date and thereafter on demand of the Administrative Agent. The Administrative Agent shall, promptly following its receipt thereof, distribute to the applicable Issuing Lender and the L/C Participants all commissions received pursuant to this Section 3.3 in accordance with their respective Revolving Credit Commitment Percentages.

(b) Issuance Fee. In addition to the foregoing commission, the Borrower shall pay directly to the applicable Issuing Lender, for its own account, an issuance fee with respect to each Letter of Credit issued by such Issuing Lender as set forth in the Fee Letter executed by such Issuing Lender. Such issuance fee shall be payable quarterly in arrears on the tenth Business Day after the end of each calendar quarter commencing with the first such date to occur after the issuance of such Letter of Credit, on the Revolving Credit Maturity Date and thereafter on demand of the applicable Issuing Lender. For the avoidance of doubt, such issuance fee shall be applicable to and paid upon each of the Existing Letters of Credit.

(c) Other Fees, Costs, Charges and Expenses. In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse each Issuing Lender for such normal and customary fees, costs, charges and expenses as are incurred or charged by such Issuing Lender in issuing, effecting payment under, amending or otherwise administering any Letter of Credit issued by it.

#### **Section 3.4 L/C Participations.**

(a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce each Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from each Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Credit Commitment Percentage in each Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it hereunder and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by such Issuing Lender for which such Issuing Lender is not reimbursed in full by the Borrower through a Revolving Credit Loan or otherwise in accordance with the terms of this Agreement, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Credit Commitment Percentage of the amount of such draft, or any part thereof, which is not so reimbursed.



(b) Upon becoming aware of any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed

portion of any payment made by such Issuing Lender under any Letter of Credit, issued by it, such Issuing Lender shall notify the Administrative Agent of such unreimbursed amount and the Administrative Agent shall notify each L/C Participant (with a copy to the applicable Issuing Lender) of the amount and due date of such required payment and such L/C Participant shall pay to the Administrative Agent (which, in turn shall pay such Issuing Lender) the amount specified on the applicable due date. If any such amount is paid to such Issuing Lender after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand, in addition to such amount, interest at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the applicable Issuing Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by such Issuing Lender in connection with the foregoing. A certificate of such Issuing Lender with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error. With respect to payment to such Issuing Lender of the unreimbursed amounts described in this Section, if the L/C Participants receive notice that any such payment is due (A) prior to 1:00

p.m. on any Business Day, such payment shall be due that Business Day, and (B) after 1:00

p.m. on any Business Day, such payment shall be due on the following Business Day.

(c) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit issued by it and has received from any L/C Participant its Revolving Credit Commitment Percentage of such payment in accordance with this Section, such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

(d) Each L/C Participant's obligation to make the Revolving Credit Loans referred to in Section 3.4(b) and to purchase participating interests pursuant to Section 3.4(a) shall be absolute and unconditional and shall not be affected by any circumstance, including

(i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Credit Lender or the Borrower may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Article VI, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Credit Party or any other Revolving Credit Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.



**Section 3.5 Reimbursement Obligation of the Borrower.** In the event of any drawing under any Letter of Credit, the Borrower agrees to reimburse (either with the proceeds of a Revolving Credit Loan as provided for in this Section or with funds from other sources), in same day funds, the applicable Issuing Lender on each date on which such Issuing Lender notifies the Borrower of the date and amount of a draft paid by it under any Letter of Credit for the amount of (a) such draft so paid and (b) any amounts referred to in Section 3.3(c) incurred by such Issuing Lender in connection with such payment. Unless the Borrower shall immediately notify such Issuing Lender that the Borrower intends to reimburse such Issuing Lender for such drawing from other sources or funds, the Borrower shall be deemed to have timely given a Notice of Borrowing/Conversion/Continuation to the Administrative Agent requesting that the Revolving Credit Lenders make a Revolving Credit Loan as a Base Rate Loan on the applicable repayment date in the amount of (i) such draft so paid and (ii) any amounts referred to in Section 3.3(c) incurred by such Issuing Lender in connection with such payment, and the Revolving Credit Lenders shall make a Revolving Credit Loan as a Base Rate Loan in such amount, the proceeds of which shall be applied to reimburse such Issuing Lender for the amount of the related drawing and such fees and expenses. Each Revolving Credit Lender acknowledges and agrees that its obligation to fund a Revolving Credit Loan in accordance with this Section to reimburse such Issuing Lender for any draft paid under a Letter of Credit issued by it is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, non-satisfaction of the conditions set forth in Section 2.3(a) or Article VI. If the Borrower has elected to pay the amount of such drawing with funds from other sources and shall fail to reimburse such Issuing Lender as provided above, or if the amount of such drawing is not fully refunded through a Base Rate Loan as provided above, the unreimbursed amount of such drawing shall bear interest at the rate which would be payable on any outstanding Base Rate Loans which were then overdue from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full.

**Section 3.6 Obligations Absolute.** The Borrower's obligations under this Article III (including, without limitation, the Reimbursement Obligation) shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against the applicable Issuing Lender or any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees that the applicable Issuing Lender and the L/C Participants shall not be responsible for, and the Borrower's Reimbursement Obligation under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with

any Letter of Credit issued by it, except for (A) errors or omissions caused by such Issuing Lender's gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final

nonappealable judgment or (B) such Issuing Lender's willful failure to make lawful payment under any Letter of Credit after the presentation to it of a draft and certificate strictly complying with the terms and conditions of such Letter of Credit. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit issued by it or the related drafts or documents, if done in the absence of gross negligence or willful misconduct shall be binding on the Borrower and shall not result in any liability of such Issuing Lender or any L/C Participant to the Borrower. The responsibility of any Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit issued to it shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment substantially conforms to the requirements under such Letter of Credit.

**Section 3.7 Effect of Letter of Credit Application.** To the extent that any provision of any Letter of Credit Application related to any Letter of Credit is inconsistent with the provisions of this Article III, the provisions of this Article III shall apply.

**Section 3.8 Resignation of Issuing Lenders.**

(a) Any Lender may at any time resign from its role as an Issuing Lender hereunder upon not less than thirty (30) days prior notice to the Borrower and the Administrative Agent (or such shorter period of time as may be acceptable to the Borrower and the Administrative Agent).

(b) Any resigning Issuing Lender shall retain all the rights, powers, privileges and duties of an Issuing Lender hereunder with respect to all Letters of Credit issued by it that are outstanding as of the effective date of its resignation as an Issuing Lender and all L/C Obligations with respect thereto (including, without limitation, the right to require the Revolving Credit Lenders to take such actions as are required under Section 3.4). Without limiting the foregoing, upon the resignation of a Lender as an Issuing Lender hereunder, the Borrower may be requested to use commercially reasonable efforts to, arrange for one or more of the other Issuing Lenders to issue Letters of Credit hereunder in substitution for the Letters of Credit, if any, issued by such resigned Issuing Lender and outstanding at the time of such resignation.

**Section 3.9 Reporting of Letter of Credit Information and L/C Commitment.** At any time that there is an Issuing Lender that is not also the financial institution acting as Administrative Agent, then (a) on the last Business Day of each calendar month, (b) on each date that a Letter of Credit is amended, terminated or otherwise expires, (c) on each date that a Letter of Credit is issued or the expiry date of a Letter of Credit is extended, and (d) upon the request of the Administrative

Agent, each Issuing Lender (or, in the case of clauses (b), (c) or (d) of this Section, the applicable Issuing Lender) shall deliver to the Administrative Agent a report setting forth in form and detail

reasonably satisfactory to the Administrative Agent, information (including, without limitation, any reimbursement, Cash Collateral, or termination in respect of Letters of Credit issued by such Issuing Lender) with respect to each Letter of Credit issued by such Issuing Lender that is outstanding hereunder. In addition, each Issuing Lender shall provide notice to the Administrative Agent of its L/C Commitment, or any change thereto, promptly upon it becoming an Issuing Lender or making any change to its L/C Commitment. No failure on the part of any Issuing Lender to provide such information pursuant to this Section 3.9 shall limit the obligations of the Borrower or any Revolving Credit Lender hereunder with respect to its reimbursement and participation obligations hereunder.

**Section 3.10 Letters of Credit Issued for Subsidiaries.** Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse, or to cause the applicable Subsidiary to reimburse, the applicable Issuing Lender hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any of its Subsidiaries inures to the benefit of the Borrower and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

**Section 3.11 Cash Collateral for Extended Letters of Credit.**

(a) Cash Collateralization. The Borrower shall provide Cash Collateral to each applicable Issuing Lender with respect to each Extended Letter of Credit issued by such Issuing Lender (in an amount equal to 103% of the maximum face amount of each Extended Letter of Credit, calculated in accordance with Section 1.7) on the relevant date of issuance or extension with an expiry date after the Revolving Credit Maturity Date by depositing such amount in immediately available funds, in Dollars, into a cash collateral account maintained at the applicable Issuing Lender and shall enter into a cash collateral agreement in form and substance satisfactory to such Issuing Lender and such other documentation as such Issuing Lender or the Administrative Agent may reasonably request; provided that if the Borrower fails to provide Cash Collateral with respect to any such Extended Letter of Credit by such time, such event shall be treated as a drawing under such Extended Letter of Credit in an amount equal to 103% of the maximum face amount of each such Letter of Credit, calculated in accordance with Section 1.7, which shall be reimbursed (or participations therein funded) in accordance with this Article III, with the proceeds of Revolving Credit Loans (or funded participations) being utilized to provide Cash Collateral for such Letter of Credit (provided that for purposes of determining the usage of the Revolving Credit Commitment any such Extended Letter of Credit that has been, or will concurrently be, Cash Collateralized with proceeds of a Revolving Credit Loan, the portion of such Extended Letter of Credit that has been (or will concurrently be) so Cash Collateralized will not be deemed to be utilization of the Revolving Credit Commitment).





(b) Grant of Security Interest. The Borrower, and to the extent provided by the L/C Participants, each of such L/C Participants, hereby grants to the applicable Issuing Lender of each Extended Letter of Credit, and agrees to maintain, a first priority security interest in, all Cash Collateral required to be provided by this Section 3.11 as security for such Issuing Lender's obligation to fund draws under such Extended Letters of Credit, to be applied pursuant to subsection (c) below. If at any time the applicable Issuing Lender determines that the Cash Collateral is subject to any right or claim of any Person other than such Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the amount required pursuant to subsection (a) above, the Borrower will, promptly upon demand by such Issuing Lender, pay or provide to such Issuing Lender additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) Application. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, Cash Collateral provided under this Section 3.11 in respect of Extended Letters of Credit shall be applied to reimburse the applicable Issuing Lender for all drawings made under such Extended Letters of Credit and any and all fees, expenses and charges incurred in connection therewith, prior to any other application of such property as may otherwise be provided for herein.

(d) Cash Collateralized Letters of Credit. If the Borrower has fully Cash Collateralized the applicable Issuing Lender with respect to any Extended Letter of Credit issued by such Issuing Lender in accordance with subsections (a) through (c) above and the Borrower and the applicable Issuing Lender have made arrangements between them with respect to the pricing and fees associated therewith (each such Extended Letter of Credit, a "Cash Collateralized Letter of Credit"), then after the date of notice to the Administrative Agent thereof by the applicable Issuing Lender and for so long as such Cash Collateral remains in place (i) such Cash Collateralized Letter of Credit shall cease to be a "Letter of Credit" hereunder, (ii) such Cash Collateralized Letter of Credit shall not constitute utilization of the Revolving Credit Commitment, (iii) no Revolving Credit Lender shall have any further obligation to fund participations or Revolving Credit Loans to reimburse any drawing under any such Cash Collateralized Letter of Credit, (iv) no Letter of Credit commissions under Section 3.3(a) shall be due or payable to the Revolving Credit Lenders, or any of them, hereunder with respect to such Cash Collateralized Letter of Credit, and (v) any fronting fee, issuance fee or other fee with respect to such Cash Collateralized Letter of Credit shall be as agreed separately between the Borrower and such Issuing Lender.

(e) Survival. With respect to any Extended Letter of Credit, each party's obligations under this Article III and all other rights and duties of the applicable Issuing Lender of such Extended Letter of Credit, the L/C Participants and the Credit Parties with

respect to such Extended Letter of Credit shall survive the resignation or replacement of the applicable Issuing Lender or any assignment of rights by the applicable Issuing Lender, the

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termination of the Commitments and the repayment, satisfaction or discharge of the Obligations.

#### ARTICLE IV TERM LOAN FACILITY

##### Section 4.1 Initial Term Loans.

(a) Term A-1 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 A-1 Loan to the Borrower on the Closing Date in a principal amount equal to such Lender's Term Loan Commitment with respect thereto as of the Closing Date. Amounts borrowed under this Section 4.1(a) and paid or prepaid may not be reborrowed.

(b) Term A-2 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

(i) to make the Initial Term A-2 Loan to the Borrower on the Closing Date in a principal amount equal to such Lender's Term Loan Commitment with respect thereto as of the Closing Date and (ii) to make an additional advance of the Initial Term A-2 Loan to the Borrower on the First Amendment Effective Date in a principal amount equal to such Lender's Term Loan Commitment with respect thereto as of the First Amendment Effective Date. Amounts borrowed under this Section 4.1(b) and paid or prepaid may not be reborrowed.

(c) Term A-3 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 A-3 Loan to the Borrower on the Closing Date in a principal amount equal to such Lender's Term Loan Commitment with respect thereto as of the Closing Date. Amounts borrowed under this Section 4.1(c) and paid or prepaid may not be reborrowed.

##### Section 4.2 Procedure for Advance of Term Loan.

(a) Initial Term Loans. The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing/Conversion/Continuation prior to 12:00 noon on the Closing Date (or the First Amendment Effective Date with respect to the Initial Term A-2 Loans increased as of the First Amendment Effective Date) (or such shorter period as the Administrative Agent shall agree) requesting that the Term Loan Lenders make the Initial

Term Loans as Base Rate Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans on such date (provided that the Borrower may request, no later than two (2) Business Days prior to the Closing Date (or [the First Amendment Effective Date with respect to the Initial Term A-2 Loans increased as of the First Amendment Effective Date](#)) (or such shorter period as the Administrative Agent shall agree), that the Lenders make the Initial Term Loans as ~~BSBY~~ RateTerm SOFR Loans 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 Closing Date [\(or the First Amendment Effective Date with respect to the Initial Term A-2 Loans increased as of the First Amendment Effective Date\)](#), 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 Loans to be made by such Term Loan Lender on the Closing Date [\(or the First Amendment Effective Date with respect to the Initial Term A-2 Loans increased as of the First Amendment Effective Date\)](#). The Borrower hereby irrevocably authorizes the Administrative Agent to disburse the proceeds of the Initial Term Loans in immediately available funds by wire transfer to such Person or Persons as may be designated by the Borrower in writing.

(b) Incremental Term Loans. Any Incremental Term Loans shall be borrowed pursuant to, and in accordance with [Section 5.13](#).

### **Section 4.3 Repayment of Term Loans.**

(a) Initial Term Loans.

(i) Initial Term A-1 Loan. The Borrower shall repay the aggregate outstanding principal amount of the Initial Term A-1 Loan on the Term Loan Maturity Date, together with all accrued but unpaid interest thereon.

(ii) Initial Term A-2 Loan. The Borrower shall repay the aggregate outstanding principal amount of the Initial Term A-2 Loan on the Term Loan Maturity Date, together with all accrued but unpaid interest thereon.

(iii) Initial Term A-3 Loan. The Borrower shall repay the aggregate outstanding principal amount of the Initial Term A-3 Loan in equal quarterly installments of \$10,000,000 on the last day of each March, June, September and December (commencing on September 30, 2024), which amounts shall be reduced as a result of the application of prepayments hereunder, unless accelerated sooner

pursuant to Section 10.2. The Borrower shall repay the remaining aggregate outstanding principal amount of the Initial Term A-3 Loan on the Term Loan Maturity Date, together with all accrued but unpaid interest thereon.

(b) Incremental Term Loans. The Borrower shall repay the aggregate outstanding principal amount of each Incremental Term Loan (if any) as determined pursuant to, and in accordance with, Section 5.13.

**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 or ~~BSBY~~Term SOFR Daily Floating Rate Loans and (ii) at least two (2) Business Days before each ~~BSBY~~RateTerm SOFR Loan, specifying the date and amount of repayment and whether the repayment is of ~~BSBY~~RateTerm SOFR Loans, ~~BSBY~~Term SOFR Daily Floating Rate 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, (i) Revolving Credit Loans and the Term Loans shall bear interest at (A) the Base Rate plus the Applicable Margin, (B) the ~~BSBY~~Term SOFR Daily Floating Rate plus the Applicable Margin or (C) ~~the BSBY~~RateTerm SOFR plus the Applicable Margin (provided that ~~the BSBY~~RateTerm SOFR shall not be available until two (2) Business Days after the Closing Date unless 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) and (ii)



any Swingline Loan shall bear interest at the ~~BSBY~~Term SOFR Daily Floating Rate plus the Applicable Margin applicable to Revolving Credit Loans that are ~~BSBY~~Term SOFR Daily Floating Rate Loans. 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, immediately upon the occurrence and during the continuance of an Event of Default under Section 10.1(a), (b), (h) or (i), (i) the Borrower shall no longer have the option to request or continue ~~BSBY~~RateTerm SOFR Loans or convert Base Rate Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans into ~~BSBY~~RateTerm SOFR Loans, (ii) all overdue ~~BSBY~~RateTerm 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 ~~BSBY~~RateTerm SOFR Loans until the end of the applicable Interest Period, (iii) all overdue ~~BSBY~~Term SOFR Daily Floating Rate Loans 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 ~~BSBY~~Term SOFR Daily Floating Rate Loans and (iv) 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 and on each ~~BSBY~~Term SOFR Daily Floating Rate Loan shall be due and payable in arrears on the last Business Day of each March, June, September and December commencing September 30, 2021; and interest on each ~~BSBY~~RateTerm 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

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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) ~~BSBY~~SOFR. With respect to ~~BSBY~~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 third Business Day after the Closing Date (or earlier if acceptable to the Administrative Agent) all or any portion of any outstanding Base Rate Loans or outstanding ~~BSBY~~Term SOFR Daily Floating Rate Loans, in each case in a principal amount equal to \$5,000,000 or any whole multiple of \$1,000,000 in excess thereof into one or more ~~BSBY-Rate~~Term SOFR Loans and (b) upon the expiration of any Interest Period, (i) convert all or any part of its outstanding ~~BSBY-Rate~~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 ~~BSBY~~Term SOFR Daily Floating Rate Loans or (ii) provided that no Default or Event of Default has occurred and is then continuing, continue such ~~BSBY-Rate~~Term SOFR Loans as ~~BSBY-Rate~~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 noon 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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~Term SOFR Loan, then the applicable ~~BSBY-Rate~~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 ~~BSBY Rate~~Term SOFR Loan. If the

Borrower requests a conversion to, or continuation of, ~~BSBY Rate~~Term SOFR Loans, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swingline Loan may not be converted to a ~~BSBY Rate~~Term SOFR Loan and shall always be maintained as a ~~BSBY~~Term SOFR Daily Floating Rate Loan. The Administrative Agent shall promptly notify the affected Lenders of such Notice of Borrowing/Conversion/Continuation.

### **Section 5.3 Fees.**

(a) Commitment Fee. Commencing on the Closing Date, subject to Section 5.15(a)(iii)(1), the Borrower shall pay to the Administrative Agent, for the account of the Revolving Credit Lenders, a non-refundable commitment fee (the "Commitment Fee") at a rate per annum equal to the Applicable Margin times the actual daily amount of the unused portion of the Revolving Credit Commitment of the Revolving Credit Lenders (other than the Defaulting Lenders, if any); provided, that the amount of outstanding Swingline Loans shall not be considered usage of the Revolving Credit Commitment for the purpose of calculating the Commitment Fee. The Commitment Fee shall be payable in arrears on the last Business Day of each calendar quarter during the term of this Agreement commencing September 30, 2021 and ending on the date upon which all Obligations (other than contingent indemnification obligations not then due) arising under the Revolving Credit Facility shall have been indefeasibly and irrevocably paid and satisfied in full, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitment has been terminated. The Commitment Fee shall be distributed by the Administrative Agent to the Revolving Credit Lenders (other than any Defaulting Lender) pro rata in accordance with such Revolving Credit Lenders' respective Revolving Credit Commitment Percentages.

(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 (including the Reimbursement Obligation) 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, in like funds as received by wire transfer to such Lender's Lending Office, its Commitment Percentage in respect of the relevant Credit Facility (or other applicable share as provided herein) of such payment. Each payment to the Administrative Agent of any Issuing Lender's fees or L/C Participants' commissions shall be made in like manner, but for the account of such Issuing Lender or the L/C Participants, as the case may be. 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 Sections 5.9, 5.10, 5.11 or 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).

The Swingline Lender shall be responsible for invoicing the Borrower for interest on the Swingline Loans. Until each Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to Section 2.2 to refinance such Revolving Credit Lender's Revolving Credit Commitment Percentage of any Swingline Loan, interest in respect of such Revolving Credit Commitment Percentage shall be solely for the account of the Swingline Lender.

The Borrower shall make all payments of principal and interest in respect of the Swingline Loans directly to the Swingline Lender.

#### **Section 5.5 Evidence of Indebtedness.**

(a) Extensions of Credit. The Extensions of Credit made by each Lender and each Issuing Lender shall be evidenced by one or more accounts or records maintained by such Lender or such Issuing Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender or the applicable Issuing Lender shall be conclusive absent manifest error of the amount of the Extensions of Credit made by the Lenders or such Issuing Lender 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 or any Issuing 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 Revolving Credit Note, Term Loan Note and/or Swingline Note, as applicable, which shall evidence such Lender's Revolving Credit Loans, Term Loans and/or Swingline Loans, as applicable, 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) Participations. In addition to the accounts and records referred to in subsection (a), each Revolving Credit Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Revolving Credit Lender of participations in Letters of Credit and Swingline Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Revolving Credit Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

**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 Sections 5.9, 5.10, 5.11 or 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), (B) the application of Cash Collateral provided for in Section 3.11 or Section 5.14 or (C) any payment obtained by a Lender as consideration for the assignment of, or sale of, a participation in any of its Loans or participations in Swingline Loans and Letters of





Credit 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 Sections 2.3(b) and 4.2 (or, in the case of a borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.3(b) and 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, the Issuing Lender or the Swingline Lender 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 Issuing Lender or the Swingline Lender, as the case may be, the amount due. With respect to any payment that the Administrative Agent makes for the account of the Lenders or the Issuing Lender 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 or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender or the Issuing 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, to issue or participate in Letters of Credit 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 ~~Changed Circumstances~~Inability to Determine Rates.**

(a) Circumstances Affecting ~~BSBY-Rate~~Term SOFR Availability. If in connection with any request for a ~~BSBY-Rate~~Term SOFR Loan or a conversion to or continuation thereof or a request for, or conversion to, a ~~BSBY~~Term SOFR Daily Floating Rate Loan, as applicable, (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 ~~BSBY~~Term SOFR for any requested Interest Period with respect to a proposed ~~BSBY-Rate~~Term SOFR Loan or in connection with an existing or proposed Base Rate Loan or ~~BSBY~~Term SOFR Daily Floating Rate Loan or (ii) the Administrative Agent or the Required Lenders determine for any reason that ~~the BSBY-Rate~~Term SOFR for any requested Interest Period with respect to a proposed ~~BSBY-Rate~~Term SOFR Loan or ~~BSBY~~Term SOFR Daily Floating Rate 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 ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans or to convert Base Rate Loans to ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans shall be suspended (to the extent of the affected ~~BSBY-Rate~~Term SOFR Loans, Interest Periods or ~~BSBY~~Term SOFR Daily Floating Rate Loans), and (y) in the event of a determination described in the preceding sentence with respect to the ~~BSBY-Rate~~Term SOFR component of the Base Rate, the utilization of the ~~BSBY-Rate~~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 ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans (to the extent of the affected ~~BSBY-Rate~~Term SOFR Loans, Interest Periods or ~~BSBY~~Term SOFR Daily Floating Rate Loans) 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 ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans shall be deemed to have been converted to Base Rate Loans immediately at the end of their respective applicable Interest Period.

(b) Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, but without limiting Section 5.8(a) above:

, ~~(A)~~ 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 BSBYTerm SOFR including, without limitation, because the BSBYTerm SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) BloombergCME or any successor administrator of the BSBYTerm SOFR Screen Rate or a Governmental Authority having or purporting to have jurisdiction over the Administrative Agent or ~~Bloomberg~~ or such administrator has made a public statement identifying a specific date after which one month, three month and six month interest periods of BSBYTerm SOFR or the BSBYTerm 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; ~~or that such interest periods or BSBY Screen Rate have failed to comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; 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 BSBYTerm SOFR after such specific date (the latest date on which one month, three month, and six month interest periods of BSBYTerm SOFR or the BSBYTerm SOFR Screen Rate are no longer representative or available permanently or indefinitely, the “Scheduled Unavailability Date”);

~~(B) solely on one occasion occurring prior to December 31, 2022, the Borrower notifies the Administrative Agent in writing (which notice shall be made~~

~~available to the Lenders) that the Borrower elects to replace BSBY hereunder with an alternative benchmark,~~



then, ~~in the case of either clause (A) or clause (B) above~~, on a date and time determined by the Administrative Agent (any such date, the “~~BSBY~~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 (A)(ii) above, no later than the Scheduled Unavailability Date, ~~BSBY~~Term SOFR or the Term SOFR Daily Floating Rate, as applicable, will be replaced hereunder and under any Loan Document with, ~~subject to the proviso below, the first available alternative set forth in the order below~~ 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”):

(x) ~~Term SOFR~~ plus the SOFR Adjustment; and

(y) ~~Daily Simple SOFR~~ plus the SOFR Adjustment;

~~provided that, if initially BSBY is replaced with the rate contained in clause (y) above (Daily Simple SOFR plus the SOFR Adjustment) and subsequent to such replacement, the Administrative Agent determines that Term SOFR has become available and is administratively feasible for the Administrative Agent in its sole discretion, and the Administrative Agent notifies the Borrower and each Lender of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Successor Rate shall be Term SOFR plus the SOFR Adjustment.~~

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 ~~neither of the alternatives set forth in clauses (x) and (y) above is~~ Daily Simple SOFR is not available on or prior to the ~~BSBY~~Term SOFR Replacement Date or (ii) if the events or circumstances of the type described in Section 5.8(b)(A)(i) or ~~(A)(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 ~~BSBY~~Term SOFR, the Term SOFR Daily Floating Rate 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 ~~syndicated~~ 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 ~~syndicated~~ credit facilities ~~for such benchmarks which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated~~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~~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 ~~or charge~~Loans whose interest ~~with respect to any Extension of Credit~~is determined by reference to SOFR or Term SOFR, or to determine or charge interest rates based upon ~~BSBY~~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 ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term

SOFR Daily Floating Rate Loans or to convert Base Rate Loans to ~~BSBY-Rate~~Term SOFR Loans or ~~BSBY~~Term  
SOFR Daily Floating Rate 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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~Term SOFR Loans and/or ~~BSBY~~Term SOFR Daily Floating Rate Loans, as applicable, 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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~Term SOFR Loans and/or ~~BSBY~~Term SOFR Daily Floating Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such ~~BSBY-Rate~~Term SOFR Loans and/or ~~BSBY~~Term SOFR Daily Floating Rate Loans and (B) if such notice asserts the illegality of such Lender determining or charging interest rates based upon ~~the BSBY Rate~~SOFR, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the ~~BSBY-Rate~~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 ~~the BSBY Rate~~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 ~~BSBY-Rate~~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 ~~BSBY-Rate~~Term SOFR Loan, (b) due to any failure of the Borrower to borrow or continue a ~~BSBY-Rate~~Term SOFR Loan or convert to a ~~BSBY-Rate~~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 ~~BSBY-Rate~~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

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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 or any Issuing 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 or any Issuing Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or ~~BSBY Rate~~Term SOFR Loans or ~~BSBY~~Term SOFR Daily Floating Rate Loans made by such Lender or any Letter of Credit or participation therein;

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

(b) Capital Requirements. If any Lender or any Issuing Lender determines that any Change in Law affecting such Lender or such Issuing Lender or any Lending Office of such Lender or such Lender's or such Issuing 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 or such Issuing Lender's capital or on the capital of such Lender's or such

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Issuing Lender's holding company, if any, as a consequence of this Agreement, the Revolving Credit Commitment of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by such Issuing Lender, to a level below that which such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Lender's policies and the policies of such Lender's or such Issuing Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon written request of such Lender or such Issuing Lender the Borrower shall promptly pay to such Lender or such Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Lender or such Lender's or such Issuing Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender, or an Issuing Lender or such other Recipient setting forth the amount or amounts necessary to compensate such Lender or such Issuing 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 Issuing 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 any Issuing Lender or such other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing 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 an Issuing 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 Issuing 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 Issuing 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 Sections 5.10(a) and (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 “Lender” includes any Issuing Lender and 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)(1), (ii)(2) and (ii)(4) 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:

(1) 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;

(2) 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:

(a) 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;

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

(c) 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

(d) 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;

(3) 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

(4) 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 (4), "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 and funded participations in Letters of Credit and Swingline 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 Incremental Loans**

(a) At any time (up to a maximum of ~~three~~two times subsequent to the First Amendment Effective Date during the term of this Agreement), the Borrower may by written notice to the Administrative Agent elect to request the establishment of:

(i) one or more incremental term “A” loan commitments (any such incremental term loan commitment, an “Incremental Term Loan Commitment”) to make one or more additional term loans (any such additional term loan, an “Incremental Term Loan”);

(ii) one or more increases in the Term Loan Commitments (any such increase, an “Incremental Initial Term Loan Increase”) to make one or more borrowings of additional term loans (each, an “Incremental Initial Term Loan”) the principal amount of which will be added to the outstanding principal amount of the Initial Term Loans; or

(iii) one or more increases in the Revolving Credit Commitments (any such increase, an “Incremental Revolving Credit Commitment” and, together with

the Incremental Initial Term Loan Increase, the “Incremental Commitment Increases”) to make revolving credit loans under the Revolving Credit Facility (any



such increase, an “Incremental Revolving Credit Increase” and, together with the Incremental Term Loans and Incremental Initial Term Loans, the “Incremental Loans”);

provided that (1) the total aggregate initial principal amount (as of the date of incurrence thereof and without duplication) of such requested Incremental Commitment Increases, Incremental Term Loan Commitments and Incremental Loans shall not exceed the Incremental Facilities Limit and (2) the total aggregate amount for each Incremental Commitment Increase and Incremental Term Loan Commitment (and the Incremental Loans made thereunder) shall not be less than a minimum principal amount of \$50,000,000 or, if less, the remaining amount permitted pursuant to the foregoing clause (1). Each such notice shall specify the date (each, an “Increased Amount Date”) on which the Borrower proposes that any Incremental Commitment Increase or Incremental Term Loan Commitment shall be effective, which shall be a date not less than ten (10) Business Days after the date on which such notice is delivered to Administrative Agent (or such later date as may be approved by the Administrative Agent). The Borrower may invite any Lender, any Affiliate of any Lender and/or any Approved Fund, and/or any other Person reasonably satisfactory to the Administrative Agent (whose consent may not be unreasonably withheld or delayed) and, if an Incremental Revolving Credit Increase, the Issuing Lenders and the Swingline Lender, to provide an Incremental Commitment Increase or Incremental Term Loan Commitment (any such Person, an “Incremental Lender”). Any proposed Incremental Lender offered or approached to provide all or a portion of any Incremental Commitment Increase or Incremental Term Loan Commitment may elect or decline, in its sole discretion, to provide such Incremental Commitment Increase or Incremental Term Loan Commitment or any portion thereof. Any Incremental Commitment Increase or Incremental Term Loan Commitment shall become effective as of such Increased Amount Date; provided that each of the following conditions has been satisfied or waived as of such Increased Amount Date:

(1) no Default or Event of Default shall exist on such Increased Amount Date immediately prior to or after giving effect to any Incremental Commitment Increase or Incremental Term Loan Commitment; provided, however, that in the case of any Incremental Term Loan Commitments the proceeds of which are used to fund a Limited Condition Acquisition substantially concurrently upon the receipt thereof, (A) the satisfaction of such condition shall be subject to Section 1.11 and (B) no Event of Default

under Section 10.1(a), (b), (h) or (i) shall exist at the time of, or would result from, the making of the applicable Incremental Term Loan;

(2) subject in the case of any Incremental Term Loan the proceeds of which are being used to finance a Limited Condition Acquisition to Section 1.11, the Administrative Agent and the Lenders shall have received from the Borrower an Officer's Compliance Certificate demonstrating that the Borrower is in compliance with the financial covenants set forth in Section 9.9 based on the financial statements most recently delivered pursuant to Section 8.1(a) or 8.1(b), as applicable, both before and after giving effect (on a Pro Forma Basis) to any Incremental Commitment Increase or Incremental Term Loan Commitment (and the application of proceeds of any Incremental Loans pursuant thereto);

(3) each of the representations and warranties contained in Article VII shall be true and correct in all material respects, except to the extent any such representation and warranty is qualified by materiality or reference to Material Adverse Effect, in which case, such representation and warranty shall be true and correct in all respects, on such Increased Amount 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 as of such earlier date); provided that, with respect to any Incremental Term Loan the proceeds of which are used to fund a Limited Condition Acquisition substantially concurrently upon the receipt thereof, such representations and warranties shall be limited to customary "specified representations" reasonably agreed between the Borrower and the Lenders providing the applicable Incremental Term Loan Commitments;

(4) each Incremental Commitment Increase or Incremental Term Loan Commitment (and the Incremental Loans made thereunder) shall constitute Obligations of the Borrower and shall be guaranteed with the other Extensions of Credit on a *pari passu* basis;

(5) in the case of each Incremental Term Loan, such terms as shall be determined by the Borrower and the applicable Incremental Lenders; provided that such Incremental Term Loan will not mature or amortize prior to the Term Loan Maturity Date;

(a) in the case of each Incremental Revolving Credit Increase, all of the terms and conditions applicable to such

Incremental Revolving Credit Increase shall be identical to the terms and conditions applicable to the Revolving Credit Facility;

(b) in the case of each Incremental Initial Term Loan Increase, all of the terms and conditions applicable to such Incremental Initial Term Loan Increase shall be identical to the terms and conditions applicable to the applicable Initial Term Loans;

(6) such Incremental Commitment Increase or Incremental Term Loan Commitment shall be effected pursuant to one or more Lender Joinder Agreements executed and delivered by the Borrower, the Administrative Agent and the applicable Incremental Lenders (which Lender Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 5.13); and

(7) the Borrower shall deliver or cause to be delivered any customary legal opinions or other documents, including, without limitation, a resolution duly adopted by the board of directors (or equivalent governing body) of each Credit Party authorizing such Incremental Commitment Increase or Incremental Term Loan Commitment as may be reasonably requested by Administrative Agent in connection with any such transaction.

(b) The Incremental Term Loans shall be deemed to be Term Loans; provided that any such Incremental Term Loan shall be designated as a separate tranche of Term Loans for all purposes of this Agreement.

(c) The Incremental Lenders shall be included in any determination of the Required Lenders or Required Revolving Credit Lenders, as applicable, and, unless otherwise agreed, the Incremental Lenders will not constitute a separate voting class for any purposes under this Agreement.

(d) On any Increased Amount Date on which any Incremental Term Loan Commitment or Incremental Initial Term Loan Increase becomes effective, subject to the foregoing terms and conditions, each Incremental Lender with an Incremental Term Loan Commitment or commitment to an Incremental Initial Term Loan Increase shall make, or be obligated to make, an Incremental Term Loan or Incremental Initial Term Loan to the Borrower in an amount equal to its Incremental Term Loan Commitment or Incremental Initial Term Loan Increase, at the case may be, and shall become a Term Loan Lender hereunder with respect to such Incremental Term Loan Commitment or Incremental Initial

Term Loan Increase and the Incremental Term Loan or the Incremental Initial Term Loans made pursuant thereto.

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(e) On any Increased Amount Date on which any Incremental Revolving Credit Increase becomes effective, subject to the foregoing terms and conditions, each Incremental Lender with an Incremental Revolving Credit Commitment shall become a Revolving Credit Lender hereunder with respect to such Incremental Revolving Credit Commitment.

**Section 5.14 Cash Collateral.** At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or any Issuing Lender (with a copy to the Administrative Agent), the Borrower shall Cash Collateralize the Fronting Exposure of such Issuing Lender with respect to such Defaulting Lender (determined after giving effect to Section 5.15(a)(iv)) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(a) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of each Issuing Lender and the Lenders, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to subsection (b) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and each Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(b) Application. Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, Cash Collateral provided under this Section 5.14 or Section 5.15 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Fronting Exposure of any Issuing Lender shall no longer be required to be held as Cash Collateral pursuant to this Section 5.14 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent

and the Issuing Lenders that there exists excess Cash Collateral; provided that, subject to Section 5.15, the Person providing Cash Collateral and the Issuing Lenders may agree that



Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations.

**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, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Lenders or the Swingline Lender hereunder; third, to Cash Collateralize the Fronting Exposure of the Issuing Lenders with respect to such Defaulting Lender in accordance with Section 5.14; fourth, 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; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (A) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans and funded participations under this Agreement and (B) Cash Collateralize the Issuing Lenders' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 5.14; sixth, to the payment of any amounts owing to the Lenders, the Issuing Lenders or the Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any Issuing Lender or the Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this

Agreement; seventh, 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 eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (1) such payment is a payment of the principal amount of any Loans or funded participations in Letters of Credit in respect of which such Defaulting Lender has not fully funded its appropriate share, and (2) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 6.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and funded participations in Letters of Credit owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or funded participations in Letters of Credit owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations are held by the Lenders pro rata in accordance with the Revolving Credit Commitments under the applicable Revolving Credit Facility without giving effect to Section 5.15(a). (iv). 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 or to post Cash Collateral pursuant to this Section 5.15(a). (ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(1) No Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(2) Each Defaulting Lender shall be entitled to receive letter of credit commissions pursuant to Section 3.3 for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Revolving Credit Commitment Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 5.14.

(3) With respect to any letter of credit commission not required to be paid to any Defaulting Lender pursuant to clause (2) above, the Borrower shall (1) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been

reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (2) pay to each applicable Issuing Lender, the amount of any such fee otherwise

payable to such Defaulting Lender to the extent allocable to such Issuing Lender's Fronting Exposure to such Defaulting Lender, and (3) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Credit Commitment Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 12.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law,

(x) first, repay Swingline Loans in an amount equal to the Swingline Lenders' Fronting Exposure and (y) second, Cash Collateralize the Issuing Lenders' Fronting Exposure in accordance with the procedures set forth in Section 5.14.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Issuing Lenders and the Swingline Lender 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 (which may include arrangements with respect to any Cash Collateral), 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 and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with the Commitments under the applicable Credit Facility (without giving effect to Section 5.15(a)(iv)), 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; 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.

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**Section 5.16 Extension of Revolving Credit Maturity Date.**

(a) Requests for Extension. The Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not earlier than 90 days and not later than 30 days prior to any anniversary of the Closing Date (the “Extension Date”), on no more than two (2) occasions during the term of this Agreement, request that each Revolving Credit Lender extend such Revolving Credit Lender’s Revolving Credit Maturity Date for a period of one (1) year from the Revolving Credit Maturity Date then in effect hereunder (the “Existing Revolving Credit Maturity Date”).

(b) Lender Elections to Extend. Each Revolving Credit Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not earlier than 60 days prior to the Extension Date and not later than the date (the “Notice Date”) that is 15 days prior to the Extension Date, advise the Administrative Agent whether or not such Revolving Credit Lender agrees to such extension (and each Revolving Credit Lender that determines not to so extend its Revolving Credit Maturity Date (a “Non-Extending Revolving Credit Lender”) shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date)) and any Revolving Credit Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Revolving Credit Lender. The election of any Revolving Credit Lender to agree to such extension shall not obligate any other Revolving Credit Lender to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Borrower of each Revolving Credit Lender’s determination under this Section no later than the date 10 days prior to the Existing Revolving Credit Maturity Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Borrower shall have the right on or before the Extension Date to replace each Non-Extending Revolving Credit Lender with, and add as “Revolving Credit Lenders” under this Agreement in place thereof, one or more Eligible Assignees (each, an “Additional Commitment Lender”) with the approval of the Administrative Agent, the Swingline Lender and the Issuing Lenders (which approvals shall not be unreasonably withheld), each of which Additional Commitment Lenders shall have entered into an agreement in form and substance satisfactory to the Borrower and the Administrative Agent pursuant to which such Additional Commitment Lender shall, effective as of the Extension Date, undertake a Revolving Credit Commitment (and, if any such Additional Commitment Lender is already a Revolving Credit Lender, its Revolving Credit

Commitment shall be in addition to such Revolving Credit Lender's Revolving Credit Commitment hereunder on such date).

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(e) Minimum Extension Requirement. If (and only if) the total of the Revolving Credit Commitments of the Revolving Credit Lenders that have agreed so to extend their Revolving Credit Maturity Date and the additional Revolving Credit Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Revolving Credit Commitments in effect immediately prior to the Extension Date, then, effective as of the Extension Date, the Revolving Credit Maturity Date of each extending Lender and of each Additional Commitment Lender shall be extended to the date falling one

(1) year after the Existing Revolving Credit Maturity Date (except that, if such date is not a Business Day, such Revolving Credit Maturity Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a “Revolving Credit Lender” for all purposes of this Agreement.

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, the extension of the Revolving Credit Maturity Date pursuant to this Section shall not be effective with respect to any Revolving Credit Lender unless:

(i) no Default or Event of Default shall have occurred and be continuing on the date of such extension and after giving effect thereto; and

(ii) the representations and warranties contained in this Agreement are true and correct on and as of the date of such extension and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date).

(g) Payments to Non-Extending Revolving Credit Lenders. On or before the Revolving Credit Maturity Date of each Non-Extending Revolving Credit Lender, (1) the Borrower shall pay in full the principal of and interest on all of the Revolving Credit Loans made by such Non-Extending Revolving Credit Lender to the Borrower hereunder and (2) the Borrower shall pay in full all other amounts owing to such Revolving Credit Lender hereunder.

## 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 or issue or participate in the initial Letter of Credit, if any, is subject to the satisfaction of each of the following conditions:

(a) Executed Loan Documents. This Agreement, a Revolving Credit Note in favor of each Revolving Credit Lender requesting a Revolving Credit Note, a Term Loan Note in favor of each Term Loan Lender requesting a Term Loan Note, a Swingline Note in favor of the Swingline Lender (in each case, if requested thereby), 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); (B) after giving effect to the Transactions, no Default or Event of Default has occurred and is continuing; and (C) each of the Credit Parties, as applicable, has satisfied each of the conditions set forth in Section 6.1 and Section 6.2.

(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) Skadden, Arps, Slate, Meagher & Flom 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) [Reserved].

(e) Miscellaneous.

(i) [Reserved].

(ii) Existing Credit Agreements. All existing Indebtedness under the Existing Credit Agreements shall be repaid in full, all commitments (if any) in respect thereof shall have been terminated and all guarantees therefor and security therefor shall be released substantially concurrently with the initial borrowing under the Credit Facilities, and the Administrative Agent shall have received pay-off letters in form and substance satisfactory to it evidencing such repayment, termination and release.

(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 five (5) 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 ~~BSBY~~ ~~Rate~~ Term SOFR Loans) and/or any Issuing Lender to issue or extend any Letter of Credit are subject to the satisfaction of the following conditions precedent on the relevant borrowing, issuance or extension date:

(a) Continuation of Representations and Warranties. The representations and warranties contained in this Agreement and the other Loan Documents 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 Default. No Default or Event of Default shall have occurred and be continuing (i) on the borrowing date with respect to such Loan or after giving effect to the Loans to be made on such date or (ii) on the issuance or extension date with respect to such Letter of Credit or after giving effect to the issuance or extension of such Letter of Credit on such date.

(c) Notices. The Administrative Agent shall have received a Notice of Borrowing/Conversion/Continuation or Letter of Credit Application, as applicable, from the Borrower in accordance with Section 2.3(a), Section 3.2, Section 4.2, as applicable.

## 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

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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 or Letters of Credit 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, 2021, 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, ~~2020~~2023, 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, all Letters of Credit have been terminated or expired (or been Cash Collateralized) 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, 2021), 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 September 30, 2021), 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 Sections 8.1(a) or (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 September 30, 2021) 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

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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 Sections 8.1(a) or (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 (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 and the Issuing 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, the Issuing Lenders 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,

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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 (i) to repay all outstanding Indebtedness under the Existing Credit Agreements, (ii) pay fees, commissions and expenses in connection with the Transactions, and (iii) for working capital and general corporate purposes of the Borrower and its Subsidiaries.

**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, all Letters of Credit have been terminated or expired (or been Cash Collateralized) 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), (f) 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 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 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 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

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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 (including, without limitation, Liens in favor of the Issuing Lenders on Cash Collateral granted 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;

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(e) deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment

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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 depository 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 Sections 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 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- ;  
and

(v) Liens on “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).

**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 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 8.1(b), as applicable.; and

(r) dispositions of “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).

**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 Sections 9.1, 9.3, 9.4, and 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.

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## **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 September 30, 2021), 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; 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 September 30, 2021), 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 and Reimbursement Obligations. The Borrower shall default in any payment of principal of any Loan or Reimbursement Obligation 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 Reimbursement Obligation 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 Sections 8.2(a), 8.3(a), 8.4 (with respect to the Borrower's existence), 8.11, 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 Sections 8.1(a) or 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 or any Reimbursement Obligation) 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 or any Reimbursement Obligation) 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. Terminate the Revolving Credit Commitment and declare the principal of and interest on the Loans and the Reimbursement Obligations 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

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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 or Letters of Credit thereunder; provided that upon the occurrence of an Event of Default specified in Section 10.1(h) or (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) Letters of Credit. With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to the preceding paragraph, demand that the Borrower deposit in a Cash Collateral account opened by the Administrative Agent an amount equal to 103% of the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such Cash Collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay the other Guaranteed Obligations in accordance with Section 10.4. After all such Letters of Credit shall have expired or been fully drawn upon, the Reimbursement Obligation shall have been satisfied and all other Guaranteed Obligations shall have been paid in full, the balance, if any, in such Cash Collateral account shall be returned to the Borrower.

(c) 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 and the Issuing 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 Issuing Lender or the Swingline Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as an Issuing Lender or Swingline Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 12.4 (subject to the terms of Section 5.6), or (d) 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; 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), (c) and (d) 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 Sections 3.11, 5.14 and 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 (other than Commitment Fees and Letter of Credit fees payable to the Revolving Credit Lenders), indemnities and other amounts (other than principal and interest) payable to the Lenders, the Issuing Lender and the Swingline Lender under the Loan Documents, including



attorney fees, ratably among the Lenders, the Issuing Lender and the Swingline Lender 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 accrued and unpaid Commitment Fees, Letter of Credit fees payable to the Revolving Credit Lenders and interest on the Loans and Reimbursement Obligations, ratably among the Lenders, the Issuing Lenders and the Swingline Lender in proportion to the respective 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, Reimbursement Obligations and payment obligations then owing under Guaranteed Hedge Agreements and Guaranteed Cash Management Agreements, ratably among the Lenders, the Issuing Lenders, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to the Administrative Agent for the account of the Issuing Lenders, to Cash Collateralize any L/C Obligations then outstanding; 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 and each Issuing Lender 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 Sections 11.6 and 11.9, the provisions of this

Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing 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

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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 or any Issuing 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 Sections 12.2 and 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, a Lender or an Issuing 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 (including, without limitation, any report provided to it by an Issuing Lender pursuant to Section 3.9), (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,

(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 or

(vi) the utilization of any Issuing Lender's L/C Commitment (it being understood and agreed that each Issuing Lender shall monitor compliance with its own L/C Commitment without any further action by 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, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or an Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or such Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Lender prior to the making of such Loan or the issuance of such Letter of Credit. 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

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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, the Issuing 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 and the Issuing 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 or the Issuing 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 or other amounts then owed to the retiring or removed

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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 and each Issuing 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.

(d) Issuing Lender and Swingline Lender. Any resignation by, or removal of, Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as an Issuing Lender and Swingline Lender. If Bank of America resigns as the Issuing Lender, it shall retain all the rights, powers, privileges and duties of the Issuing Lender until the replacement or cancellation of the relevant Letters of Credit hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as Issuing Lender and all L/C Obligations with respect thereto, including the right to require the Lenders to make Revolving Credit Loans or fund risk participations in unreimbursed drawings pursuant to Section 3.4. If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to any Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Revolving Credit Loans or fund risk participations in outstanding Swingline Loans pursuant to Section 2.2. Upon the appointment by the Borrower of a successor Issuing Lender or Swingline Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such

successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Lender or Swingline Lender, as applicable, (ii) the retiring

Issuing Lender and Swingline Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor Issuing Lender shall issue Letters of Credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

**Section 11.7 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender and each Issuing Lender 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 or Issuing 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 and Issuing 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 Lender and Issuing Lender 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 and Issuing 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 or Issuing 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 or Issuing Lender, and not for the purpose of purchasing, acquiring or holding any other type of financial instrument, and each Lender and Issuing Lender agrees not to assert a claim in contravention of the foregoing. Each Lender and Issuing 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 or such Issuing 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, a Lender or an Issuing Lender hereunder.

**Section 11.9 Guaranty Matters.**

(a) Each of the Lenders (including in its or any of its Affiliate's capacities as a potential Hedge Bank or Cash Management Bank) and Issuing Lenders 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.

(b) Notwithstanding anything in this Section or any other Loan Document to the contrary, in no event shall any Cash Collateral provided with respect to any Extended Letter of Credit be released without the prior written consent of the applicable Issuing Lender of such Extended Letter of Credit.

**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 Guaranty) 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; Credit Bidding.**

(a) In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation 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, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the Issuing Lenders and the Administrative Agent under Sections 3.3, 5.3 and 12.3) allowed in such judicial proceeding; and

(ii) 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 and each Issuing 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 and the Issuing 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 Sections 3.3, 5.3 and 12.3.



(b) Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or Issuing Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations

or the rights of any Lender or any Issuing Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Lender or in any such proceeding.

## 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.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

With copies to:

Attention of: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

If to Bank of America as Administrative Agent: For payments and Requests

for Credit Extensions

Bank of America, N.A.

2380 Performance Drive - Building C Mail Code: TX2-984-03-23

Richardson, TX 75082 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: \_\_\_\_\_

If to Bank of America as L/C Issuer: Bank of America, N.A.

Trade Operations  
1 Fleet Way  
Scranton, PA 18507  
Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_  
Fax Number: \_\_\_\_\_

If to Bank of America as Swingline Lender: Bank of America, N.A.

2380 Performance Drive - Building C  
Mail Code: TX2-984-03-23  
Richardson, TX 75082 Attn: \_\_\_\_\_ Phone: \_\_\_\_\_  
\_\_\_\_\_

Email: \_\_\_\_\_  
Fax Number: \_\_\_\_\_  
Account No.: \_\_\_\_\_  
Ref: Knight-Swift Transportation Holdings Inc. ABA# \_\_\_\_\_

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 and the Issuing Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML 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 or any Issuing Lender pursuant to Article II or III if such Lender or such Issuing Lender, as applicable, 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 and Letters of Credit requested.

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, any Issuing Lender or the Swingline Lender 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, the Administrative Agent, each Issuing Lender and the Swingline Lender.

(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 Issuing Lenders and the other 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, the Issuing 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, Issuing Lenders and Lenders. The Administrative Agent, the Issuing Lenders 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, Letter of Credit Applications, Notice of Prepayment and Swingline Loan Notices) 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 Issuing Lender, 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) without the prior written consent of the Required Revolving Credit Lenders, amend, modify or waive
- (i) Section 6.2 pursuant to any substantially concurrent request by



the Borrower for a borrowing of Revolving Credit Loans or issuance of Letters of Credit when such Revolving Credit Lenders or any Issuing Lender would not otherwise be required

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to do so (it being understood that (x) any waiver of any Default or Event of Default and (y) any change in the definitions used in Section 6.2, shall not, if not pursuant to any such substantially concurrent request by the Borrower for a borrowing of Revolving Credit Loans or issuance of Letters of Credit when such Revolving Credit Lenders would not otherwise be required to do so, constitute an amendment of Section 6.2 requiring the consent of the Required Revolving Credit Lenders), (ii) the amount of the Swingline Commitment or (iii) the amount of the L/C Sublimit;

(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 Reimbursement Obligation, 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 L/C Obligation 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 "Required Revolving Credit 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) no amendment, waiver or consent shall, unless in writing and signed by each affected Issuing Lender in addition to the Lenders required above, affect the rights or duties of such Issuing Lender under this Agreement (including, without limitation, Section 11.9(b)) or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement;

(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) each Letter of Credit Application and each cash collateral agreement or other document entered into in connection with an Extended Letter of Credit may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; provided that a copy of such amended Letter of Credit Application, cash collateral agreement or other document, as the case may be, shall be promptly delivered to the Administrative Agent upon such amendment or waiver (provided, however, a failure to so deliver is not a default hereunder), (vi) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time, (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, and (viii) 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). Notwithstanding anything to

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the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that (A) the Revolving Credit Commitment of such Lender may not be increased or extended without the consent of such Lender, and (B) 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.

Notwithstanding anything in this Agreement to the contrary, each Lender hereby irrevocably authorizes the Administrative Agent on its behalf, and without further consent, to enter into amendments or modifications to this Agreement (including, without limitation, amendments to this Section 12.2) or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to effectuate the terms of Section 5.13 (including, without limitation, as applicable, (1) to permit the Incremental Term Loans and the Incremental Revolving Credit Increases to share ratably in the benefits of this Agreement and the other Loan Documents, or (2) to include the Incremental Term Loan Commitments and the Incremental Revolving Credit Increase, as applicable, or outstanding Incremental Term Loans and outstanding Incremental Revolving Credit Increase, as applicable, in any determination of (i) Required Lenders or Required Revolving Credit Lenders, as applicable or (ii) similar required lender terms applicable thereto); provided that no amendment or modification shall result in any increase in the amount of any Lender's Commitment or any increase in any Lender's Commitment Percentage, in each case, without the written consent of such affected 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) all reasonable out-of-pocket expenses incurred by any Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or any Issuing Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or any Issuing 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

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the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each Issuing 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 Indemnatee'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 Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by any Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by 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 Indemnatee 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 Indemnatee, 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 Indemnatee or its Related

Indemnified Parties or (B) result from any dispute solely among Indemnitees, other than any claims against any Indemnatee in its respective capacity or in fulfilling its role as the Administrative Agent or Joint Lead Arranger 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 Indemnatee means (a) any Controlling person or Controlled Affiliate of such Indemnatee, (b) the respective directors, officers, or employees of such Indemnatee or any of its Controlling persons or Controlled Affiliates, and (c) the respective agents or representatives of such Indemnatee, in the case of this clause (c), acting on behalf of or at the instructions of such Indemnatee; 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), any Issuing Lender, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Issuing Lender, the Swingline Lender 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 that with respect to such unpaid amounts owed to any Issuing Lender or the Swingline Lender solely in its capacity as such, only the Revolving Credit Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Credit Lenders’ Revolving Credit Commitment Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if the Revolving Credit Commitment has been reduced to zero as of such time, determined immediately prior to such reduction); 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), such Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), such Issuing Lender or the Swingline Lender 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 Indemnatee, 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 Letter of Credit or the use of the proceeds thereof. No Indemnatee 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 Indemnatee'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, each Issuing Lender, the Swingline Lender and each of their respective 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, such Issuing Lender, the Swingline 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, such Issuing Lender or the Swingline Lender, irrespective of whether or not such Lender, such Issuing Lender, the Swingline 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, such Issuing Lender, the Swingline 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, the Issuing Lenders,

the Swingline Lender and the Lenders, and (y) the Defaulting Lender or its Affiliate shall provide promptly to the Administrative Agent a statement

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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, each Issuing Lender, the Swingline Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Lender, the Swingline Lender or their respective Affiliates may have. Each Lender, such Issuing Lender and the Swingline Lender agree 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, any Issuing Lender, the Swingline 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, any Lender, any Issuing Lender or the Swingline 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 and each Issuing 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 and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto 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, the Issuing Lenders 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 and the other Loan Documents (including all or a portion of its Revolving Credit Commitment and the Loans (including for purposes of this paragraph (b), participations in L/C Obligations and Swingline Loans) at the time owing to it); provided that, in each case with respect to any Credit Facility, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(1) 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)(2) 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

(2) in any case not described in paragraph (b)(i)(1) 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

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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 and the other Loan Documents with respect to the Loan and/or the Commitment assigned, except that this paragraph (b)(ii) shall not

(A) apply to the Swingline Lender's rights and obligations in respect of Swingline Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations among separate Credit Facilities on a non-pro rata basis;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(2) of this Section and, in addition:

(1) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default under Section 10.1(a), 10.1(b), 10.1(h) or 10.1(i) has occurred and is continuing at the time of such assignment or (y) (1) in the case of the Revolving Credit Facility, such assignment is to a Revolving Credit Lender, an Affiliate of a Revolving Credit Lender or an Approved Fund of a Revolving Credit Lender or (2) in the case of the Term Loan Facility, 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;

(2) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in

respect of (i) the Revolving Credit Facility if such assignment is to a Person that is not a Lender with a Revolving Credit Commitment, an Affiliate of

such Lender or an Approved Fund with respect to such Lender or (ii) the Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(3) the consents of the Issuing Lenders and the Swingline Lender shall be required for any assignment in respect of the Revolving Credit Facility.

(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 (A) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lenders, the Swingline Lender and

each other Lender hereunder (and interest accrued thereon), and (B) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of

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Credit and Swingline Loans in accordance with its Revolving Credit Commitment Percentage. 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.

(viii) 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 Sections 5.8, 5.9, 5.10, 5.11 and 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 and each Lender Joinder Agreement 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 and L/C Obligations 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, the Issuing Lenders, the Swingline Lender, 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

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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 (including such Lender's participations in L/C Obligations and/or Swingline 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, the Issuing Lenders, the Swingline Lender 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), (c), (d) or (e) that directly and adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 5.9, 5.10 and 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 Lender who sells the participation)) 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 Sections 5.10 or 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.

(ii) 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) terminate any Revolving Credit Commitment of such Disqualified Institution and repay all obligations of the Borrower owing to such Disqualified Institution in connection with such Revolving Credit Commitment, (B) 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 (C) 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 Applicable Laws.

(iii) 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

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(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).

(iv) 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.

(v) Resignation as Swingline Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Credit Commitment and Revolving Credit Loans pursuant to clause

(b) above, Bank of America may, upon thirty (30) days’ notice to the Borrower, resign as Swingline Lender. In the event of any such resignation as Swingline Lender, the Borrower shall be entitled to appoint from among the Lenders a successor Swingline Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as Swingline Lender. If Bank of America resigns as Swingline Lender, it shall retain all the rights of the Swingline Lender provided for hereunder with respect to Swingline Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Revolving Credit Loans or fund risk participations in outstanding Swingline Loans pursuant to Section

2.2. Upon the appointment of a successor Swingline Lender, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Swingline Lender.

**Section 12.10 Treatment of Certain Information; Confidentiality**. Each of the Administrative Agent, the Lenders and the Issuing Lender 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

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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, any Issuing 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, any Lender or any Issuing 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 Counterparts; Integration; Effectiveness; Electronic Execution.**

(a) Counterparts; Integration; Effectiveness. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, the Issuing Lender, the Swingline Lender 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, each Issuing Lender 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, each Issuing Lender 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, none of the Administrative Agent, the Issuing Lenders or the Swingline Lender is under any 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, an Issuing Lender and/or the Swingline Lender has agreed to accept such Electronic Signature, the Administrative Agent, the Issuing Lenders 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, any Issuing Lender 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, any Issuing Lender or any Lender, any Communication executed using an Electronic Signature shall be promptly followed by a manually executed counterpart.

None of the Administrative Agent, any Issuing Lender or the Swingline Lender shall 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

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Administrative Agent's, any Issuing Lender's or the Swingline Lender's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent, the Issuing Lenders and the Swingline Lender 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, each Issuing Lender 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 Issuing Lender, each Lender and each Related Party for any liabilities arising solely from the Administrative Agent's, any Issuing Lender'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, all Letters of Credit have been terminated or expired (or been Cash Collateralized) and the Revolving Credit Commitment has been terminated. 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 any Joint Lead Arranger 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, such Joint Lead Arranger or Affiliate thereof were not a Lender or Joint Lead Arranger 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

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(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, each Joint Lead Arranger 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, the Letters of Credit 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 Letters of Credit, 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 Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, 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 Letters of Credit, 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, each Joint Lead Arranger 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, any Joint Lead Arranger 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 Letters of Credit, 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~~omitted]

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Fifth Third Bank, National Association	\$38,260,869.57	3.478260870%	-	-	-	\$27,826,086.96	3.478260870%
<b>Total:</b>	<b>\$1,100,000,000.00</b>	<b>100.000000000%</b>	<b>\$176,956,521.74</b>	<b>\$350,000,000.00</b>	<b>100.000000000%</b>	<b>\$800,000,000.00</b>	<b>100.000000000%</b>

**L/C Commitments**

Issuing Lender	L/C Commitment
Bank of America, N.A.	\$100,000,000.00
PNC Bank, National Association	\$100,000,000.00
Wells Fargo Bank, National Association	\$100,000,000.00

**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: October 30, 2024

/s/ Adam W. Miller

Adam W. Miller

Chief Executive Officer (principal executive officer)

**RULE 13a-14(a)/15d-14(a) CERTIFICATION**

I, Andrew Hess, 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: October 30, 2024

/s/ Andrew Hess

Andrew Hess  
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 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Adam W. Miller, 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:      October 30, 2024

By:        /s/ Adam W. Miller

Adam W. Miller

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 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Hess, 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:      October 30, 2024

By:      /s/ Andrew Hess  
            Andrew Hess  
            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.*