

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2023

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

Commission File Number 001-34099

**MASTECH DIGITAL, INC.**

(Exact name of registrant as specified in its charter)

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

26-2753540  
(I.R.S. Employer  
Identification No.)

1305 Cherrington Parkway, Building 210, Suite 400  
Moon Township, PA  
(Address of principal executive offices)

15108  
(Zip Code)

Registrant's telephone number, including area code: (412) 787-2100

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Common Stock, \$.01 par value	MHH	NYSE American

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

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

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2023 (based on the closing price on such stock as reported by NYSE American on such date) was \$32,173,000.

The number of shares of the registrant's Common Stock, par value \$.01 per share, outstanding as of March 1, 2024 was 11,612,185.

Auditor Firm ID: 1195 Auditor Name: UHY LLP Auditor Location: Farmington Hills, Michigan

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement, prepared for the Annual Meeting of Shareholders scheduled for May 15, 2024 to be filed with the Commission, are incorporated by reference into Part III of this Annual Report on Form 10-K.

---

---

MASTECH DIGITAL, INC.

2023 FORM 10-K

TABLE OF CONTENTS

	<u>Page</u>
<b>PART I</b>	
<a href="#">ITEM 1. BUSINESS</a>	2
<a href="#">ITEM 1A. RISK FACTORS</a>	12
<a href="#">ITEM 1B. UNRESOLVED STAFF COMMENTS</a>	26
<a href="#">ITEM 1C. CYBERSECURITY</a>	26
<a href="#">ITEM 2. PROPERTIES</a>	29
<a href="#">ITEM 3. LEGAL PROCEEDINGS</a>	29
<a href="#">ITEM 4. MINE SAFETY DISCLOSURES</a>	29
<b>PART II</b>	
<a href="#">ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	30
<a href="#">ITEM 6. RESERVED</a>	31
<a href="#">ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	31
<a href="#">ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	44
<a href="#">ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	45
<a href="#">ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	80
<a href="#">ITEM 9A. CONTROLS AND PROCEDURES</a>	80
<a href="#">ITEM 9B. OTHER INFORMATION</a>	81
<a href="#">ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</a>	81
<b>PART III</b>	
<a href="#">ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</a>	82
<a href="#">ITEM 11. EXECUTIVE COMPENSATION</a>	82
<a href="#">ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS</a>	82
<a href="#">ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</a>	82
<a href="#">ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES</a>	82
<b>PART IV</b>	
<a href="#">ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</a>	83
<a href="#">SIGNATURES</a>	89

## PART I

### Forward-Looking Statements

This Annual Report on Form 10-K contains statements that are not historical facts and that constitute “forward looking statements” within the meaning of such terms under the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as “expects”, “intends”, “anticipates”, “believes”, “estimates”, “assumes”, “projects” and similar expressions are intended to identify such forward-looking statements. You should not rely solely on the forward-looking statements and should consider all uncertainties and risks throughout this Annual Report on Form 10-K, including those described under “Risk Factors”. These statements are based on information currently available, and we undertake no obligation to update any forward-looking statement as circumstances change.

Factors or events that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following:

- changes in general U.S. and global economic conditions and economic conditions in the industries in which we operate;
- social, political, and economic instability, unrest, significant changes, and other circumstances beyond our control, including circumstances related to changes in the U.S. political landscape;
- the severity and duration of the COVID-19 pandemic;
- our ability to retain existing clients and obtain new clients;
- changes in competitive conditions;
- our ability to introduce new service offerings;
- availability of and retention of skilled technical employees and key personnel;
- technological changes;
- changes in accounting standards, rules and interpretations;
- the terminability of many of our contracts without penalty to our clients;
- changes in immigration laws, patterns and other factors related to visa holders;
- liabilities and unanticipated developments resulting from litigations, regulatory investigations and similar matters;
- fluctuations due to currency exchange rate variations;
- changes in other U.S. laws, rules and regulations, including the Internal Revenue Code;
- changes in India’s geopolitical environment, laws, rules and regulations;
- the impact and success of new acquisitions;
- management’s ability to identify and manage risks;
- the outbreak of any highly infectious or contagious diseases or the occurrence of other health epidemics or other outbreaks that disrupt business and day-to-day activities;
- breach of our systems due to a cybersecurity attack;
- changes in privacy and information security laws, regulations and policies;
- seasonal weather conditions, climate change and severe weather; and
- the escalation of conflicts in the Middle East and Ukraine and the occurrence or escalation of other global conflicts.

## **ITEM 1. BUSINESS**

### **Overview**

Mastech Digital, Inc. (referred to in this report as “Mastech Digital”, “Mastech”, the “Company”, “us”, “our” or “we”) is a provider of Digital Transformation IT Services. The Company offers data and analytics solutions; digital learning; and IT staffing services for both digital and mainstream technologies. Headquartered near Pittsburgh, Pennsylvania, we have approximately 1,300 consultants that provide services across a broad spectrum of industry verticals. We do not sell, lease or otherwise market computer software or hardware and essentially 100% of our revenue is derived from the sale of data and analytics, IT staffing and Digital Transformation services through our two reportable segments, Data and Analytics Services and IT Staffing Services.

Our Data and Analytics Services segment delivers specialized data management, data engineering, customer experience consulting, data analytics and cloud services to customers globally. Each of these services can be delivered using on-site and offshore resources.

Our IT Staffing Services segment combines technical expertise with business process experience to deliver a broad range of services in digital and mainstream technologies. Our digital technology services include data management and analytics, cloud, mobility, social and automation. Our Digital Transformation services also include staffing and project-based services around digital learning. Our mainstream technologies services include business intelligence / data warehousing; web services; enterprise resource planning & customer resource management; and e-Business solutions. We work with businesses and institutions with significant IT-spend and recurring staffing needs. We also support smaller organizations with their “project focused” temporary IT staffing requirements. Additionally, we provide offshore staffing services to our U.S.-based clients and local offshore clients, and recently added engineering staffing services to our portfolio of service offerings.

Sales and marketing of our services are handled by separate and distinct sales organizations within each of our two business segments. Our data and analytics services are marketed through 1) account executives who largely focus on new business development; and 2) technical relationship managers (principals) who focus on growing strong relationships within existing clients. Both account executives and technical relationship managers reside in the U.S., Canada, India and the U.K.

Our IT staffing and Digital Transformation services are marketed through account executives across the U.S. who deploy a telesales model, supplemented with client visits. This cost-effective model is aimed at integrator and other staffing clients, with a need to supplement their abilities to attract highly qualified temporary IT personnel. Additionally, we use a branch service sales model in select geographies within the U.S. The branch services model employs local sales and recruitment resources, aimed at establishing strong relationships with both end-clients and candidates.

We recruit for both segments through global recruitment centers located in the U.S. and India that deliver a full range of recruiting and sourcing services. Our centers employ approximately 200 recruiters and sourcers that focus on recruiting U.S.-based candidates to service a geographically-diverse client base in the U.S. Our ability to respond to client requests from our offshore recruiting centers, with their expanded search coverage, round-the-clock sourcing, and extensive pool of candidates, gives us the ability to deliver high-quality candidates to our clients in a timely fashion.

### **History and Developments**

Historically, we operated as the former Professional Services segment of iGATE Corporation (“iGATE”). Mastech Digital, Inc. (f/k/a Mastech Holdings, Inc.) was incorporated in Pennsylvania as a wholly-owned subsidiary of iGATE on June 6, 2008, in anticipation of our spin-off from iGATE. On September 30, 2008, the Company was spun-off from iGATE and began operating as an independent public company. Together with our operating subsidiaries, we have over 36 years of history as a reliable provider of IT staffing services.

## [Table of Contents](#)

Established in 1986, our business model focused on importing global IT talent to the U.S. to meet the growing demand for IT professionals. In the early 2000s, the demand for IT professionals declined, and the supply of IT resources quickly exceeded a declining demand. No longer was there a need to recruit abroad for technology talent, as supply was abundant in the U.S. Accordingly, we retooled our recruiting model to focus on the recruitment of U.S.-based IT talent. Given our extensive experience with the H1-B visa process, part of our recruiting efforts focused on attracting H1-B visa holders present in the U.S. at the time. This approach gave us access to a larger and differentiated recruiting pool when compared to many of our competitors.

In 2003, we launched our offshore global recruitment center model in an effort to meet an increase in industry demand with lower cost recruiting resources. Over the last nineteen years, we have made significant investments in our offshore center to improve infrastructure, processes and effectiveness. Additionally, we have made investments in our domestic recruitment structure, primarily to support our branch service model.

On June 15, 2015, we completed the acquisition of Hudson Global Resources Management, Inc.'s U.S. IT staffing business ("Hudson IT"). Hudson IT was a domestic IT staffing business with offices in Chicago, Boston, Tampa and Orlando. Hudson IT deployed a branch service business model that targeted clients that are direct end-users of IT staffing services. Additionally, as part of the Hudson IT acquisition, we acquired a digital learning services practice which became one of our technology practices.

In 2016, we changed our name to Mastech Digital, Inc. The name change was part of our rebranding initiative that reflects our transformation into a digital technologies company. The rebranding also included a logo change and a refreshed corporate website.

In 2017, we added specialized capabilities in delivering data management and analytics services to a global customer-base through the acquisition of the services division of InfoTrellis, Inc. ("InfoTrellis"), a project-based consulting services company with specialized capabilities in data management and analytics.

In 2018 and 2019, we significantly expanded our service offerings and capabilities within our Data and Analytics Services segment.

In 2020, we launched a new service offering in our IT Staffing Services segment branded as MAS-REMOTE. This new offering allows clients to transcend beyond self-imposed geographical boundaries to gain access to top talent in the U.S. and Canada and reflects learnings from the COVID-19 pandemic that remote workers can be equally or more effective. Also in 2020, we completed the acquisition of AmberLeaf Partners, Inc., ("AmberLeaf"), which enhanced our Data and Analytics Services segment's capabilities with its expertise in customer experience consulting and managed services.

In 2021, we added cloud service capabilities to our Data and Analytics Services segment and expanded our IT Staffing Services segment's MAS-REMOTE offering to include offshore staffing services.

In 2022, we established a new subsidiary in NOIDA, India to support our offshore staffing services business.

In late 2023, we expanded our services offerings to include engineering staffing services.

### **Operating Segments**

Our revenues are generated from two business segments: Data and Analytics Services and IT Staffing Services. Details related to these two businesses are discussed separately below, while information about our employees, differentiators, intellectual property rights and various other aspects of our business is shown in the aggregate for Mastech Digital, Inc.

## Data and Analytics Services

Our Data and Analytics Services segment began with the acquisition of InfoTrellis, Inc.'s service business in July 2017. InfoTrellis, Inc. was founded by the engineering principals behind IBM's Master Data Management ("MDM") products and Informatica's Customer 360 code-base. This acquisition provided Mastech InfoTrellis with a solid foundation upon which to build, as we acquired a business with one of the largest concentrations of technology-agnostic data management expertise in the marketplace. With our October 2020 acquisition of AmberLeaf, we gained complementary capabilities in customer experience consulting and managed services, as well as a sizeable roster of existing clients.

Today, professional service firms have increasingly focused their efforts on partnering with their clients on enterprise-wide Digital Transformation. Organizations that are not digitally-native are facing increased pressure to modernize the way they operate to remain competitive within their industry. The landscape of Digital Transformation providers is constantly changing with new entrants. There is constant positioning and re-positioning of existing providers to claim new and niche spaces within the transformation arena. Additionally, the components of "Digital Transformation" are open to interpretation. While there continues to be large scale discussion and a lack of consensus on what constitutes Digital Transformation, there is a general view that, at the core of the transformation is *Data Modernization* — migration from legacy platforms, processes and strategies to new, dynamic, cloud-based approaches that focus on solving business problems and driving business outcomes.

Data Modernization is the core focus of our Data and Analytics Services segment. We have partnered with industry leaders in this space and intend to continue to broaden our reach with new partners in the future. With our recent investments, our world class delivery center in Chennai, India provides us with the ability to increase capacity to nearly 500 concurrent team members, while providing white glove access to upwards of a dozen additional clients in their own dedicated "clean rooms". We are also re-aligning ourselves to be a more dynamic, globally integrated organization across our traditional services offerings and to support our goal of expanding beyond niche services and providing full Data Modernization support to a wide range of organizations — from a \$10 million start up to a Fortune 100 enterprise. Our mission is a simple one — we help clients put data in front of the people and machines where prudent decisions are made.

### *Sales and Marketing*

Sales and Marketing at our Data and Analytics Services segment is a single, integrated function spanning across four groups in multiple locations: Marketing, Inside Sales, Principals, and Client Partners.

- Our Marketing team is responsible for designing inbound and outbound campaigns around data and business value, for dissemination through our omni channels and industry publications. Our Marketing team also works with our experts and thought leaders to create and disseminate data management, data engineering and data science thought leadership articles and white papers.
- Our Inside Sales team is responsible for operating integrated email and voice-based outbound marketing campaigns targeted at specific industries and functional populations, on an ongoing basis.
- Our onshore team of Principals and Client Partners is responsible for building buyer relationships with prospects and leads, and for converting those conversations into value-positive revenue generating engagements.
- Our typical credit terms require our invoices to be paid within 45 to 60-days of receipt by the client.

In addition to the above, our Partner / Alliance Relationships (such as those we have with IBM, Informatica and Oracle, among others) also provide us with a significant pipeline of opportunities and new business. Furthermore, prospective clients reach us through referrals from our existing client base, our reputation in the data & analytics domain, and through our industry partners.

Once engaged with a prospect, our approach to value-delivery starts with the definition of a discrete business problem. We then master and manage our clients' data and develop data products and deploy purpose-

## Table of Contents

built advanced analytics, machine learning, and artificial intelligence, to deliver greater business velocity, significant cost reduction, and greater corporate resilience.

### *Our Practices*

Mastech InfoTrellis builds a strong data foundation that delivers significant business value. Our expertise and technology practice stretches across four key domain areas.

#### Data-in-Motion:

We create connected and modern data systems with seamless data flow through:

- Agile engineering: delivering efficient and scalable code through agile development practices;
- Trusted data: ensuring data integrity through robust quality assurance processes;
- Streamlined integration: enabling seamless data integration with a composable architecture and automation; and
- Data visibility: providing comprehensive data observability for monitoring and validating data ecosystems.

#### Data-as-an-Asset:

We bridge data acquisition and activation with better data management through MDM, Data Governance, Data Privacy, and Data Warehousing solutions.

- Our approach focuses on understanding business use cases and designing technology solutions that directly address the end objectives.
- We collaborate with industry-leading data-focused technology providers, offering tailored solutions for unique business and technical needs.
- Our vast experience in developing MDM platforms and our partnerships with data-focused software firms provide us with a deep understanding of the technology landscape.

#### Data Activation:

We unlock insights for better business decision-making through:

- Gap-to-goal roadmaps: We help address the gaps that hinder business goals, with technology-agnostic roadmaps and guide clients toward desired outcomes.
- Tailored technology solutions: With experience in over two thousand implementations, we customize solutions that blend out-of-the-box functionalities with custom features.
- Seamless integrations: Our experts excel at integrating sales, service, marketing, and BI platforms, for seamless data flow and efficient operations.
- Empowering expertise: Post implementation, we equip clients with skills to maintain and leverage tools, manage administration, streamline business processes.

#### Analytics, AI, and Data Sciences:

We drive informed decision-making with modern statistical techniques and analytics with a strong focus on:

- Domain expertise: With cutting-edge techniques and industry knowledge, we derive valuable insights, predictions, and actionable strategies from client data.
- Holistic data strategy: We develop data strategies that encompass governance, acquisition, quality, and integration, laying a foundation for effective data-driven decision-making.



## [Table of Contents](#)

- Scalable and efficient: Leveraging scalable technologies and architectures, we handle increasing data volumes and evolving needs while providing high-performance and timely insights.
- ROI and business impact: Our data-driven strategies align with client key performance indicators and help unlock cost savings, impact revenue growth, and increase process efficiencies.

### *Geographic and Vertical Focus*

Mastech InfoTrellis' primary customer geographies are in North America; however, we have customers and prospects in Europe and the Asia-Pacific region. Our target clients are largely corporations with revenues exceeding \$1 billion and include Fortune 500 organizations. Our typical project size, excluding our multi-year Center of Excellence contracts, is in the \$500,000 to \$2.5 million range depending on the scope and duration of the engagement. Our Center of Excellence contracts generally range from \$4 million to \$83 million. From a vertical perspective, customers in the financial services, retail, healthcare, manufacturing and government segments are significant users of our services. Below is a breakdown of customer revenue percentages for each industry vertical in 2023:

Financial Services	35%	Retail	16%
Healthcare	22%	Government	4%
Manufacturing	18%	Other	5%

### **IT Staffing Services**

In our IT Staffing Services business, we typically negotiate our business relationship by using one of three methods to gain agreement on the services to be provided. We either establish our relationship based on a simple standard term sheet; create a Statement of Work ("SOW") specific to a project; or enter into a master service agreement with a client that describes the framework of our relationship. In each case, a client will submit to us positions and / or requirements that they plan on satisfying by using temporary contractors. We propose consultants to the client that we believe satisfy their needs and propose an hourly bill rate for each consultant submitted. The client will select our consultant or a competing firm's consultant based on their view of quality, fit and pricing. Consultant specific contractual details, such as billable rates, are documented as an annex to the agreement type that is chosen by the client. While we have the ability to deliver our Digital Transformation services on a managed solutions basis, the vast majority of our assignments have been delivered as staffing assignments.

We generally do not enjoy exclusivity with respect to a client's contractor needs. Most of our clients use multiple suppliers to satisfy their requirements and to ensure a competitive environment. Our success with any particular client is determined by (a) the quality and fit of our consultant; (b) our ability to deliver a quality consultant on a timely basis; and (c) pricing considerations. We invoice our clients on a weekly, bi-weekly or monthly basis, in accordance with the terms of our agreement. Typical credit terms require our invoices to be paid within 30 to 45 days of receipt by the client.

While our primary focus is on contract IT staffing and Digital Transformation services, we also provide permanent placement services for our clients when opportunities arise. Permanent placement revenues have historically represented approximately 1% of our total revenues. In late 2023, we expanded our staffing services to include an engineering service offering. In 2023, engineering revenues were less than 1% of total revenues.

### *Sales and Marketing*

We target much of our marketing efforts on businesses and institutions with significant budgets and recurring IT staffing and Digital Transformation needs. We look to develop relationships with new clients. In addition, we work to penetrate our existing client relationships to deeper levels. Most of our strategic relationships are established at the vice president / sales director level.

## [Table of Contents](#)

Selling is conducted through account executives utilizing a sales model which is desirable to our clients' needs. For clients with a need to supplement their own abilities to attract highly qualified temporary IT personnel and prefer a low-touch sales model, such as integrator and staffing clients, we generally deploy a centralized telesales model, complemented with client visits. We supplement these domestic sales efforts through our sales organization in India, whose account executives target smaller IT staffing clients utilizing a cost-effective offshore telesales model. For end-user clients, who typically prefer a higher-touch sales model, we generally utilize a branch service model which deploys sales and recruitment resources locally, or regionally, in select geographies within the U.S. Account executives generally are responsible for a combination of new business development efforts and expanding existing client relationships. Account executives at our branch operations call on, and meet with, potential new customers and are also responsible for maintaining existing client relationships within their geographic territory. These account executives are generally paired with recruiters and both receive incentive compensation based on revenue generation activities using a localized sales and recruitment model.

Many large end-users of IT staffing services retain a third party to provide vendor management services to centralize the consultant hiring process and reduce costs. Under this arrangement, the third-party managed service provider ("MSP") retains control of the vendor selection and vendor evaluation process, which somewhat weakens the relationship built with the client. Our lower-cost centralized telesales model and highly efficient offshore recruiting model have better positioned us to respond to the growing use of MSPs.

### *Recruiting*

We operate several small recruiting centers located in the U.S. and one significantly larger facility in NOIDA, India, that deliver a full range of recruiting and sourcing services. Our centers employ approximately 200 recruiters and sourcers who focus on recruiting U.S.-based candidates to service a geographically diverse client base in the U.S. Our ability to respond to client requests faster than the competition is critical for success in our industry as most staffing firms access the same candidate pool via job boards and websites. The combination of our offshore recruiting capabilities, investment in sourcing and recruiting processes, expanded search coverage, around-the-clock sourcing, and extensive candidate pool, gives us the ability to deliver high-quality candidates to our clients in a timely fashion.

We continue to invest in leading technologies and recruitment tools to enhance efficiencies. For example, we use artificial intelligence and web-based tools to expand the reach of our candidate searches. We also employ a state-of-the-art applicant tracking system that has recently been enhanced with proprietary tool-kits and job board / internet interfacing capabilities, resulting in further operational efficiencies.

In late 2018, we significantly expanded our offshore recruitment offices in NOIDA which gave us the ability to nearly double our recruiter seats. This facility provides our offshore organization with state-of-the-art infrastructure and workforce amenities to attract top-quality recruiters and sourcers. This centralized offshore facility also affords us the ability to improve operational efficiencies compared to operating two offshore facilities.

We have access to a large and differentiated recruiting pool due to our brand recognition with both U.S. citizens and H1-B visa holders in the U.S. Unlike most staffing firms that have a high concentration of either H1-B workers or W-2 hourly U.S. citizens, we have historically maintained a balance of H1-B and W-2 hourly employees. We believe that this balanced mix allows us to access a broader candidate pool than our primary competition.

### *Technology and Client Focus of our IT Staffing and Digital Transformation Services*

Our staffing delivery teams, spread across the U.S. and India, are segmented 1) by technologies, allowing us to reach deep and wide in our understanding of technology domains; and 2) by client relationships which gives us a keen understanding of our clients' needs and preferences. The delivery teams work in an integrated manner to

## Table of Contents

provide quality IT talent with a faster turnaround time than many of our competitors. We have long-standing engagements with marquee brands and other premier global enterprises across various industries.

### IT Staffing — Digital Technologies

Recognizing that a new breed of IT professionals adept in digital technologies is in high demand, we enhanced our recruitment capabilities to focus on digital technology skill sets. Today, Mastech Digital provides its clients with the ability to secure skill sets that encompass social, mobile, analytics, cloud-based technologies and automation. IT staffing for digital technologies is growing much faster than mainstream technologies, a trend that is expected to continue into the future. Digital technologies include the following areas:

- Social Analytics
- Social Blogging
- Social Campaign Management
- Enterprise Mobility Strategy
- Mobile Application Development
- Artificial Intelligence
- Data Engineering
- Data Analytics
- Data Science
- Cloud Strategy
- Cloud Implementation and Support
- Machine Learning

### IT Staffing — Mainstream Technologies

A large part of our business today comes from IT staffing services around mainstream technologies. We provide services and have strategic relationships in many high-demand mainstream technology areas. Our IT professionals help design, develop, integrate, maintain and support mainstream technologies in the following areas:

- Mainframes
- Databases
- Middleware
- Enterprise Systems
- SoA and Web Services
- Verification and Validation
- Project Management
- Open Source (JAVA)
- Data Warehousing
- Microsoft (C, .NET, SQL)
- IT Administration
- IT Helpdesk and Support
- Business Analysis

### Digital Learning Services

Our digital learning practice provides custom training programs for different organizational needs. With rich experience and proven success in handling several learning and performance engagements across industries, Mastech Digital's team combines digital and physical modes of learning methods to ensure unified organizational behavior and augmented performance across teams. Mastech Digital's learning paradigm consists of web-based learning, mobile learning, social learning, hybrid learning and virtual learning.

### *Geographic Presence & Industry Verticals*

All of our IT staffing services revenues are generated from services provided in the U.S. We market our services on a national basis and have the ability to provide services in all 50 U.S. States. Our geographical concentration tends to track major client locations, such as California, Texas, Pennsylvania and Virginia, and in large metropolitan areas such as Chicago and New York City.

## Table of Contents

We provide these services across a broad spectrum of industry verticals, including: financial services, government, healthcare, manufacturing, retail, technology, telecommunications and transportation. Below is a breakdown of our IT Staffing billable consultant base by industries that represented at least 5% of our billable consultants as of December 31, 2023:

Financial Services	48%	Telecom	6%
Technology	10%	Retail	4%
Healthcare	9%	Other	15%
Government	8%		

### **Mastech Digital, Inc.**

#### *Employees*

At December 31, 2023, we had 841 North American employees and 556 employees offshore, in addition to 251 subcontracted professionals. None of our employees are subject to collective bargaining agreements governing their employment with our Company. We employ our consultants on both an hourly and salary basis. A large portion of our salaried employees is H1-B visa holders. We believe that we enjoy a good reputation within the H1-B visa community, which allows us to access a very broad candidate pool. The majority of our hourly employees are U.S. citizens. On average, we maintain a balanced composition of salaried and hourly employees. We believe that our employee relations are good.

#### *Intellectual Property Rights*

Our intellectual property consists primarily of proprietary processes; client, employee and candidate information; and proprietary rights of third parties from whom we license intellectual property. We also own proprietary knowledge of the frameworks and products that we have built in our Mastech InfoTrellis business. We rely upon a combination of nondisclosure and other arrangements to protect our intellectual property.

#### *Seasonality*

Our operations are generally not affected by seasonal fluctuations. However, our consultants' billable hours are affected by national holidays and vacation trends. Accordingly, we typically have lower utilization rates during the fourth quarter. Additionally, assignment completions tend to be higher near the end of the calendar year, which largely impact our revenue and gross profit performance during the subsequent quarter.

### **Our Competitive Position**

We operate in highly competitive and fragmented industries, with largely low barriers to entry in our IT Staffing Services segment. In our Data and Analytics Services segment, we primarily compete with Cognizant, Tata Consultancy Services, Deloitte, Accenture, as well as with smaller boutique data and analytics firms. Many competitors are significantly larger and have greater financial resources in comparison to us. Our IT Staffing Services segment competes for potential clients with providers of outsourcing services, systems integrators, computer systems consultants, other staffing services firms and, to a lesser extent, temporary personnel agencies.

We believe that the principal competitive factors for securing and building client relationships are driven by the ability to precisely comprehend client requirements and by providing highly qualified personnel who are motivated to meet or exceed a client's expectations. We must be able to do this efficiently to provide speed to market with pricing that is competitive and represents value to our clients. The principal competitive factors in attracting qualified personnel are compensation, availability, location, quality of projects and schedule flexibility. We believe that many of the professionals included in our database may also pursue other employment opportunities. Therefore, our responsiveness to the needs of these professionals is an important factor in our ability to be successful.

## **Our Strengths**

We believe our strengths compared to industry peers include:

### *Established client-base*

Our client base consists of large, medium-sized and small companies that span across multiple industry verticals. Long-standing relationships with corporate clients, blue-chip IT integrators and MSPs are a core component of our future growth strategy for our staffing business, while good relationships with customer influencers and C-level decision makers drives our Mastech InfoTrellis business. These relationships, exemplified by our consistently low customer attrition rate, reflect our focus and commitment to our customers.

### *Operational excellence*

In our Data and Analytics Services business, our global delivery model is designed to ensure operational excellence by delivering higher value to our customers on project-based Mastech InfoTrellis engagements. Projects are delivered using our proprietary SMART Implementation Methodology — a multi-phased approach based on parts of the Rational Unified Process (RUP) and Agile development methodologies.

In the IT Staffing Services business, operational excellence largely relates to a firm's ability to effectively recruit high quality talent. Our offshore recruitment operation gives us the ability to respond to clients' staffing needs in a timely and cost-effective manner. Investments in sourcing and recruiting processes and leading technologies and recruitment tools have resulted in a highly scalable offshore recruiting model, which has delivered value to our clients.

Additionally, we employ a human resource management model, featuring portal technology as well as immigration support services, for our widely dispersed consultant base. This model enables us to maintain attrition rates that are lower than the industry averages for our salaried workforce.

### *Minority-owned status*

Our businesses benefit with some clients from the fact that we are a large minority-owned staffing firm. We have received multiple awards for our commitment to diversity. We have been certified as a minority-owned business by the National Minority Supplier Development Council ("NMSDC"). This certification is attractive to certain existing and potential clients in the U.S. government and public-sector segments, where project dollars are specifically earmarked for diversity spending.

### *Attractive financial profile*

We have historically enjoyed a lower operating cost structure than our industry peers due to our low cost telesales in our IT Staffing Services segment and our offshore delivery models in both of our operating segments. These business models are cost-effective and allow us to quickly adjust our cost structure to changes in our business environment. Our blue-chip client base has resulted in high quality accounts receivable and a strong and predictable cash flow conversion metric. Additionally, we have an existing credit facility to support our organic and inorganic growth aspirations.

### *Expertise in high-demand Digital Transformation IT skills*

In our Data and Analytics Services segment, we have strong expertise in data management, data engineering, analytics and customer experience consulting — both in North America as well as offshore. Additionally, we have considerable industry experience by serving some of the world's most-respected brands in financial services, manufacturing, retail and healthcare.

## [Table of Contents](#)

In our IT Staffing Services segment, we have substantial expertise in certain advanced technology IT skills, including: cloud, mobile, data & analytics, social media, artificial intelligence/machine learning and digital learning. We also have the capacity in both of our business segments to take advantage of our technical expertise in these high demand growth areas, as we are well positioned in terms of scale, capabilities, and a blue-chip client base.

### *Experienced management team*

Several senior managers of our Data and Analytics Services business were part of the original thought leaders in the Master Data Management space, which lends significant credibility to this segment's Master Data service offerings. Our IT staffing management team is comprised of business leaders with deep industry experience, is a unique blend of executives with significant Mastech Digital experience and others who have held leadership roles in other companies. We believe this talent, together with combined experience across a variety of industries, allows us to capitalize on the positives of our existing business models and, at the same time, improve our service offerings, internal processes and long-term strategy for future growth.

### **Reportable Financial Segments**

The Company has two reportable segments in accordance with Accounting Standards Codification ("ASC") Topic 280 "Disclosures about Segments of an Enterprise and Related Information". Refer to Note 16 "Business Segments and Geographic Information" to our Consolidated Financial Statements included in Item 8 herein for information about our two reportable segments.

### **Government Regulation**

We recruit IT professionals on a global basis from time to time and, therefore, must comply with the immigration laws in the countries in which we operate. As of December 31, 2023, approximately 37% of our employee workforce was working under Mastech Digital sponsored H1-B temporary work visa. Statutory law limits the number of new H1-B petitions that may be approved in a fiscal year to enter the U.S. Legislation could be enacted limiting H1-B visa holders' employment with staffing companies. In recent years, the vast majority of our H1-B hires were not subject to the annual quota limiting H1-B visas because they were already in the U.S. under H1-B visa status with other employers. Additionally, the U.S. Congress has considered, and may consider in the future, extensive changes to U.S. immigration laws regarding the admission of high-skilled temporary and permanent workers and increases in prevailing wage related to H1-B employees. Such changes, if enacted, may impact the types of H1-B temporary work visas that could be granted, the number of available H1-B temporary work permits, or the required prevailing wage that we are required to pay our H1-B employees, which in turn may have a negative impact on our revenues and profits.

### **Available Information**

Our headquarters are located at 1305 Cherrington Parkway, Building 210, Suite 400, Moon Township, Pennsylvania 15108, and our telephone number is (412) 787-2100. The Company's website is [www.mastechdigital.com](http://www.mastechdigital.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other Securities and Exchange Commission (the "SEC") filings, including any amendments to the foregoing reports, are available free of charge by accessing the Investors page of the Company's website as soon as reasonably practical after such reports are filed with, or furnished to, the SEC.

**ITEM 1A. RISK FACTORS**

*You should carefully consider each of the following risk factors and all of the other information set forth in this Annual Report on Form 10-K or incorporated by reference herein. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company. However, additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also adversely impact our business.*

*If any of the following risks and uncertainties develop into actual events, these events could have a material adverse effect on our business, financial condition or results of operations.*

**Risks Related to the Company's Business and Operation**

***We are unable to predict the extent to which the global COVID-19 pandemic may adversely impact our business operations, financial performance and results of operations.***

The COVID-19 pandemic and efforts to control its spread significantly curtailed the movement of people and goods and services worldwide in regions where we sell our services and conduct our business operations. The pandemic resulted in a global slowdown of economic activity, including travel restrictions and prohibitions of non-essential activities in some cases. Our revenues and operations were affected by a range of external factors related to the COVID-19 pandemic in 2020 and to a lesser extent in 2021, 2022 and 2023. Although we believe the immediate impact of the COVID-19 pandemic has been assessed and largely reflected in our 2023 financial results, the long-term magnitude and duration of the disruption and resulting decline in business activity is still highly uncertain and cannot be predicted. Furthermore, COVID-19 variants and efforts to control their spread could still continue to adversely affect our business, impact the demand for our services and alter the way we conduct our business, and we cannot predict the magnitude or duration of these effects.

To the extent the COVID-19 pandemic or the efforts taken to control its spread or the spread of COVID-19 variants adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. Because developments concerning the COVID-19 pandemic and the spread of COVID-19 variants have been and continue to be constantly evolving, additional impacts and risks may arise that we are not aware of or that we may not be able to appropriately or timely address.

***Lack of success in recruitment and retention of IT and data and analytics professionals may decrease our revenues and increase the costs needed to maintain our workforce.***

Our business involves the delivery of professional services and is labor-intensive. Our success depends upon our ability to attract, develop, motivate and retain highly skilled professionals who possess the skills and experience necessary to deliver our services. Qualified IT and data and analytics professionals are in demand worldwide and are likely to remain a limited resource for the foreseeable future. There can be no assurance that these qualified professionals will be available to us in sufficient numbers, or that we will be successful in retaining current or future employees. Failure to attract and retain qualified professionals in sufficient numbers may have a material adverse effect on our business, operating results and financial condition. Historically, we have done much of our recruiting from outside of the country where the client work is performed. Accordingly, any perception among our IT professionals, whether or not well founded, that our ability to assist them in obtaining temporary work visa and permanent residency status has been diminished, could lead to significant employee attrition. Any significant employee attrition will increase expenses necessary to replace and retrain our professionals and could decrease our revenues if we are not able to provide sufficient numbers of these resources to our clients.

***We may have difficulty maintaining client relationships if the trend towards utilizing Managed Service Providers ("MSPs") continues.***

Within our IT Staffing Services segment, many large users of staffing services are employing MSP's to manage their contractor expenses in an effort to drive down overall costs. MSP clients represented approximately

## [Table of Contents](#)

32% of our overall 2023 revenues and has been largely flat in recent years. The general impact of this shift towards the MSP model has been to lower our gross margins. Should this trend towards utilizing the MSP model continue, it is likely that our gross margins will be pressured in the future. In addition, if large users of staffing services continue to employ MSPs, the relationship between us and those large users may be primarily conducted through MSPs, in which case we may have difficulty maintaining those client relationships because the MSP model uses the MSP as an intermediary between the staffing service provider and the end-user, and reduces our direct contact with the end-user.

### ***We are dependent upon our Indian operations and there can be no assurance that our Indian operations will support our growth strategy and historical cost structure.***

Our Indian recruitment and delivery centers depend greatly upon business and technology transfer laws in India, and upon the continued development of technology infrastructure. There can be no assurance that our Indian operations will support our growth strategy. The risks inherent in our Indian business activities include:

- unexpected changes in regulatory environments;
- foreign currency fluctuations;
- tariffs and other trade barriers;
- difficulties in managing international operations; and
- the burden of complying with a wide variety of foreign laws and regulations.

Our failure to manage growth or attract and retain personnel, or a significant interruption in our ability to transmit data and voice efficiently, could have a material adverse impact on our ability to successfully maintain and develop our global recruitment and delivery centers and could have a material adverse effect on our business, operating results and financial condition.

The Indian rupee may increase in value relative to the dollar, increasing our costs. Although, we receive the vast majority of our revenues in U.S. dollars, we maintain a significant portion of our recruiting and delivery workforces in India, and those employees are paid in rupees. Therefore, any increase in the value of the rupee versus the dollar would increase our expenses, which could have a material adverse effect on our business, operating results and financial condition.

### ***Our quarterly operating results may be subject to significant variations.***

Our revenues and operating results have historically been subject to significant variations from quarter to quarter depending on a number of factors, including the timing and number of client projects commenced and completed during the quarter, the number of working days in a quarter, employee hiring and attrition, and utilization rates during the quarter.

### ***Our multi-year Center of Excellence service offering may be early terminated with a short notice from the client, which could materially impact our backlog and adversely affect our business and future revenues.***

Our Data and Analytics Services segment markets a multi-year service offering known as a Center of Excellence. This service provides our clients with a virtual extension of their internal team to assist with their data and analytics business strategies and objectives. These engagements are generally multi-year and provide added flexibility to the client by adjusting dedicated readily-available and appropriately skilled resources on an as needed basis. While these engagements provide opportunities to partner with and deeply understand a client's data management and analytics longer-term objectives, these contracts generally can be early terminated by the client with a short-term notice. Should a client terminate an engagement early, this termination could materially impact our backlog of orders and adversely affect our business and future revenues.



## Table of Contents

***Our strategy of expansion through the acquisition of additional companies may not be successful and may result in slower growth of our business and reduced operating margins.***

We plan to gradually expand our operations through the acquisition of, or investment in, additional businesses and companies. We may be unable to identify businesses that complement our strategy for growth. If we do succeed in identifying a company with such a business, we may not be able to acquire the company, its relevant business or an interest in the company for many reasons, including:

- a failure to agree on the terms of the acquisition or investment;
- incompatibility between us and the management of the company that we wish to acquire or invest;
- competition from other potential acquirers;
- a lack of capital to make the acquisition or investment; or
- the unwillingness of the company to partner with us.

If we are unable to acquire and invest in attractive businesses, our strategy for growth may be impaired. Even if we are able to complete one or more acquisitions, there can be no assurance that those completed acquisitions will result in successful growth, and the costs of completing an acquisition may reduce our margins.

***We have made in the past, and may make in the future, acquisitions which could require significant management attention, disrupt our existing business, result in dilution to our shareholders, deplete our cash reserves, increase our debt levels and adversely affect our financial results.***

Acquisitions, such as our acquisitions of Hudson IT, the services division of InfoTrellis, Inc., and AmberLeaf Partners, Inc., involve numerous risks, including the possibility that:

- we do not successfully integrate the operations, systems, technologies, products, offerings and personnel of the acquired company or companies;
- we do not generate sufficient revenues to offset increased expenses associated with our acquisitions;
- our management's attention is diverted from normal daily operations of our business and the challenges with managing larger and more widespread operations resulting from our acquisitions;
- we experience difficulties entering markets in which we have no or limited direct prior experience and where competitors in such markets have stronger market positions; and
- we lose key employees, customers, distributors, vendors and other business partners of the companies we acquire following and continuing after announcement of acquisition plans.

In addition to the foregoing, acquisitions may also cause us to:

- use a substantial portion of our cash reserves or incur debt;
- issue equity securities or grant equity incentives that dilute our current shareholders' percentage ownership;
- assume liabilities, including potentially unknown liabilities;
- record goodwill and amortizable intangible assets that are subject to impairment testing on a regular basis and potential periodic impairment charges;
- incur amortization expenses related to certain intangible assets;
- incur large and immediate write-offs and restructuring and other related expenses; and
- become subject to intellectual property litigation or other litigation.

## [Table of Contents](#)

Acquisitions of technology companies and assets are inherently risky and subject to many factors outside of our control, and no assurance can be given that our prior or future acquisitions will be successful and will not materially adversely affect our business, operating results, or financial condition. Failure to manage and successfully integrate acquisitions could materially harm our business and operating results.

### ***Our revenues are highly concentrated, and the loss of a significant client would adversely affect our business and revenues.***

Our revenues are highly dependent on clients located in North America, as well as clients concentrated in certain industries. Economic slowdowns, changes in law and other restrictions or factors that affect the economic health of these industries may affect our business. For the year ended December 31, 2023, approximately 53% of our revenues were derived from our top ten clients and approximately 50% of revenues came from financial services clients. Consequently, if our clients reduce or postpone their spending significantly, this may lower the demand for our services and negatively affect our revenues and profitability. Further, any significant decrease in the rate of economic growth may reduce the demand for our services and negatively affect our revenues and profitability.

We have in the past, and may in the future, derive a significant portion of our revenues from a relatively limited number of clients. These contracts are terminable without penalty, as are most of our contracts. The loss of any significant client or major project, or an unanticipated termination of a major project, could result in the loss of substantial anticipated revenues.

### ***Our leverage could materially and adversely affect our financial condition or operating flexibility and prevent us from fulfilling our obligations under our Credit Agreement.***

At December 31, 2023, we had no outstanding borrowings under our Credit Agreement with PNC Bank and certain other lenders (the “Credit Agreement”) and unused borrowing capacity of \$22.5 million under the revolving credit facility established by the Credit Agreement. Our level of indebtedness (which may increase) could have important consequences on our future operations, including the following:

- increasing the risk that we cannot satisfy our payment or other obligations under our outstanding debt, which may result in defaults;
- subjecting us to increased sensitivity to interest rate increases on our outstanding indebtedness, which could cause our debt service obligations to increase significantly;
- reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes, and limiting our ability to obtain additional financing for these purposes;
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we operate and general economic conditions;
- placing us at a competitive disadvantage to our competitors that have less debt or are less leveraged;
- increasing our vulnerability to the impact of adverse economic and industry conditions; and
- limiting our ability to execute on our existing share repurchase program.

In addition, we may incur additional indebtedness in the future and, if we incur new debt or other liabilities, the related risks that we face could intensify.

Our ability to make required payments or to refinance our indebtedness depends on our future performance, which will be affected by financial, business and economic conditions and other factors, many of which are not within our control. If our cash flows and capital resources are insufficient to fund our debt service obligations, we

## [Table of Contents](#)

may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital, or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In addition, the terms of existing or future debt agreements and other factors may restrict us from pursuing any of these alternatives.

If we are in default under the Credit Agreement due to our inability to make the required payments, or if we otherwise fail to comply with the financial and other covenants contained therein, all of our debt thereunder could be accelerated and the lenders under our Credit Agreement could be permitted to foreclose on our assets securing such debt.

### ***The covenants in our Credit Agreement impose restrictions that may limit our operating and financial flexibility.***

The Credit Agreement contains financial covenants, including but not limited to, covenants related to the Company's senior leverage ratio and fixed charge ratio (as defined under the Credit Agreement), and limitations on liens, indebtedness, guarantees and contingent liabilities, loans and investments, distributions, leases, asset sales, stock repurchases and mergers and acquisitions. These covenants and limitations may limit our ability to, among other things:

- create, incur or assume liens;
- make investments and loans;
- create, incur, assume or guarantee additional indebtedness;
- engage in mergers, acquisitions, consolidations, sale-leasebacks and other similar transactions;
- pay dividends, or redeem or repurchase our capital stock;
- alter the business that we conduct;
- engage in certain transactions with officers, directors and affiliates;
- prepay, redeem or purchase other indebtedness;
- enter into certain agreements; and
- make material changes to accounting and reporting practices.

Operating results below current levels or other adverse factors, including increases in interest rates, could result in us being unable to comply with certain covenants contained in our Credit Agreement. If we violate these covenants and are unable to obtain waivers, our debt under the Credit Agreement would be in default, could be accelerated and could permit our lenders to foreclose on our assets securing the debt thereunder. If the indebtedness is accelerated, we may not be able to repay our debt or borrow sufficient funds to refinance it. Even if we are able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to us. If our debt is in default for any reason, our cash flows, operating results, or financial condition could be materially and adversely affected. In addition, complying with these covenants may also cause us to take actions that may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

### ***We must keep pace with the rapid technological changes that characterize the IT and data and analytics industries and our failure to do so could result in lower demand for services.***

The IT staffing and data analytics services industries are characterized by rapid technological change, evolving industry standards, changing client preferences and new product introductions. Our success will depend in part on our ability to keep pace with industry developments. There can be no assurance that we will be successful in addressing these developments on a timely basis or that, if these developments are addressed, we

## [Table of Contents](#)

will be successful in the marketplace. In addition, there can be no assurance that products or technologies developed by others will not render our services noncompetitive or obsolete. Our failure to address these developments could have a material adverse effect on our business, operating results and financial condition.

A significant number of organizations is attempting to migrate their IT business applications to advanced technologies, such as artificial intelligence, cloud services, data scientists, mobility, and social analytics. As a result, our ability to remain competitive depends on several factors, including our ability to develop, train and hire employees with skills in advanced technologies. Our failure to hire, train and retain employees with such skills could have a material adverse impact on our future revenues.

***Our “preferred vendor” contracts generally result in lower margins. In addition, we may not be able to maintain “preferred vendor” status with existing clients or obtain that status with new clients, which may lead to a decrease in the volume of business we obtain from these clients.***

In our IT Staffing Services segment, we are party to several “preferred vendor” contracts, and we are seeking additional similar contracts in order to obtain new or additional business from large and medium-sized clients. Clients enter into these contracts to reduce their number of vendors and obtain better pricing in return for a potential increase in the volume of business to the preferred vendor. While these contracts are expected to generate higher volumes, they generally carry lower margins. Although we attempt to lower costs to maintain margins, there can be no assurance that we will be able to sustain margins on such contracts. In addition, the failure to be designated as a preferred vendor, or the loss of such status, may preclude us from providing services to existing or potential clients, except as a subcontractor, which could have a material adverse effect on the volume of business obtained from such clients.

***Our success depends upon the maintenance and protection of our intellectual property rights and processes, and any substantial costs incurred protecting such rights and processes may decrease our operating margins.***

Our success depends in part upon certain methodologies and tools we use in designing, developing and implementing application systems and other proprietary intellectual property rights. We rely upon a combination of nondisclosure and other contractual arrangements and trade secrets, copyright and trademark laws to protect our proprietary rights and the proprietary rights of third parties from whom we license intellectual property. We enter into confidentiality agreements with our employees and limit distribution of proprietary information. There can be no assurance that the steps we take in this regard will be adequate to deter misappropriation of proprietary information or that we will be able to detect unauthorized use and take appropriate steps to enforce our intellectual property rights. In the event of an unfavorable resolution of a dispute over our intellectual property rights, we may incur substantial costs or liabilities, which would decrease our operating margins.

***Our business is certified as a minority-owned business, and loss of that certification may impact our ability to gain new customers or expand our business with existing customers.***

We are a large minority-owned staffing and data analytics services firm and have been certified as minority-owned by the National Minority Supplier Development Council (the “NMSDC”). NMSDC certification has helped us to expand our business with existing clients as well as obtain new customers. While we cannot quantify the effect of the loss of this status, its loss could adversely affect our ability to expand our business or cause us to lose existing business.

Because the NMSDC certification relies in large part upon Messrs. Wadhvani and Trivedi and their affiliates maintaining their positions as the collective majority holders of our common stock, any decrease in their collective ownership may jeopardize our status as a minority-owned business. There can be no assurance that Messrs. Wadhvani and Trivedi and their affiliates will maintain their majority position in the Company.

## [Table of Contents](#)

### ***Existing and potential customers may consider outsourcing their IT requirements to foreign countries, which could have an adverse effect on our ability to obtain new customers or retain existing customers.***

In the past years, certain of our existing and potential customers started to use low-cost offshore outsourcing centers to perform technology-related work. Should this shift towards moving technology-related work to offshore outsourcing centers continue, our business, operating results and financial condition could be adversely affected.

### ***We may be subject to liability to clients arising from our engagements.***

Many of our engagements involve projects that are critical to the operations of our clients' businesses and provide benefits that may be difficult to quantify. Although we attempt to contractually limit our liability for damages arising from errors, mistakes, omissions or negligent acts in rendering our services, there can be no assurance that our attempts to limit liability will be successful. Our failure or inability to meet a client's expectations in the performance of our services could result in a material adverse change to the client's operations and, therefore, could give rise to claims against us or damage our reputation, adversely affecting our business, operating results and financial condition.

### ***We may face data protection, data security, and privacy risks in connection with privacy regulation.***

Strict data privacy laws regulating the collection, transmission, storage and use of employee data and consumers' personally identifying information are evolving in the U.S. and other jurisdictions in which we operate. These laws impose compliance obligations for the collection, use, retention, security, processing, transfer and deletion of personally identifiable information of individuals and creates enhanced rights for individuals. These changes in the legal and regulatory environments in the areas of customer and employee privacy, data security, and cross-border data flows could have a material adverse effect on our business, primarily through the impairment of our marketing and transaction processing activities, the limitation on the types of information that we may collect, process and retain, the resulting costs of complying with such legal and regulatory requirements and potential monetary forfeitures and penalties for noncompliance.

### ***Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.***

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees, in our data center and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Our hybrid work-from-home business model may heighten risks of security breaches. Despite having implemented security measures to address risks of security breaches, we experienced a cybersecurity breach in 2022 involving a single employee email account and which indirectly impacted two Mastech InfoTrellis clients. We incurred an expense charge of \$450,000 in 2022 related to this event, which included the cost of engaging external advisors. While we adopted certain remedial measures as a result of this incident, our information technology and infrastructure may still be vulnerable to security breaches and other disruptions, including attacks by hackers, or breaches due to employee error, malfeasance or other disruptions. Any such breach or disruption could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, disrupt our operations and the services we provide to customers, and damage our reputation, and cause a loss of confidence in our services, which could adversely affect our operating results and competitive position. We maintain cyber risk insurance, but this insurance may not be sufficient to cover all of our losses from any breaches of our networks.

***We depend on the proper functioning of our information systems.***

We are dependent on the proper functioning of information systems in operating our business. Critical information systems are used in every aspect of our daily operations, perhaps most significantly, in the identification and matching of staffing resources to client assignments and in the client billing and consultant or vendor payment functions. Our information systems may not perform as expected and are vulnerable to damage or interruption including natural disasters, fire or casualty theft, technical failures, terrorist acts, cybersecurity breaches, power outages, telecommunications failures, physical or software intrusions, computer viruses, employee errors or other events. Failure or interruption of our critical information systems may require significant additional capital and management resources to resolve, which could have a material adverse effect on our business. Additionally, many of our information technology systems and networks are cloud-based or managed by third parties, whose future performance and reliability we cannot control. The risk of a cyber-attack or security breach on a third party carries the same risks to us as those associated with our internal systems. There can be no assurance that such parties will not experience cybersecurity breaches that could adversely affect our employees, customers and businesses or that our audit or diligence processes will successfully deter or prevent such breach.

***If our clients are subjected to cyber-attacks or data security breaches, it may result in damage to our business and the disclosure of our confidential information.***

In addition to cybersecurity threats posed directly against us, our clients' information systems are also vulnerable to an increasing threat of continually evolving cybersecurity risks. There is no guarantee that our clients have implemented procedures that are adequate to safeguard against all data security breaches. The failure of our clients to adequately safeguard against data security breaches could have a material adverse effect on our business and operations. The theft and/or breach of our clients' data security could cause the disclosure and/or loss of our confidential information and data and result in significant costs. In addition, any cybersecurity damage to the networks or computer systems used by us or our clients could result in a claim for substantial damages against us and significant reputational harm, regardless of our responsibility for the failure.

***If our insurance costs increase significantly, these incremental costs could negatively affect our financial results.***

We purchase various insurance policies to limit or transfer certain risks inherent in our operations. These costs largely relate to obtaining and maintaining professional and general liability insurance policies. If the costs of carrying these insurance policies increase significantly, due to poor claims history or changes in market conditions, this could have an adverse impact on our profitability and financial condition.

***We may not have adequate insurance for potential liabilities, including liabilities arising from litigation.***

We are exposed to various possible claims relating to our business. In the ordinary course of business, we have, and in the future, may become the subject of various claims, lawsuits, and administrative proceedings seeking damages or other remedies concerning our operations, products, services, employees and other matters. Some of these claims may relate to the activities of businesses that we have acquired, even though these activities may have occurred prior to our acquisition of such businesses. While we maintain insurance to cover certain of our potential losses, we cannot ensure that our insurance will cover all claims or that insurance coverage will be available at economically acceptable rates. Our ability to obtain insurance, and the coverage levels, deductibles and premiums of our insurance, are all dependent on market factors, our loss history and our insurers' perception of our overall risk profile. Our insurance may also require us to meet a deductible. Significant uninsured liabilities could have a material adverse effect on our business, financial condition and results of operations.

## [Table of Contents](#)

***Any disruption in the supply of power, IT infrastructure and telecommunications lines to our facilities could disrupt our business process or subject us to additional costs.***

Any disruption in basic infrastructure, including the supply of power, could negatively impact our ability to provide timely or adequate services to our clients. We rely on a number of telecommunication services and other infrastructure providers to maintain communications between our various facilities and clients. Telecommunications networks are subject to failures and periods of service disruption which can adversely affect our ability to maintain active voice and data communications among our facilities and with our clients. This could disrupt our business process or subject us to additional costs, materially adversely affecting our business, results of operations and financial condition.

***Our inability to successfully recover should we experience a disaster or other business continuity problem could cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.***

Should we experience a disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, security breach, power loss, telecommunications failure or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel, our office facilities, and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, we could experience near-term operational challenges with regard to particular areas of our operations. In particular, our ability to recover from any disaster, pandemic or other business continuity problem will depend on our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. We could potentially lose client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster. A disaster or pandemic, on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster, pandemic or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability. For example, the COVID-19 pandemic and governmental actions taken to curtail the spread of the virus had an impact on our employees, customers and third-party providers and impacted the level of economic activity. Any such disaster or other business continuity problem could have a material adverse impact on our revenues and profitability.

***Risks posed by climate change may materially increase our compliance costs and adversely impact our profitability.***

Climate change vulnerability is posing new threats and opportunities in the global economy. Climate change and measures adopted to address it can affect us, our clients and suppliers in myriad ways, depending on the nature and location of the businesses, the near-term capital expenditure needs, the regulatory environments where they operate and their strategic plans. Generally, climate risks and opportunities for companies and their investors fall into four categories:

- Physical risk from climate change;
- Regulatory risks and opportunities related to existing or proposed greenhouse gas (“GHG”) emissions limits;
- Indirect regulatory risks and opportunities related to products or services from high emitting companies; and
- Litigation risks for emitters of greenhouse gases.

Unmitigated climate change is likely to have severe physical impacts on companies with exposed assets or business operations, including Mastech Digital. Major environmental risks and liabilities can significantly impact future earnings. To the extent we are unable to comply with applicable regulations related to climate change, and such failure to comply results in material increases in compliance costs or litigation expenses, those costs or expenses will have an adverse effect on our profitability.

***Our success depends upon retaining the services of our management team and key operating employees.***

We are highly dependent on our management team and expect that our success will depend largely upon their efforts, expertise and abilities. Over the last several years, we have experienced turnover in the leadership of our Data and Analytics Services segment, and the loss of the services of any of our key executives for any reason could have a material adverse effect on our business. To attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package, including cash-based and equity-based compensation. The loss or any sustained attrition of our key operating employees, or the failure to effectively integrate new members of our management team or key operating employees, could have a material adverse effect on our business, including our ability to establish and maintain client, consultant and candidate, professional and technical relationships.

**Risks Related to Governmental Regulations, Laws and Taxation**

***Government regulation of H1-B visas may materially affect our workforce and limit our supply of qualified IT professionals, or increase our cost of securing workers.***

We recruit IT professionals on a global basis and, therefore, must comply with the immigration laws in the countries in which we operate, particularly the U.S. As of December 31, 2023, approximately 37% of our employee workforce was working under Mastech Digital sponsored H1-B temporary work visas. Applicable law limits the number of new H1-B petitions that may be approved in a fiscal year, and if we are unable to obtain H1-B visas for our employees in sufficient quantities or at a sufficient rate for a significant period of time, our business, operating results and financial condition could be adversely affected. Additionally, legislation could be enacted limiting H1-B visa holders' employment with staffing and data analytics companies, which could result in reduced revenues and/or a higher cost of recruiting.

In recent years, the vast majority of our H1-B hires were not subject to the annual quota limiting H1-B visas because they were already in the U.S. under H1-B visa status with other employers. As a result, the negative impact on recruiting due to the exhaustion of recent H1-B quotas was not substantial. However, the subject of H1-B visas has recently become a major political discussion point and there are indications that the entire H1-B visa program may be significantly overhauled. If a new or revised H1-B visa program is implemented, there could be elements of the new/revised H1-B visa program that may not be advantageous to our business model thus adversely impacting our business, operating results or financial condition.

***Reclassification of our independent contractors by tax or regulatory authorities could have a material adverse effect on our business model and/or could require us to pay significant retroactive wages, taxes and penalties.***

We utilize individuals to provide certain services in connection with our business as qualified third-party independent contractors rather than as direct employees. As of December 31, 2023, approximately 15% of our workforce were independent contractors. Heightened state and federal scrutiny of independent contractor relationships could adversely affect us given that we utilize independent contractors to perform certain services. An adverse determination related to the independent contractor status of these subcontracted personnel could result in substantial taxes or other liabilities to us, which could result in a material adverse effect upon our business.

***Restrictions on immigration or unjustified or discriminatory enforcement of immigration laws could increase our cost of doing business, cause us to change the way we conduct our business or otherwise disrupt our operations.***

The success of our business is dependent on our ability to recruit IT and data and analytics professionals and to mobilize them to meet our clients' needs. Immigration laws in the countries in which we operate are subject to legislative changes, as well as variations in the standards of application and enforcement due to political forces and economic conditions. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or renewing work visas for our professionals.



## [Table of Contents](#)

Immigration change continues to attract significant attention in the public arena and in the current U.S. administration and Congress. If new immigration legislation is enacted in the U.S. or in the other jurisdictions in which we do business, such legislation may contain provisions that could make it more difficult or costly for us to recruit and retain IT professionals, and to a lesser extent data and analytics professionals. Additionally, there is uncertainty as to the position the U.S. will take with respect to immigration under the Biden administration or any new administration. As a result, we may incur additional costs to run our business or may have to change the way we conduct our operations, either of which could have a material adverse effect on our business, operating results and financial condition. Also, if the enforcement of immigration laws by governmental authorities is unjustified or discriminatory, such enforcement could have the effect of disrupting our workforce.

***The U.S. Congress, the Biden administration, or any new administration may make substantial changes to fiscal, tax, and other federal policies that may adversely affect our business.***

In 2017, the U.S. Congress and the Trump administration made substantial changes to U.S. policies, which included comprehensive corporate and individual tax reform. In addition, the Trump administration called for significant changes to U.S. trade, healthcare, immigration and government regulatory policy. With the transition to the Biden administration in early 2021, changes to U. S. policy have occurred and further U.S. policy changes are possible, if not likely. Changes to U.S. policy implemented by the U.S. Congress, the Biden administration or any new administration may impact, among other things, the U.S. and global economy, international trade relations, unemployment, immigration, healthcare, taxation, the U.S. regulatory environment, inflation and other areas. Although we cannot predict the impact, if any, of these changes to our business, they could adversely affect our business. Until we know what policy changes are made and how those changes impact our business and the business of our competitors over the long term, we will not know if, overall, we will benefit from them or be negatively affected by them.

***Adverse results in tax audits or interpretations of tax laws could have an adverse impact on our business.***

We are subject to periodic federal, state and local tax audits for various tax years. We also need to comply with new, evolving or revised tax laws and regulations. The Tax Cuts and Jobs Act of 2017 continues to require interpretation, and a new administration could modify key aspects of the tax code, which could materially affect our tax obligations and effective tax rate. Although we attempt to comply with all taxing authority regulations, adverse findings or assessments made by taxing authorities as the result of an audit could have a material adverse effect on our business, results of operations and financial condition.

***Requirements of the Affordable Care Act may continue to increase our employee benefits costs and could negatively affect our operating results, cash flows and financial condition if such costs aren't recovered with increases in client bill rates.***

We provide healthcare coverage to our U.S.-based employees that are subject to the Affordable Care Act ("ACA"). Additional provisions of the ACA and the compliance of such may result in higher overall costs to the Company, which could have a negative impact on our operating results, cash flows and financial condition.

### **Risks Related to Economic and Financial Conditions**

***We make estimates and assumptions in connection with the preparation of our consolidated financial statements and any changes to those estimates and assumptions could adversely affect our financial results.***

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The application of these principles require us to make estimates and assumptions about certain items and future events that may affect our reported financial statements and our accompanying disclosure with respect to, among other things, revenue recognition, purchase accounting fair value measurements, contingent consideration and taxation related items. We base our estimates on historical experience and on various other

## [Table of Contents](#)

assumptions that we believe are reasonable at the time they are made. These estimates and assumptions involve the use of judgment and can be subject to uncertainties, some of which are beyond our control. If our estimates or the assumptions underlying such estimates are incorrect, actual results may differ materially from our estimates and we may need to, among other things, revise revenues or recognize additional charges that could adversely impact our results of operations and our financial condition.

### ***Negative or uncertain economic conditions in North America or elsewhere may adversely affect demand for our services.***

Approximately 99% of our revenues are generated from clients located in North America. Our business depends on the overall demand for IT and data and analytics professionals and on the economic health of our clients. Weak economic conditions may force companies to reduce their IT staffing and data and analytics budgets and adversely affect demand for our services, thus reducing our revenues. Furthermore, economic uncertainty, including the concerns of our clients and other companies with respect to inflationary conditions in North America and elsewhere, has had and may continue to have an adverse impact on the demand for our services, which in turn could have a material adverse effect on our business, operating results and financial condition.

### ***Our industries are highly competitive and fragmented, which may limit our ability to increase our prices for services.***

The IT staffing services and data analytics services industries are highly competitive and served by numerous global, national, regional and local firms. Primary competitors include participants from a variety of market segments, including the major consulting firms, systems consulting and implementation firms, U.S.-based staffing services companies, data and analytics service companies, applications software firms, service groups of computer equipment companies, specialized consulting firms, programming companies and temporary staffing firms. Many of these competitors have substantially greater financial, technical and marketing resources and greater name recognition than we have. There are relatively few barriers to entry into many of our markets, and as such we may face additional competition from new entrants into our markets. In addition, there is a risk that clients may elect to increase their internal resources to satisfy their staffing and data and analytics needs. There can be no assurance that we will compete successfully with existing or new competitors in the staffing and data analytics services markets.

### ***Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.***

South Asia has, from time to time, experienced instances of civil unrest and hostilities among neighboring countries, such as between India and Pakistan, India and China, and even within India. There have been military confrontations along the India-Pakistan and India-China borders from time to time. The potential for hostilities between India and Pakistan is high due to past terrorist incidents in India, troop mobilizations along the border, and the geopolitical situation in the region. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. This, in turn, could have a material adverse effect on our business, operating results and financial condition.

### ***Wage costs in India may increase, which may reduce our operating margins and reduce a competitive advantage of ours.***

Our wage costs in India have historically been significantly lower than wage costs in the U.S. for comparably skilled professionals, and this has been one of our competitive advantages with respect to the costs of our Indian recruiting and delivery offices. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our operating margins. We may need to increase the levels of our employee compensation more rapidly than in the past to retain talent. Unless we are able to continue to

## [Table of Contents](#)

increase the efficiency and productivity of our employees, wage increases in the long term may reduce our overall margins.

*Negative economic or business conditions brought on by a global health pandemic, epidemic or outbreak may adversely affect demand for our services.*

Our business depends on the overall demand for IT and data and analytics professionals and on the economic health of our clients. Our business could be adversely affected by the effects of the COVID-19 virus or another pandemic, epidemic or outbreak on the economic and business climate. For example, the spread of the COVID-19 virus and the efforts taken to control its spread may cause companies to reduce their staffing and data and analytics budgets and adversely affect demand for our services, thus reducing our revenues. Furthermore, the impact of the COVID-19 virus outbreak and the actions taken to curtail the spread of the virus could disrupt or materially impair the ability of our clients to operate their businesses. Any such disruption or impairment could lower the demand for our services, result in collection issues on our outstanding accounts receivable and have a material adverse impact on our revenues and profitability.

*If our clients are adversely affected by climate change or related compliance costs, this may reduce their spending and demand for our services, leading to a decrease in revenue.*

In addition to emissions and climate change risks posed directly to Mastech Digital, we also have clients in varied industries such as healthcare, consumer products, manufacturing, technology, and retail, among others. Some of the clients may be significantly affected by climate change resulting in greater physical risk. This may lead to a reduction of demand and loss of business from such clients, which would impact our business, results of operations and financial condition.

### **Risks Related to Our Stock**

*The price of our common stock may fluctuate substantially, and your investment may decline in value.*

The market price of our common stock may be highly volatile and may fluctuate substantially due to many factors, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- conditions and trends in the end markets we serve, and changes in the estimation of the size and growth rate of these markets;
- our ability to integrate acquisitions;
- announcements of significant contracts by us or our competitors;
- changes in our pricing policies or the pricing policies of our competitors;
- restatements of historical financial results and changes in financial forecasts;
- loss of one or more of our significant customers;
- legislation;
- changes in market valuation or earnings of our competitors;
- the trading volume of our common stock;
- the trading of our common stock on multiple trading markets, which takes place in different currencies and at different times; and
- general economic conditions.

***Evolving expectations around corporate responsibility practices, specifically related to environmental, social and governance (“ESG”) matters, may expose us to reputational and other risks.***

Investors, shareholders, customers, suppliers and other third parties are increasingly focusing on ESG and corporate social responsibility endeavors and reporting. Certain institutional investors, investment funds, other influential investors, customers, suppliers and other third parties are also increasingly focused on ESG practices. If we do not adapt to or comply with evolving investor or stakeholder expectations and standards, or are perceived to have not responded appropriately, we may suffer from reputational damage, which could in turn materially and adversely affect our business, financial condition, and/or stock price. Further, this increased focus on ESG and corporate social responsibility may result in new regulations and/or third party requirements that could adversely impact our business, or certain shareholders reducing or eliminating their holdings of our stock. Additionally, an allegation that we have not taken sufficient action in these areas could negatively harm our reputation.

***Our ownership is highly concentrated in two individuals and the interests of those individual shareholders may not coincide with yours.***

Sunil Wadhvani and Ashok Trivedi, co-founders of the Company, beneficially own approximately 59% of Mastech Digital’s outstanding common stock as of December 31, 2023. Accordingly, Messrs. Wadhvani and Trivedi together have sufficient voting power to elect all the members of the Board of Directors and to effect transactions without the approval of our other shareholders, except for those limited transactions that require a supermajority vote under our bylaws or articles of incorporation. The interests of Messrs. Wadhvani and Trivedi may from time to time diverge from our interests. Mastech Digital’s Audit Committee consists of independent directors and addresses certain potential conflicts of interest and related party transactions that may arise between us and our directors, officers or our other affiliates. However, there can be no assurance that any conflicts of interest will be resolved in our favor.

***Our results of operations and share price could be adversely affected if we are unable to maintain effective internal controls.***

Internal controls related to the operation of our business are critical to our ability to provide accurate financial statements and an appropriate internal control environment. We are required to provide a report from management on our internal controls over financial reporting that includes an assessment of the effectiveness of these controls. Internal control over financial reporting has inherent limitations, including human error, the possibility that controls could be circumvented or become inadequate because of changing conditions. Because of these limitations, internal control over financial reporting might not prevent or detect all misstatements or fraud. Also, while the Company remediated over the course of the 2021 fiscal year two material weaknesses identified in 2020, the completion of this remediation does not provide assurance that the Company’s remediation or other controls will continue to operate properly. Furthermore, management’s report on the Company’s internal controls over financial reporting was not subject to attestation by the Company’s independent registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management’s report in this Annual Report on Form 10-K. If we cannot maintain and execute adequate internal control over financial reporting or implement necessary new or improved controls that provide reasonable assurance of the reliability of our financial reporting and preparation of our financial statements for external use, we could suffer harm of our reputation, fail to meet our public reporting requirements on a timely basis, be unable to properly report our financial results, or be required to restate our financial statements, which could result in the loss of investor confidence and may adversely impact our stock price.

## [Table of Contents](#)

### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

### **ITEM 1C. CYBERSECURITY**

#### **Risk Management and Strategy**

Mastech Digital, Inc. recognizes the critical importance of developing, implementing, and maintaining robust cybersecurity measures to safeguard our information systems and protect the confidentiality, integrity, and availability of our data.

#### *Managing Material Risks & Integrated Overall Risk Management*

The Company has strategically integrated cybersecurity risk management into its broader risk management framework to promote a company-wide culture of cybersecurity risk management. This integration ensures that cybersecurity considerations are an integral part of our decision-making processes at every level. In 2022, we improved this integration by hiring a senior executive to assume the responsibilities of both the Chief Information Officer (“CIO”) and Chief Information Security Officer (“CISO”) roles within our organization. Thus, our risk management team is 100% aligned to our IT department to continuously evaluate and address cybersecurity risks within the Company’s business objectives and operational needs.

#### *Engage Third-parties on Risk Management*

Recognizing the complexity and evolving nature of cybersecurity threats, Mastech Digital, Inc. engages with a range of external experts, including cybersecurity assessors, consultants, and auditors in evaluating and testing our risk management systems. These partnerships enable us to leverage specialized knowledge and insights, ensuring our cybersecurity strategies and processes remain at the forefront of industry best practices. Our collaboration with these third parties includes regular audits, threat assessments, and consultation on security enhancements. We have recently partnered with a cybersecurity company that specializes in third party-vendor risk management.

#### *Oversee Third-party Risk*

Because we are aware of the risks associated with third-party service providers, Mastech Digital, Inc. implements stringent processes to oversee and manage these risks. We conduct thorough security assessments of all third-party providers before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. The monitoring includes quarterly assessments by our CIO / CISO and on an ongoing basis by our security engineers. This approach is designed to mitigate risks related to data breaches or other security incidents originating from third-parties.

#### *Risks from Cybersecurity Threats*

During 2022, we experienced a cybersecurity breach involving a single employee email account which indirectly impacted two Mastech InfoTrellis clients. Our security team identified the point of entry, decommissioned the affected laptop and email address, and changed email logins and passcodes for this email account. As a result of this incident, we engaged external advisors to validate our findings and remedial action steps. As part of this engagement, these advisors assisted us with a forensic analysis to determine whether any personally identifiable information (“PII”) was compromised as a result of this breach. For any such PII data determined to have been compromised, our advisors assisted us in determining the appropriate compliance steps.

#### **Governance**

The Board of Directors is acutely aware of the critical nature of managing risks associated with cybersecurity threats. The Board has established robust oversight mechanisms to ensure effective governance in

## [Table of Contents](#)

managing risks associated with cybersecurity threats because we recognize the significance of these threats to our operational integrity and stakeholder confidence.

### *Board of Directors Oversight*

The Audit Committee is central to the Board's oversight of cybersecurity risks and bears the primary responsibility for this domain. The Audit Committee is composed of board members with diverse expertise including risk management, technology, and finance, equipping them to oversee cybersecurity risks effectively.

### *Management's Role Managing Risk*

Our CIO / CISO and the Chief Executive Officer ("CEO") play a pivotal role in informing the Audit Committee on cybersecurity risks. They provide comprehensive briefings to the Audit Committee on a regular basis, with a minimum frequency of twice per year. These briefings encompass a broad range of topics, including:

- Current cybersecurity landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

In addition to our scheduled meetings, the Audit Committee, CIO / CISO and CEO maintain an ongoing dialogue regarding emerging or potential cybersecurity risks. Together, they receive updates on any significant developments in the cybersecurity domain, ensuring the Board's oversight is proactive and responsive. The Audit Committee actively participates in strategic decisions related to cybersecurity, offering guidance and approval for major initiatives. This involvement ensures that cybersecurity considerations are integrated into the broader strategic objectives of Mastech Digital, Inc. The Board of Directors conducts an annual review of the company's cybersecurity posture and the effectiveness of its risk management strategies. This review helps in identifying areas for improvement and ensuring the alignment of cybersecurity efforts with the overall risk management framework.

### *Risk Management Personnel*

Primary responsibility for assessing, monitoring, and managing our cybersecurity risks rests with our CIO / CISO, Mr. Philippe Bourdon. With over 20 years of experience in the field of cybersecurity, Mr. Bourdon brings a wealth of expertise to his role as the Company's CIO / CISO. His background includes extensive experience as an enterprise CISO and is well-recognized within the industry. His in-depth knowledge and experience are instrumental in developing and executing our cybersecurity strategies. Our CIO / CISO oversees our governance programs, tests our compliance with standards, remediates known risks, and leads our employee training program.

### *Monitor Cybersecurity Incidents*

The CIO / CISO is continually informed about the latest developments in cybersecurity, including potential threats and innovative risk management techniques. This ongoing knowledge acquisition is crucial for the effective prevention, detection, mitigation, and remediation of cybersecurity incidents. The CIO / CISO implements and oversees processes for the regular monitoring of our information systems. This includes the deployment of advanced security measures and regular system audits to identify potential vulnerabilities. In the event of a cybersecurity incident, the CIO / CISO is equipped with a well-defined incident response plan. This plan includes immediate actions to mitigate the impact and long-term strategies for remediation and prevention of future incidents.

---

[Table of Contents](#)

*Reporting to Board of Directors*

The CIO / CISO, in his capacity, regularly informs the Chief Financial Officer (CFO); our General Counsel; as well as the Chief Executive Officer (CEO) of all aspects related to cybersecurity risks and incidents. This ensures that the highest levels of management are kept abreast of the cybersecurity posture and potential risks facing Mastech Digital, Inc. Furthermore, significant cybersecurity matters, and strategic risk management decisions are escalated to the Board of Directors, ensuring that they have comprehensive oversight and can provide guidance on critical cybersecurity issues.

## [Table of Contents](#)

### ITEM 2. PROPERTIES

Information regarding the principal properties leased by us and our subsidiaries as of December 31, 2023 is set forth below:

<u>Location</u>	<u>Principal Use</u>	<u>Occupying Business Segment</u>	<u>Approximate Square Footage</u>
Moon Township, Pennsylvania	Corporate headquarters, executive, human resources, sales, recruiting, marketing and finance	IT Staffing	11,500
Chicago, Illinois	Executive, sales and recruiting	IT Staffing	2,300
Atlanta, Georgia	Sales and marketing	Data and Analytics	2,700
Toronto, Canada	Human resources, sales, marketing and delivery	Data and Analytics	3,800
NOIDA, India	Sales and recruiting office	IT Staffing	39,900
Chennai, India	Sales and delivery center	Data and Analytics	35,400

### ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of our business, we are involved in a number of lawsuits and administrative proceedings. While uncertainties are inherent in the final outcome of these matters, management believes, after consultation with legal counsel, that the disposition of these proceedings should not have a material adverse effect on our financial position, results of operations or cash flows.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.



**PART II**

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

Our common stock is traded on the NYSE American under the symbol “MHH”. We began trading “regular way” on the former American Stock Exchange (“AMEX”) on October 1, 2008.

On March 1, 2024, we had 119 registered holders of record of our common stock. This figure excludes an estimate of the indeterminate number of beneficial holders whose shares may be held by brokerage firms and clearing agencies. We currently do not pay recurring dividends on our common stock.

On February 8, 2023, the Company announced that the Board of Directors had authorized a share repurchase program of up to 500,000 shares of the Company’s common stock over a two-year period. Repurchases under the program may occur from time to time in the open market, through privately negotiated transactions, through block purchases or other purchase techniques, or by any combination of such methods, and the program may be modified, suspended or terminated at any time at the discretion of the Board of Directors. During the year ended December 31, 2023, the Company repurchased 67,699 shares of common stock at an average price of \$9.10 per share under this program. Additionally, we do, from time to time, purchase shares to enable employees to satisfy their tax obligations related to the vesting of restricted stock, in accordance with the provisions of the Company’s Stock Incentive Plan, as amended. During 2023 and 2022, the Company did not purchase any shares to satisfy such employee tax obligations.

A summary of our common stock repurchased during the quarter ended December 31, 2023 is set forth in the following table:

<b>Period</b>	<b>Total Number of Shares Purchased (1)</b>	<b>Average Price per Share (1)</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)</b>	<b>Maximum Number of Shares that May Yet Be Purchased Under this Plan or Programs (1)</b>
October 1, 2023 — October 31, 2023	—	\$ —	—	437,639
November 1, 2023 — November 30, 2023	5,338	\$ 8.49	5,338	432,301
December 1, 2023 — December 31, 2023	—	\$ —	—	432,301
Total	5,338	\$ 8.49	5,338	432,301

(1) The Company did not repurchase any shares of its common stock during the quarter ended December 31, 2023, other than through this publicly announced repurchase program.

In October 2018, the Board of Directors of the Company approved the Mastech Digital, Inc. 2019 Employee Stock Purchase Plan (the “Stock Purchase Plan”). The Stock Purchase Plan is intended to meet the requirements of Section 423 of the Code and required the approval of the Company’s shareholders to be qualified under Section 423 of the Code. On May 15, 2019, the Company’s shareholders approved the Stock Purchase Plan. Under the Stock Purchase Plan, 600,000 shares of common stock (subject to adjustment upon certain changes in the Company’s capitalization) are available for purchase by eligible employees who become participants in the Stock Purchase Plan. The purchase price per share is 85% of the lesser of (i) the fair market value per share of common stock on the first day of the offering period, or (ii) the fair market value per share of common stock on the last day of the offering period. For the year ended December 31, 2023 and December 31, 2022, stock purchases under the Stock Purchase Plan totaled 25,646 and 23,789 shares at an average purchase price of \$8.03 and \$11.53, respectively. At December 31, 2023, there were 466,919 shares available for purchases under the Plan.

## [Table of Contents](#)

### **ITEM 6. RESERVED**

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

*This Management’s Discussion and Analysis should be read in conjunction with our Consolidated Financial Statements and accompanying Notes included in this Annual Report on Form 10-K.*

*This Management’s Discussion and Analysis contains forward-looking statements that involve risks, uncertainties, and assumptions as described under the heading “Forward-Looking Statements” included in Part I of this Annual Report on Form 10-K. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors, including those discussed under “Item 1A. Risk Factors” and elsewhere in this Annual Report on Form 10-K.*

#### **Overview:**

We are a provider of Digital Transformation IT Services to mostly large and medium-sized organizations.

Our portfolio of offerings includes data management and analytics services, other Digital Transformation services, such as digital learning services, and IT staffing services.

We operate in two reporting segments — Data and Analytics Services and IT Staffing Services. Our data and analytics services are marketed on a global basis under the brand “Mastech InfoTrellis” and are delivered largely on a project basis with on-site and offshore resources. These capabilities and expertise were acquired through our acquisition of InfoTrellis and enhanced and expanded subsequent to the acquisition. In October 2020, we acquired AmberLeaf Partners, Inc. (“AmberLeaf”), a Chicago-based customer experience consulting firm. This acquisition enhanced our capabilities in customer experience strategy and managed services offerings for a variety of Cloud-based enterprise applications across sales, marketing and customer services organizations. Our IT staffing business combines technical expertise with business process experience to deliver a broad range of staffing services in digital and mainstream technologies, as well as our other Digital Transformation services.

Both business segments provide their services across various industry verticals, including: financial services; government; healthcare; manufacturing; retail; technology; telecommunications; and transportation. In our Data and Analytics Services segment we evaluate our revenues and gross profits largely by service line. In our IT Staffing Services segment, we evaluate our revenues and gross profits largely by sales channel responsibility. This analysis within both our reporting segments is multi-purposed and includes technologies employed, client relationships, and geographic locations.

#### **Economic Trends and Outlook**

Generally, our business outlook is highly correlated to general North American economic conditions, particularly with respect to our IT Staffing Services segment. During periods of increasing employment and economic expansion, demand for our services tends to increase. Conversely, during periods of contracting employment and / or a slowing global economy, demand for our services tends to decline. With economic expansion in 2010 through 2019 activity levels improved. However, as economic conditions strengthened, we experienced increased tightness in the supply side (skilled IT professionals) of our businesses. These supply-side challenges pressured resource costs and to some extent gross margins. As we entered 2020, we were encouraged by continued growth in the domestic job markets and expanding U.S. and global economies. However, with the COVID-19 pandemic surfacing in the first quarter of 2020, we realized that economic growth would quickly turn into recessionary conditions, which had a material impact on activity levels in both of our business segments. In 2021, we were encouraged by the global roll-out of vaccination programs and signs of economic improvement, however, the proliferation of COVID-19 variants have caused some uncertainty and disruption in the global markets. In 2022 and 2023, COVID-19-related concerns seemed to subside, however, increased inflation,

## [Table of Contents](#)

challenges in the financial sector related to increasing interest rates, and concerns about a possible recession created much uncertainty and impacted demand for our services in the second half of 2022 and the entire year of 2023. Entering 2024, while economic conditions in North American have shown signs of improvement, a level of uncertainty remains with respect to inflation and the potential of escalations of existing conflicts in the Middle East and Ukraine. Currently, it's difficult to predict how market conditions are going to unfold over the course of 2024 and beyond.

In addition to tracking general economic conditions in the markets that we service, a large portion of our revenues is generated from a limited number of clients (see Item 1A, the Risk Factor entitled "Our revenues are highly concentrated, and the loss of a significant client would adversely affect our business and revenues"). Accordingly, our trends and outlook are additionally impacted by the prospects and well-being of these specific clients. This "account concentration" factor may result in our results of operations deviating from the prevailing economic trends from time to time.

Within our IT Staffing Services segment, a larger portion of our revenues has come from strategic relationships with systems integrators. Additionally, many large end users of IT staffing services are employing MSP's to manage their contractor spending. Both of these dynamics may pressure our IT staffing gross margins in the future.

Recent growth in advanced technologies (social, cloud, analytics, mobility, automation) is providing opportunities within our IT Staffing Services segment. However, supply side challenges have proven to be acute with respect to many of these technologies.

## Results of Operations

We operate and report our business in two reporting segments — Data and Analytics Services and IT Staffing Services.

Below is a tabular presentation of revenues and gross profit margins by segment for the periods discussed:

### Revenues & Gross Margin by Segment (Revenues in millions)

Revenues	Years Ended December 31,		
	2023	2022	2021
Data and Analytics Services	\$ 34.4	\$ 40.6	\$ 38.3
IT Staffing Services	166.7	201.6	183.7
<b>Total Revenues</b>	<b>\$201.1</b>	<b>\$242.2</b>	<b>\$222.0</b>
<b>Gross Margin %</b>			
Data and Analytics Services	43.5%	41.5%	48.4%
IT Staffing Services	21.6%	23.0%	22.3%
<b>Total Gross Margin %</b>	<b>25.4%</b>	<b>26.1%</b>	<b>26.8%</b>

Below is a tabular presentation of operating expenses by sales and marketing, operations, general and administrative, amortization of acquired intangible assets, employment-related claim, net of recoveries, goodwill impairment, severance expense, cybersecurity breach, revaluation of contingent consideration and acquisition transaction expense categories for the periods discussed:

**Selling, General & Administrative (“SG&A”) Expense Details**  
(Amounts in millions)

	Years Ended December 31,		
	2023	2022	2021
<b>Data and Analytics Services Segment</b>			
Sales and Marketing	\$ 6.5	\$ 5.9	\$ 6.2
Operations	1.3	2.3	2.6
General & Administrative	8.9	5.4	4.5
<b>Subtotal Data and Analytics Services</b>	<b>\$ 16.7</b>	<b>\$ 13.6</b>	<b>\$ 13.3</b>
<b>IT Staffing Services Segment</b>			
Sales and Marketing	\$ 8.3	\$ 9.5	\$ 7.8
Operations	8.6	11.0	9.1
General & Administrative	13.1	12.5	11.2
<b>Subtotal IT Staffing Services</b>	<b>\$ 30.0</b>	<b>\$ 33.0</b>	<b>\$ 28.1</b>
Amortization of Acquired Intangible Assets	\$ 2.8	\$ 3.0	\$ 3.2
Employment-related Claim, net of Recoveries	3.1	—	—
Goodwill Impairment	5.3	—	—
Severance Expense	2.4	1.0	—
Cybersecurity Breach	—	0.4	—
Revaluation of Contingent Consideration	—	—	(2.9)
Acquisition Transaction Expenses	—	—	0.1
<b>Total SG&amp;A Expenses</b>	<b>\$ 60.3</b>	<b>\$ 51.0</b>	<b>\$ 41.8</b>

## 2023 Compared to 2022

### Revenues

Revenues for the year ended December 31, 2023 totaled \$201.1 million, compared to \$242.2 million for the year ended December 31, 2022. This 17% decline in total revenues reflected a decrease in revenue of 15% in our Data and Analytics Services segment and a 17% revenue decrease in our IT Staffing Services segment. Both segments were impacted by economic uncertainty during the year.

Our Data and Analytics Services segment’s revenue declines were largely due to client spending reductions on existing projects and assignment delays on new order bookings. Bookings in 2023 totaled \$42 million, of which \$19 million was secured in the fourth quarter. Order bookings in 2022 approximated \$36 million. With respect to 2023 bookings, several orders were multi-year assignments, which generate revenues over multiple reporting periods.

Our IT Staffing Services segment’s revenue decline was due to lower demand for our services as clients took a more conservative posture on spending, largely due to economic headwinds. Accordingly, our consultants-on-billing declined by 262-consultants in 2023 compared to a 53-consultant decrease in 2022. We ended 2023 with 946 consultants-on billing versus 1,208 consultants-on-billing at year-end 2022. Our average IT staffing bill rate for 2023 totaled \$78.84 per hour compared to \$80.64 per hour in 2022. This bill rate decline was due to lower rates on new assignments and was reflective of the type of skill sets that we deployed. Permanent placement / fee revenues totaled \$0.8 million in 2023 compared to \$2.1 million a year ago.

In both 2023 and 2022, we had one client that exceeded 10% of total revenues (CGI = 22.5% in 2023 and 22.2% in 2022, respectively). Our top ten clients represented 53% of total revenues in both 2023 and 2022. Additionally, our largest industry vertical, financial services, represented approximately 50% of total revenues in 2023 and 2022.

### **Gross Margin**

Gross profit decreased to \$51.0 million in 2023, compared to \$63.2 million in 2022, a decrease of 19% on a year-over-basis. Gross profit as a percentage of revenue totaled 25.4% in 2023, compared to 26.1% in 2022.

Gross margins from our Data and Analytics Services segment were 43.5%, which was 200-basis points better than the 41.5% gross margins that we experienced in 2022. The improvement largely reflected better utilization in the 2023 period.

Gross margins in our IT Staffing Services segment were 21.6% in 2023 compared to 23.0% in 2022. This 140-basis point decline was due to lower permanent placement revenues in 2023 (80-basis point impact on gross margins) and higher medical claims related to our self-insured program in 2023 compared to 2022.

### **Selling, General and Administrative (“SG&A”) Expenses**

SG&A expenses in 2023 totaled \$60.3 million and represented 30.0% of total revenues, compared to \$51.0 million or 21.1% of revenues in 2022. When excluding the amortization of acquired intangible assets, employment-related claim, net of recoveries, goodwill impairment and severance expenses in 2023, and the amortization of acquired intangible assets, the cybersecurity breach and severance expenses in 2022, the adjusted SG&A expenses related to operations, as a percentage of revenues was 23.2% in 2023 versus 19.2% in 2022. The increase in SG&A as a percentage of revenues, excluding these items mentioned above, was largely due to higher sales and executive staff expenses in the Data and Analytics Services segment, offset by lower variable expenses in our IT Staffing Services segment.

Fluctuations within SG&A expense components during 2023 compared to 2022 included the following:

- Sales expense was \$0.6 million lower in 2023 compared to the previous year. In the Data and Analytics Services segment, sales expense increased by \$0.6 million due to an increase in sales staff and higher compensation expense in 2023. IT staffing sales expense decreased by \$1.2 million and related to lower variable compensation and other variable expense items due to declining activity levels.
- Operations expense decreased by \$3.4 million compared to 2022. In our Data and Analytics Services segment, operations expense decreased by \$1.0 million due to lower staff headcount. Operations expense in our IT Staffing Services segment decreased by \$2.4 million in 2023, due to recruitment staff reductions and lower compensation and other variable expenses — both reflective of lower activity levels in 2023.
- General & administrative expenses increased by \$4.1 million in 2023 compared to 2022. Our Data and Analytics Services segment was responsible for \$3.5 million of this increase due to higher executive staff and professional services expense related to an employment-related claim. The IT Staffing Services segment had higher general and administrative expenses in 2023 of \$0.6 million compared to 2022, due to higher corporate-related expenses and an increase in cybersecurity expenditures.
- Amortization of acquired intangible assets was \$2.8 million in 2023 versus \$3.0 million in 2022. The decline reflected certain intangible assets being fully amortized prior to 2023.
- An employment-related claim expense, net of recoveries, totaled \$3.1 million in 2023, compared to no expense in 2022.
- A goodwill impairment charge totaled \$5.3 million in 2023, compared to no impairment charge in 2022. The 2023 charge pertained to our Data and Analytics Services segment.
- Severance expense totaled \$2.4 million in 2023, compared to \$1.0 million in 2022. Severance in both years largely related to executive leadership departures in our Data and Analytics Services segment.
- Cybersecurity breach totaled \$0.4 million in 2022, compared to no expense in 2023.

### ***Other Income / (Expense) Components***

In 2023, other income / (expense) consisted of net interest income of \$319,000 and foreign exchange losses of (\$75,000). In 2022, other income / (expense) consisted of interest expense of (\$358,000) and foreign exchange gains of \$650,000. The decline in interest expense and increase in interest income was largely due to no outstanding borrowings in 2023 and a higher balance of cash on hand in 2023. Net foreign exchange gains (losses) in 2023 compared to 2022 reflected exchange rate variations between the Indian rupee and the Canadian dollar compared to the U.S. dollar.

### ***Income Tax Expense***

Income tax expense (benefit) for 2023 was (\$1.9 million) and represented an effective tax rate on pre-tax (loss) of (21.0%) compared to \$3.8 million in 2022, which represented an effective tax rate on pre-tax income of 30.3%. The unfavorable 2023 effective tax rate was largely due to shortfalls in expected tax benefits on stock options and state income taxes.

## **2022 Compared to 2021**

### ***Revenues***

Revenues for the year ended December 31, 2022 totaled \$242.2 million, compared to \$222.0 million for the year ended December 31, 2021. This 9% increase in total revenues reflected revenue growth of 6% in our Data and Analytics Services segment and a 10% revenue increase in our IT Staffing Services segment. In our Data and Analytics Services segment, revenues declined in the second half of the year due to the lack of new client activity. Bookings in 2022 approximated \$36 million, a marked decline over 2021. Our IT Staffing Services segment had 10% revenue growth, despite a 53-consultant decrease during the year compared to a 198-consultant increase in 2021. The 2022 consultant decline largely occurred during the fourth quarter. We ended 2022 with 1,208 consultants-on-billing versus 1,261 consultants-on-billing at year-end 2021. Our average IT staffing bill rate for 2022 totaled \$80.64 per hour, a 6.6% increase compared to \$75.66 per hour in 2021. This bill rate increase was due to higher rates on new assignments and was reflective of the type of skill sets that we deployed. Permanent placement / fee revenues totaled \$2.1 million in 2022, up 75% from a year ago.

In both 2022 and 2021, we had one client that exceeded 10% of total revenues (CGI = 22.2% in 2022 and 15.0% in 2021, respectively). Our top ten clients represented 53% of total revenues in 2022 compared to 48% of total revenues in 2021.

### ***Gross Margin***

Gross profit increased to \$63.2 million in 2022, compared to \$59.4 million in 2021, an increase of 6% on a year-over-basis. Gross profit as a percentage of revenue totaled 26.1% in 2022, compared to 26.8% in 2021. The decrease in our gross margin percentage was entirely related to our Data and Analytics Services segment as gross margins declined by 690-basis points largely due to poor utilization and lower margins on several longer-term assignments related to compensation increases. Gross margins in our IT Staffing Services segment were 23.0% in 2022, compared to 22.3% in 2021. This 70-basis point improvement was due to better margins on new assignments and higher permanent placement revenues in 2022.

### ***Selling, General and Administrative (“SG&A”) Expenses***

SG&A expenses in 2022 totaled \$51.0 million and represented 21.1% of total revenues, compared to \$41.8 million or 18.8% of revenues in 2021. When excluding the amortization of acquired intangible assets, severance expense, cybersecurity breach, revaluation of contingent consideration, and acquisition transaction expenses, the adjusted SG&A expenses related to operations, as a percentage of revenues was 19.2% in 2022 versus 18.6% in 2021. The increase in SG&A as a percentage of revenues, excluding these items mentioned above, was largely due to higher compensation and other variable expense increases in both of our business segments.

Fluctuations within SG&A expense components during 2022 compared to 2021 included the following:

- Sales expense was \$1.4 million higher in 2022, compared to the previous year. In the Data and Analytics Services segment, sales expense decreased by \$0.3 million due to lower variable compensation expense in 2022. IT staffing sales expense increased by \$1.7 million and largely related to higher compensation, marketing and business travel expenses.
- Operations expense increased by \$1.6 million compared to 2021. In our Data and Analytics Services segment, operations expense decreased by \$0.3 million due to lower staff headcount. Operations expense in our IT Staffing Services segment increased by \$1.9 million in 2022, largely due to higher recruitment staff and higher compensation and other variable expenses — both reflective of higher activity levels in the first half of 2022.
- General & administrative expenses increased by \$2.2 million in 2022 compared to 2021. Our Data and Analytics Services segment was responsible for \$0.9 million of this increase due to higher executive leadership staff headcount and higher compensation expense. The IT Staffing Services segment had higher general and administrative expenses in 2022 of \$1.3 million compared to 2021 due to higher compensation expense and increases in travel and facility expenses.
- Amortization of acquired intangible assets was \$3.0 million in 2022 versus \$3.2 million in 2021. The decline reflected certain intangible assets being fully amortized in 2022.
- Severance expense totaled \$1.0 million in 2022 related to our Data Analytics Services Segment. No severance expense was incurred in 2021.
- Cybersecurity breach totaled \$0.4 million in 2022. There was no expense in 2021 for this item.
- The revaluation of a contingent consideration liability totaled a credit of \$2.9 million in 2021 related to the AmberLeaf acquisition. No contingent consideration revaluations occurred in 2022.
- Acquisition transaction expense was \$0 in 2022 and \$0.1 million in 2021. The 2021 expense was related to an acquisition opportunity that was halted by us.

#### ***Other Income / (Expense) Components***

In 2022, other income / (expense) consisted of interest expense of (\$358,000) and foreign exchange gains of \$650,000. In 2021, other income / (expense) consisted of interest expense of (\$675,000) and foreign exchange losses of (\$49,000). The decline in interest expense was largely due to lower outstanding borrowings. Net foreign exchange gains in 2022 compared to 2021 reflected exchange rate variations between the Indian rupee and the Canadian dollar compared to the U.S. dollar.

#### ***Income Tax Expense***

Income tax expense for 2022 was \$3.8 million and represented an effective tax rate on pre-tax income of 30.3%, compared to \$4.7 million in 2021, which represented an effective tax rate on pre-tax income of 27.6%. The higher 2022 effective tax rate was due to an increase in our tax valuation allowance related to foreign net operating losses (NOL's) in Singapore, Ireland and the UK and higher state income taxes.

#### **Liquidity and Capital Resources**

##### ***Financial Conditions and Liquidity***

On December 31, 2023, we had a cash balance on hand of \$21.1 million, no bank debt outstanding and approximately \$22.5 million of borrowing capacity under our existing credit facility. In anticipation of rising interest rates, we elected to prepay term loans in 2022. During 2023, we paid off our final \$1.1 million of term loans, in addition to funding \$0.3 million of capital expenditures and \$0.6 million of common stock repurchases under our 500,000 share repurchase program announced by our Board of Directors in the first quarter of 2023.

## [Table of Contents](#)

Historically, we have funded our business needs with cash generation from operating activities. In the data and analytics services and IT staffing services industries, investment in operating working capital levels (defined as current assets excluding cash and cash equivalents minus current liabilities, excluding short-term borrowings) is a significant use of cash. Controlling our operating working capital levels by closely managing our accounts receivable balance is an important element of cash preservation. Our accounts receivable “days sales outstanding” measurement (“DSO”) at year-end 2023 improved to 53-days compared to 59-days at year-end 2022. The improvement in the DSO measurement in 2023 was largely due to a lower DSO measurement in our solution-based data and analytics services business.

Cash provided by operating activities, our cash and cash equivalent balances on hand at December 31, 2023 and current availability under our existing credit facility are expected to be adequate to fund our business needs over the next 12 months, absent any major acquisition-related activities.

Below is a tabular presentation of cash flow activities for the periods discussed:

Cash Flows Activities	Years Ended December 31,		
	2023	2022	2021
	(Amounts in millions)		
Operating activities	\$ 16.0	\$ 12.6	\$ 5.2
Investing activities	(0.2)	(0.8)	(2.1)
Financing activities	(1.6)	(10.4)	(4.1)

### *Operating Activities*

Cash provided by (used in) operating activities for the years ended December 31, 2023, 2022 and 2021 totaled \$16.0 million, \$12.6 million and \$5.2 million, respectively. In 2023, cash flows from operating activities included a net (loss) of (\$7.1 million), non-cash charges of \$10.6 million and decreases in operating working capital of \$12.5 million. In 2022, cash flows from operating activities included net income of \$8.7 million, non-cash charges of \$6.8 million and increases in operating working capital of (\$2.9 million). In 2021, cash flows from operating activities included net income of \$12.2 million, non-cash charges of \$4.7 million and increases in operating working capital of (\$11.7 million). The 2023 reduction in operating working capital was due to lower accounts receivable, reflecting significant revenue declines during the year. The 2022 increase in operating capital largely reflected a \$2.3 million repayment of the COVID-19 payroll tax deferment program. The 2021 increase in operating working capital reflected higher accounts receivable due to higher revenue levels and a \$2.3 million repayment of the COVID-19 payroll tax deferment program.

We would expect operating working capital levels to increase should revenue grow in 2024. Accordingly, an increase in operating working capital would result in a reduction in cash generated from operating activities. We believe DSOs are currently at the lower range of our expectations and will likely increase marginally should our data and analytics services revenues grow disproportionately to our total revenues.

### *Investing Activities*

Cash (used in) investing activities for the years ended December 31, 2023, 2022 and 2021 totaled (\$0.2 million), (\$0.8 million) and (\$2.1 million), respectively. In 2023, cash (used in) investing activities consisted of (\$0.3 million) of capital expenditures and a \$0.1 million recovery of non-current office lease deposits. In 2022, cash (used in) investing activities consisted of (\$0.8) of capital expenditures. In 2021, cash (used in) investing activities consisted of (\$1.9 million) of capital expenditures and (\$0.2 million) of additional non-current office lease deposits. In 2023, capital expenditures were largely limited to computer equipment. In 2022, capital expenditures related primarily to system upgrade expenditures. In 2021, capital expenditures related primarily to system upgrades and improvements to our data and analytics delivery center in Chennai, India.



### ***Financing Activities***

In 2023, cash (used in) financing activities totaled (\$1.6 million) and included (\$1.1 million) of debt repayments, (\$0.6 million) of common stock repurchases, partially offset by proceeds from our issuance of common shares under our employee stock purchase plan. In 2022, cash (used in) financing activities totaled (\$10.4 million) and included debt repayments of (\$12.0 million) partially offset by proceeds from the exercise of stock options and the issuance of common stock related to the Company's employee stock purchase plan of \$1.6 million. In 2021, cash (used in) financing activities totaled (\$4.1 million) and included debt repayments of (\$4.4 million) and the payment of deferred financing costs of (\$0.2 million) related to our credit facility amendment, partially offset by proceeds from the exercise of stock options and the issuance of common stock related to the Company's employee stock purchase plan of \$0.5 million.

### ***2024 Primentor, Inc. Consulting Agreement***

On January 12, 2024, the Company entered into a consulting agreement with Primentor, Inc. to provide strategic advisory and management consulting services, as well as any other business and organizational strategy services as the Board of Directors of the Company may reasonably request from time to time. During 2024, the Company will incur consulting expenses of approximately \$1.0 million related to these services, which will impact our income from operations and cash flows. See Note 18 "Subsequent Event" to the Notes to the Consolidated Financial Statements, included in Item 8 herein.

### ***2023 Employment-Related Claims Against the Company***

As disclosed in Note 8 "Commitment and Contingencies" to the Notes to the Consolidated Financial Statements, included in Item 8 herein, a former employee who resigned from his employment with the Company in November 2022 asserted various employment-related claims against the Company. During the third quarter of 2023, the Company settled this claim for \$3.1 million, net of recoveries, under the terms of a confidential settlement agreement. In addition to the settlement amount, we incurred approximately \$0.9 million in professional services fees related to this matter during 2023. The settlement amount and the professional fees are included in selling, general and administrative expenses in the Consolidated Statements of Operations.

### ***2022 Cybersecurity Breach***

During 2022, we experienced a cybersecurity breach involving a single employee email account and which indirectly impacted two Mastech InfoTrellis clients. Our IT team identified the point of entry, decommissioned the affected laptop and email address, and changed email logins and passcodes for this email account. As a result of this incident, we engaged external advisors to validate our findings and remedial action steps. As part of this engagement, these advisors assisted us with a forensic analysis to determine whether any personally identifiable information ("PII") was compromised as a result of this breach. For any such PII data determined to have been compromised, these advisors assisted us in determining the appropriate compliance steps. We incurred a pre-tax charge of \$450,000 in the third quarter 2022 related to this event, which includes the cost of engaging these external advisors and losses relating to the breach. This expense is included in selling, general and administrative expenses in the Consolidated Statements of Operations.

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

We do not have any off-balance sheet arrangements.

### ***Inflation***

We do not believe that inflation had a significant impact on our results of operations for the periods presented, although economic uncertainty, including the concerns of our clients and other companies with respect

## [Table of Contents](#)

to inflationary conditions in North America and elsewhere, has had and may continue to have an adverse impact on the demand for our services. On an ongoing basis, we attempt to minimize any effects of inflation on our operating results by controlling operating costs and, whenever possible, seek to ensure that billing rates reflect increases in costs due to inflation.

In addition, refer to “Item 1A. Risk factors” in this annual report on Form 10-K for a discussion about risks that inflation directly or indirectly may pose to our business.

### *Seasonality*

Our operations are generally not affected by seasonal fluctuations. However, our consultants’ billable hours are affected by national holidays and vacation patterns. Accordingly, we typically have lower utilization rates and higher benefit costs during the fourth quarter. Additionally, assignment completions tend to be higher near the end of the calendar year, which largely impacts our revenue and gross profit performance during the subsequent quarter.

### **Critical Accounting Policies and Estimates**

Certain accounting policies are particularly important to the portrayal of our financial position, results of operations and cash flows and require the application of significant judgment by management, and as a result, are subject to an inherent degree of uncertainty. In applying these policies, our management uses judgment to determine the appropriate assumptions to be used in the determination of certain estimates. These estimates are based on our historical experience, terms of existing contracts, observances of industry trends and other available information from outside sources, as appropriate. The following explains our most critical accounting policies. See the Notes to the Consolidated Financial Statements, contained in Item 8, of this Annual Report on Form 10-K for a complete description of our significant accounting policies.

### *Revenue Recognition*

The Company recognizes revenue on time-and-material contracts over time as services are performed and expenses are incurred. Time-and-material contracts typically bill at an agreed-upon hourly rate, plus out-of-pocket expense reimbursement. Out-of-pocket expense reimbursement amounts vary by assignment, but historically on average represent less than 2% of the total contract revenues. Revenue is earned on a per transaction or labor hour basis, as that amount directly corresponds to the value of the Company’s performance. Revenue recognition is negatively impacted by holidays and consultant vacation and sick days.

The Company recognizes revenue on fixed price contracts over time as services are rendered and uses a cost-based input method to measure progress. Determining a measure of progress requires management to make judgments that affect the timing of revenue recognized. Under the cost-based input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. The Company has determined that the cost-based input method provides a faithful depiction of the transfer of goods or services to the customer. Estimated losses are recognized immediately in the period in which current estimates indicate a loss. We record deferred revenues when cash payments are received or due in advance of our performance, including amounts which may be refundable.

The Company’s time-and-material and fixed price revenue streams are recognized over time as the customer receives and consumes the benefits of the Company’s performance as the work is performed.

In certain situations related to client direct hire assignments, where the Company’s fee is contingent upon the hired resources’ continued employment with the client, revenue is not fully recognized until such employment conditions are satisfied.

### ***Accounts Receivable and Allowance for Credit Losses***

The Company extends credit to clients based upon management's assessment of their creditworthiness. A substantial portion of the Company's revenue, and the resulting accounts receivable, are from Fortune 1000 companies, major systems integrators and other staffing organizations. The Company does not generally charge interest on delinquent accounts receivable.

Unbilled receivables represent amounts recognized as revenues based on services performed and, in accordance with the terms of the client contract, will be invoiced in a subsequent period.

Accounts receivable are reviewed periodically to determine the probability of loss. The Company records an allowance for credit losses when it is probable that the related receivable balance will not be collected based on historical collection experience, client-specific collection issues, and other matters the Company identifies in its collection monitoring.

### ***Goodwill and Intangible Assets***

Identifiable intangible assets are recorded at fair value as of the closing date when acquired in a business combination. Identifiable intangible assets related to acquisitions consisted of client relationships, covenants not-to-compete, trade names and technology, which are being amortized using the straight-line method over their estimated useful lives ranging from three years to twelve years, as more fully described in Note 3 "Goodwill and Other Intangible Assets, net" to the Notes to the Consolidated Financial Statements.

Excess purchase price over the fair value of net tangible assets and identifiable intangible assets acquired are recorded as goodwill. Goodwill is not amortized but is tested for impairment at least on an annual basis. If impairment is indicated, a write-down to fair value is recorded based on the excess of the carrying value of the reporting unit over its fair market value.

We review goodwill and intangible assets for impairment annually as of October 1<sup>st</sup> or more frequently if events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. The impairment test is performed at the reporting unit (business segment) level. Determination of recoverability is based on the lowest level of identifiable estimated future discounted cash flows resulting from use of the assets and their eventual disposition. Measurement of any impairment loss is based on the excess carrying value of the reporting unit over their fair market value.

In conducting our annual impairment testing, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the estimated fair value of a reporting unit is less than its carrying amount. If not, no further goodwill impairment testing is required. If it is more likely than not that a reporting unit's fair value is less than its carrying amount, we are then required to perform a quantitative impairment test. We also may elect not to perform the qualitative assessment, and instead, proceed directly to the quantitative impairment test.

In 2023, 2022 and 2021, we performed quantitative impairment tests related to our IT Staffing Services segment, which includes our June 2015 acquisition of Hudson Global Resources Management, Inc.'s U.S. IT staffing business ("Hudson IT"). The results of each of these testing's indicated no impairment associated with the carrying amount of goodwill.

Additionally in 2023, 2022 and 2021, we performed quantitative impairment tests related to our Data and Analytics Services segment which includes the July 2017 acquisition of InfoTrellis and the October 2020 acquisition of AmberLeaf. The results of the 2022 and 2021 testing's indicated no impairment associated with the carrying amount of goodwill. On October 1, 2023, our annual impairment testing date, we did not identify an impairment. However, due to a triggering event in the fourth quarter related to declining revenue trends and

## [Table of Contents](#)

lower future revenue projections, our December 31, 2023 testing results indicated impairment associated with the carrying amount of goodwill of \$5.3 million. Accordingly, this goodwill impairment charge is reflected in selling, general and administrative expenses in the Company's Consolidated Statements of Operations in Item 8, herein.

### **Leases**

Operating leases right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Since most of the Company's leases do not have an implicit borrowing rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Our leases may include options allowing us in our sole discretion to extend or terminate the lease, and when it is reasonably certain that we will exercise those options, we will include those periods in our lease term. Variable costs, such as payments for insurance and tax payments, are expensed when the obligation for those payments is incurred.

### **Business Combinations**

The Company accounts for acquisitions in accordance with guidance found in ASC 805, *Business Combinations* ("ASC 805"). This guidance requires consideration given (including contingent consideration), assets acquired and liabilities assumed to be valued at their fair market values at the acquisition date. The guidance further provides that: (1) in-process research and development will be recorded at fair value as an indefinite-lived intangible asset; (2) acquisition-related transaction costs will generally be expensed as incurred; (3) restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and (4) changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will effect income tax expense.

ASC 805 requires that any excess purchase price over fair value of assets acquired (including identifiable intangibles) and liabilities assumed be recognized as goodwill. Additionally, any excess fair value of acquired net assets over acquisition consideration results in a bargain purchase gain. Prior to recording a gain, the acquiring entity must reassess whether all acquired assets and assumed liabilities have been identified and must perform re-measurements to verify that the consideration paid, assets acquired and liabilities assumed have all been properly valued.

### **Stock-Based Compensation**

In 2008, the Company adopted a Stock Incentive Plan (as amended to date, the "Plan") which, as amended, provides that up to 5,400,000 shares of the Company's common stock shall be allocated for issuance to directors, executive management and key personnel. Grants under the Plan can be made in the form of stock options, stock appreciation rights, performance shares or stock awards. The Plan is administered by the Compensation Committee of the Board of Directors. Stock options are granted at an exercise price equal to the closing share price of the Company's common stock at the grant date and generally vest over a three to five-year period.

In October 2018, the Board of Directors of the Company approved the Mastech Digital, Inc. 2019 Employee Stock Purchase Plan (the "Stock Purchase Plan"). The Stock Purchase Plan is intended to meet the requirements of Section 423 of the Code and required the approval of the Company's shareholders to be qualified under Section 423 of the Code. On May 15, 2019, the Company's shareholders approved the Stock Purchase Plan. Under the Stock Purchase Plan, 600,000 shares of common stock (subject to adjustment upon certain changes in the Company's capitalization) are available for purchase by eligible employees who become participants in the Stock Purchase Plan. The purchase price per share is 85% of the lesser of (i) the fair market value per share of common stock on the first day of the offering period, or (ii) the fair market value per share of common stock on the last day of the offering period.

## [Table of Contents](#)

The Company accounts for stock-based compensation expense in accordance with ASC Topic 718 “*Share-based Payments*” which requires us to measure all share-based payments based on their estimated fair value and recognize compensation expense over the requisite service period. The fair value of our stock options and shares issued under the Company’s Stock Purchase Plan is determined at the date of grant using the Black-Scholes option pricing model.

### ***Income Taxes***

The Company records an estimated liability for income and other taxes based on what management determines will likely be paid in the various tax jurisdictions in which we operate. Management uses its best judgment in the determination of these amounts. However, the liabilities ultimately realized and paid are dependent on various matters, including the resolution of the tax audits in the various affected tax jurisdictions, and may differ from the amounts recorded. An adjustment to the estimated liability would be recorded through income in the period in which it becomes probable that the amount of the actual liability differs from the amount recorded.

Management determines the Company’s income tax provision using the asset and liability method. Under this method, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company’s assets and liabilities. The Company measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which we expect to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. The Company evaluates its deferred tax assets and records a valuation allowance when, in management’s opinion, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2023 and 2022, the Company provided a valuation allowance of \$628,000 and \$559,000, respectively, related to the uncertainty of the realization of foreign net operating losses (“NOL”).

The Tax Cuts and Jobs Act of 2017 created a new requirement that certain income earned by foreign subsidiaries, known as global intangible low-tax income (“GILTI”), must be included in the gross income of their U.S. shareholder. The Financial Accounting Standards Board (the “FASB”) allows an accounting policy election of either recognizing deferred taxes for temporary differences expected to reverse as GILTI in future years or recognizing such taxes as a current-period expense when incurred. We have elected to treat the tax effect of GILTI as a current-period expense as incurred.

The Company accounts for uncertain tax positions in accordance with ASC Topic 740-10, “*Accounting for Uncertainty in Income Taxes*”. Accordingly, the Company has reported a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in a tax return. As of December 31, 2023 and 2022, the Company provided \$0 for uncertain tax positions, including interest and penalties, related to various federal and state income tax matters.

### ***Contingent Consideration Liability***

In connection with the AmberLeaf acquisition, the Company had an obligation to pay consideration that was contingent upon the achievement of specified revenue growth and EBITA margin objectives. As of the acquisition date, the Company recorded a contingent consideration liability of \$2.9 million representing the estimated fair value of the contingent consideration that was expected to be paid. The fair value of the contingent consideration liability was estimated by utilizing a probability weighted simulation model to determine the fair value of contingent consideration.

We re-measured this liability and recorded changes in the fair value when it was more likely than not that the future payments had changed. Increases or decreases in the fair value of contingent consideration can result from changes in timing and amounts of revenue and earnings estimates.

## [Table of Contents](#)

No contingent consideration revaluation was recorded in 2023 and 2022. In 2021, the Company revalued the contingent consideration liability related to the AmberLeaf acquisition after determining that relevant conditions for payment of such liability were likely not to be satisfied. The revaluation resulted in a \$2.9 million reduction to the contingent consideration liability. The credit is reflected in selling, general and administrative expenses in the Company's Consolidated Statements of Operations, in Item 8, herein. No contingent consideration liability remained outstanding as of December 31, 2023 and 2022.

### ***Derivative Instruments and Hedging Activities — Interest Rate Swap Contracts***

Concurrent with the Company's borrowings on July 13, 2017 under its credit facility, the Company entered into an interest-rate swap to convert the debt's variable interest rate to a fixed rate of interest. These swap contracts, which matured on April 1, 2021, were designated as a cash flow hedging instrument and qualified as effective hedges at inception under ASC Topic 815 "Derivatives and Hedging". These contracts were recognized on the balance sheet at fair value. The effective portion of the changes in fair value on these contracts is recorded in other comprehensive income (loss) and is reclassified into the Consolidated Statements of Operations as interest expense in the same period in which the underlying transaction affects earnings.

With respect to derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking such transactions. The Company evaluates hedge effectiveness at the time a contract is entered into and on an ongoing basis. If a swap contract is deemed ineffective, the change in the fair value of the derivative is recorded in the Consolidated Statement of Operations as interest expense.

During 2023 and 2022, we had no derivative instruments and hedging activities.

### ***Foreign Currency Translation***

The reporting currency of the Company and its subsidiaries is the U.S. dollar. The functional currency of the Company's subsidiary in Canada is the U.S. dollar because the majority of its revenue is denominated in U.S. dollars. The functional currency of the Company's Indian and European subsidiaries is their local currency. The results of operations of the Company's Indian and European subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company's Indian and European subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) within Shareholders' Equity. Gains and losses resulting from foreign currency transactions are included as a component of other income (expense), net in the Consolidated Statements of Operations. Foreign exchange (losses) of (\$0.1 million) in 2023 and \$0.6 million foreign exchange gains in 2022 were primary due to exchange rate variations between the Indian rupee and the U.S. dollar. Foreign exchange losses were not material in 2021.

### ***Recently Issued Accounting Standards***

Recent accounting pronouncements are described in Note 1 to the Consolidated Financial Statements contained in Item 8, herein.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

In addition to the inherent operational risks, the Company is exposed to certain market risks, primarily related to changes in interest rates and currency fluctuations.

***Interest Rates***

At December 31, 2023, we had no outstanding borrowings under our Credit Agreement with PNC Bank and certain other financial institution lenders (the “Credit Agreement”) — Refer to Note 5 — “Credit Facility” in the Notes to Consolidated Financial Statements, included in Item 8 herein. A hypothetical 10% increase in interest rates would have no impact on our annual interest expense. As of December 31, 2023, the Company has no interest-rate hedge vehicles outstanding.

***Currency Fluctuations***

The reporting currency of the Company and its subsidiaries is the U.S. dollar. The functional currency of the Company’s subsidiary in Canada is the U.S. dollar because the majority of its revenue is denominated in U.S. dollars. The functional currency of the Company’s Indian and European subsidiaries is their local currency. The results of operations of the Company’s Indian and European subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company’s Indian and European subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) within Shareholders’ Equity. Gains and losses resulting from foreign currency transactions are included as a component of other income (expense), net in the Consolidated Statements of Operations. A hypothetical 10% increase or decrease in overall foreign currency rates in 2023 would not have a material impact on our consolidated financial statements. As our international operations grow, we will continue to evaluate and reassess our approach to managing the risks relating to fluctuations in currency rates.

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The financial statements and supplementary data required by this item are filed as part of this Annual Report on Form 10-K. See Index to Consolidated Financial Statements on page 47 of this Annual Report on Form 10-K.



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying Consolidated Financial Statements of Mastech Digital, Inc. and subsidiaries have been prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in conformity with accounting principles generally accepted in the United States of America and necessarily include amounts based on management's best estimates and judgments.

The Company's Consolidated Financial Statements for the year ended December 31, 2023 have been audited by UHY LLP, an Independent Registered Public Accounting Firm. The Audit opinion is on page 48 of this Annual Report on Form 10-K.

The Board of Directors pursues its responsibility for the Company's financial reporting and accounting practices through its Audit Committee, all of the members of which are independent directors. The Audit Committee's duties include recommending to the Board of Directors the Independent Registered Public Accounting Firm to audit the Company's financial statements, reviewing the scope and results of the independent accountants' activities and reporting the results of the committee's activities to the Board of Directors. The Independent Registered Public Accounting Firm has met with the Audit Committee in the presence of management representatives to discuss the results of their audit work. Additionally, the Independent Registered Public Accounting Firm has direct access to the Audit Committee.

Vivek Gupta  
President and Chief Executive Officer

John J. Cronin, Jr.  
Chief Financial Officer

**MASTECH DIGITAL, INC.**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Page</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	48
<a href="#">Consolidated Balance Sheets as of December 31, 2023 and 2022</a>	50
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021</a>	51
<a href="#">Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021</a>	52
<a href="#">Consolidated Statements of Shareholders' Equity for the years ended December 31, 2023, 2022 and 2021</a>	53
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021</a>	54
<a href="#">Notes to Consolidated Financial Statements</a>	55



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**To the Shareholders and the Board of Directors of**  
Mastech Digital, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Mastech Digital, Inc. and Subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive income, shareholders’ equity, and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes and Schedule II, Valuation and Qualifying Accounts listed in the index at item 15(2) (collectively referred to as the “financial statements”). In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mastech Digital, Inc. and Subsidiaries at December 31, 2023 and 2022, and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matter**

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

## Table of Contents

### Critical Audit Matter — Valuation of Goodwill

As discussed in Notes 1 and 3 to the consolidated financial statements, the Company evaluates goodwill for impairment on an annual basis as of October 1 or more frequently if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The goodwill balance as of December 31, 2023, was \$27.2 million. The Company considers potential impairment by comparing the fair value of a reporting unit to its carrying value. Fair value is estimated by management using a discounted cash flow model. The Company recorded impairment expense totaling \$5.3 million for the year ending December 31, 2023.

We identified goodwill impairment as a critical audit matter because of the significant judgments made by management to estimate the fair value of the reporting units. This required a high degree of auditor judgment and an increased extent of effort, including our need to involve valuation specialists, when performing audit procedures to evaluate the reasonableness of inputs into the discounted cash flow model driven by management's estimates and assumptions. Significant management estimates include forecasts for revenue, gross profit, long-term growth rates, and discount rates.

### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed to evaluate the reasonableness of management's estimates and assumptions included assessing the methodologies used by the Company and testing the significant assumptions used in the quantitative models. We compared current and prior year forecasts prepared by management to historical revenues and gross profit to evaluate the reasonableness of the assumptions and to evaluate management's ability to accurately forecast future revenues and gross profit. We evaluated historical trends in assessing the reasonableness of growth rate assumptions and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting units that would result from changes in these assumptions. We performed procedures to verify the mathematical accuracy of the calculations used by management. We involved our valuation specialists to assist us in identifying the significant assumptions underlying the models, assessing the rationale and supporting documents related to these assumptions, and determining the appropriateness and reasonableness of the methodologies employed. Furthermore, we assessed the appropriateness of the disclosures in the financial statements.

/s/ UHY LLP

We have served as the Company's auditor since 2008.

Farmington Hills, Michigan  
March 15, 2024

**MASTECH DIGITAL, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands, except share and per share data)

	<u>At December 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 21,147	\$ 7,057
Accounts receivable, net of allowance for credit losses of \$528 in 2023 and \$444 in 2022	22,556	33,603
Unbilled receivables	7,259	8,719
Prepaid and other current assets	5,501	3,795
Total current assets	<u>56,463</u>	<u>53,174</u>
Equipment, enterprise software, and leasehold improvements, at cost:		
Equipment	3,012	2,790
Enterprise software	4,185	4,185
Leasehold improvements	753	732
	<u>7,950</u>	<u>7,707</u>
Less – accumulated depreciation and amortization	(6,037)	(5,042)
Net equipment, enterprise software, and leasehold improvements	1,913	2,665
Operating lease right-of-use assets, net	5,106	3,886
Deferred income taxes	793	—
Deferred financing costs, net	284	293
Non-current deposits	457	578
Goodwill, net of impairment	27,210	32,510
Intangible assets, net of amortization	13,001	15,773
Total assets	<u>\$ 105,227</u>	<u>\$ 108,879</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ —	\$ 1,100
Accounts payable	4,659	4,475
Accrued payroll and related costs	12,354	11,085
Current portion of operating lease liability	1,236	1,504
Other accrued liabilities	938	1,186
Deferred revenue	684	207
Total current liabilities	<u>19,871</u>	<u>19,557</u>
Long-term liabilities:		
Long-term operating lease liability, less current portion	3,843	2,294
Long-term accrued income taxes	69	105
Deferred income taxes	—	920
Total liabilities	<u>23,783</u>	<u>22,876</u>
Commitments and contingent liabilities (Note 8)		
Shareholders' equity:		
Preferred Stock, no par value; 20,000,000 shares authorized; none outstanding	—	—
Common Stock, par value \$.01; 100,000,000 shares authorized and 13,312,568 shares issued as of December 31, 2023 and 13,269,118 shares issued as of December 31, 2022	133	133
Additional paid-in-capital	35,345	32,059
Retained earnings	52,415	59,553
Accumulated other comprehensive income (loss)	(1,644)	(1,555)
Treasury stock, at cost; 1,714,119 shares as of December 31, 2023 and 1,646,420 as of December 31, 2022	(4,805)	(4,187)
Total shareholders' equity	<u>81,444</u>	<u>86,003</u>
Total liabilities and shareholders' equity	<u>\$ 105,227</u>	<u>\$ 108,879</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## MASTECH DIGITAL, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(Amounts in thousands, except per share data)

	Years Ended December 31,		
	2023	2022	2021
Revenues	\$201,098	\$242,238	\$222,012
Cost of revenues	150,062	179,055	162,568
Gross profit	51,036	63,183	59,444
Selling, general and administrative expenses:			
Operating expenses	51,911	50,984	44,716
Impairment of goodwill	5,300	—	—
Employment-related claim, net of recoveries	3,100	—	—
Revaluation of contingent consideration liability	—	—	(2,882)
Total selling, general and administrative expenses	60,311	50,984	41,834
Income (loss) from operations	(9,275)	12,199	17,610
Interest income (expense), net	319	(358)	(675)
Other income (expense), net	(75)	650	(49)
Income (loss) before income taxes	(9,031)	12,491	16,886
Income tax expense (benefit)	(1,893)	3,779	4,665
Net income (loss)	\$ (7,138)	\$ 8,712	\$ 12,221
Earnings (Loss) Per Share:			
Basic	\$ (.61)	\$ .75	\$ 1.07
Diluted	\$ (.61)	\$ .72	\$ 1.02
Weighted average common shares outstanding:			
Basic	11,613	11,588	11,436
Diluted	11,613	12,077	12,007

The accompanying notes are an integral part of these Consolidated Financial Statements.

**MASTECH DIGITAL, INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(Amounts in thousands)**

	Years Ended December 31,		
	2023	2022	2021
Net income (loss)	<u>\$(7,138)</u>	<u>\$8,712</u>	<u>\$12,221</u>
Other comprehensive income (loss):			
Net unrealized gain on interest rate swap contracts	<u>—</u>	<u>—</u>	<u>35</u>
Foreign currency translation adjustments	<u>(89)</u>	<u>(948)</u>	<u>(94)</u>
Total pretax net unrealized (loss)	<u>(89)</u>	<u>(948)</u>	<u>(59)</u>
Income tax expense	<u>—</u>	<u>—</u>	<u>9</u>
Total other comprehensive (loss), net of taxes	<u>(89)</u>	<u>(948)</u>	<u>(68)</u>
Total comprehensive income (loss)	<u><u>\$(7,227)</u></u>	<u><u>\$7,764</u></u>	<u><u>\$12,153</u></u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

## MASTECH DIGITAL, INC.

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(Amounts in thousands)**

	Common Stock	Additional Paid-in Capital	Accumulated Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total Shareholders' Equity
Balances, December 31, 2020	\$ 130	\$ 25,509	\$ 38,620	\$(4,187)	\$ (539)	\$ 59,533
Net income	—	—	12,221	—	—	12,221
Employee common stock purchases	—	301	—	—	—	301
Other comprehensive (loss), net of taxes	—	—	—	—	(68)	(68)
Stock-based compensation expense	—	2,212	—	—	—	2,212
Stock options exercised	1	228	—	—	—	229
Balances, December 31, 2021	<u>\$ 131</u>	<u>\$ 28,250</u>	<u>\$ 50,841</u>	<u>\$(4,187)</u>	<u>\$ (607)</u>	<u>\$ 74,428</u>
Net income	—	—	8,712	—	—	8,712
Employee common stock purchases	—	263	—	—	—	263
Other comprehensive (loss), net of taxes	—	—	—	—	(948)	(948)
Stock-based compensation expense	—	2,225	—	—	—	2,225
Stock options exercised	2	1,321	—	—	—	1,323
Balances, December 31, 2022	<u>\$ 133</u>	<u>\$ 32,059</u>	<u>\$ 59,553</u>	<u>\$(4,187)</u>	<u>\$ (1,555)</u>	<u>\$ 86,003</u>
Net (loss)	—	—	(7,138)	—	—	(7,138)
Employee common stock purchases	—	204	—	—	—	204
Other comprehensive (loss), net of taxes	—	—	—	—	(89)	(89)
Stock-based compensation expense	—	3,082	—	—	—	3,082
Purchase of treasury stock	—	—	—	(618)	—	(618)
Balances, December 31, 2023	<u>\$ 133</u>	<u>\$ 35,345</u>	<u>\$ 52,415</u>	<u>\$(4,805)</u>	<u>\$ (1,644)</u>	<u>\$ 81,444</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.



**MASTECH DIGITAL, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Amounts in thousands)**

	Years Ended December 31,		
	2023	2022	2021
<b>OPERATING ACTIVITIES:</b>			
Net income (loss)	\$ (7,138)	\$ 8,712	\$ 12,221
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	3,855	4,195	3,979
Bad debt expense	(30)	50	130
Interest amortization of deferred financing costs	73	73	82
Stock-based compensation expense	3,082	2,225	2,212
Deferred income taxes, net	(1,714)	655	1,061
Impairment of goodwill	5,300	—	—
Revaluation of contingent consideration liability	—	—	(2,882)
Operating lease assets and liabilities, net	75	(379)	173
Loss on disposition of fixed assets	1	—	9
Long-term accrued income taxes	(36)	(20)	(40)
Working capital items:			
Accounts receivable and unbilled receivables	12,537	1,021	(11,389)
Prepaid and other current assets	(1,718)	95	(2,544)
Accounts payable	186	(479)	2,365
Accrued payroll and related costs	1,276	(3,155)	(429)
Other accrued liabilities	(248)	(41)	202
Deferred revenue	477	(337)	66
Net cash flows provided by operating activities	<u>15,978</u>	<u>12,615</u>	<u>5,216</u>
<b>INVESTING ACTIVITIES:</b>			
Recovery of (payments for) non-current deposits	119	17	(199)
Capital expenditures	(335)	(835)	(1,895)
Proceeds from the sale of fixed assets	—	—	10
Net cash flows (used in) investing activities	<u>(216)</u>	<u>(818)</u>	<u>(2,084)</u>
<b>FINANCING ACTIVITIES:</b>			
(Repayments) on term loan facility	(1,100)	(12,000)	(4,400)
Proceeds from the issuance of common stock	204	263	301
Purchase of treasury stock	(618)	—	—
Payment of deferred financing costs	(64)	—	(223)
Proceeds from the exercise of stock options	—	1,323	229
Net cash flows (used in) financing activities	<u>(1,578)</u>	<u>(10,414)</u>	<u>(4,093)</u>
Effect of exchange rate changes on cash and cash equivalents	(94)	(948)	(94)
Net change in cash and cash equivalents	14,090	435	(1,055)
Cash and cash equivalents, beginning of period	7,057	6,622	7,677
Cash and cash equivalents, end of period	<u>\$21,147</u>	<u>\$ 7,057</u>	<u>\$ 6,622</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>			
Cash payments for interest expense	\$ 43	\$ 324	\$ 623
Cash payments for income taxes	<u>\$ 1,356</u>	<u>\$ 2,164</u>	<u>\$ 3,831</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**MASTECH DIGITAL, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Summary of Significant Accounting Policies:**

**Basis of Presentation**

References in this Annual Report on Form 10-K to “we”, “our”, “Mastech Digital”, “Mastech” or “the Company” refer collectively to Mastech Digital, Inc. and its wholly-owned operating subsidiaries, which are included in these Consolidated Financial Statements (the “Financial Statements”).

**Description of Business**

We are a provider of Digital Transformation IT Services to mostly large and medium-sized organizations.

Our portfolio of offerings includes data management and analytics services; digital learning services; and IT staffing services.

With our 2017 acquisition of the services division of Canada-based InfoTrellis, Inc., we added specialized capabilities in delivering data and analytics services to our customers, which became our Data and Analytics Services segment. This segment offers project-based consulting services in the areas of data management, data engineering and data science, with such services delivered using on-site and offshore resources. In October 2020, we acquired AmberLeaf Partners, Inc. (“AmberLeaf”), a Chicago-based customer experience consulting firm. This acquisition expanded our Data and Analytics Services segment’s capabilities in customer experience strategy and managed services offering for a variety of Cloud-based enterprise applications across sales, marketing and customer services organizations.

Our IT staffing segment combines technical expertise with business process experience in a broad range of staffing services in digital and mainstream technologies, which can be delivered onshore as well as offshore. Our digital technologies include data management, analytics, cloud, mobility, social and artificial intelligence. We work with businesses and institutions with significant IT spending and recurring staffing service needs. We also support smaller organizations with their “project focused” temporary IT staffing requirements.

The COVID-19 pandemic had a material impact on activity levels in both of our business segments in 2020. This impact was reduced in 2021 as a result of the global roll-out of vaccination programs and signs of improving economic conditions. COVID-19 related concerns have been less impactful on our business in 2022 and 2023. Still, the proliferation of COVID-19 variants have caused some uncertainty and could continue to disrupt global markets in 2024 and beyond.

**Accounting Principles**

The Company’s Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Principles of Consolidation**

The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates.

## [Table of Contents](#)

### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash and highly liquid debt investments with maturities of three months or less when purchased. Cash equivalents are stated at cost, which approximates market value.

### **Accounts Receivable and Unbilled Receivables**

The Company extends credit to clients based upon management's assessment of their creditworthiness. A substantial portion of the Company's revenue, and the resulting accounts receivable, are from Fortune 1000 companies, major systems integrators and other staffing organizations. The Company does not generally charge interest on delinquent accounts receivable.

Unbilled receivables represent amounts recognized as revenues based on services performed and, in accordance with the terms of the client contract, will be invoiced in a subsequent period.

See Note 2 "Revenue from Contracts with Customers" for further details.

### **Allowance for Credit Losses**

Accounts receivable are reviewed periodically to determine the probability of loss. The Company records an allowance for credit losses when it is probable that the related receivable balance will not be collected based on historical collection experience, client-specific collection issues, and other matters the Company identifies in its collection monitoring.

A reconciliation of the beginning and ending amounts of allowance for credit losses for the three years ended December 31, 2023 is as follows:

	<b>Balance at beginning of period</b>	<b>Charged to expense (credited)</b>	<b>Recoveries/ (Write- offs)</b>	<b>Balance at end of period</b>
	(Amounts in thousands)			
Year ended December 31, 2023	\$ 444	\$ (30)	\$ 114	\$ 528
Year ended December 31, 2022	375	50	19	444
Year ended December 31, 2021	413	130	(168)	375

### **Equipment, Enterprise Software and Leasehold Improvements**

Equipment, enterprise software and leasehold improvements are stated at historical cost. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of (a) the remaining term of the lease or (b) the estimated useful life of the improvements. Repairs and maintenance, which do not extend the useful life of the respective assets, are charged to expense as incurred. Upon disposal, assets and related accumulated depreciation are removed from the Company's accounts and the resulting gains or losses are reflected in the Company's Consolidated Statement of Operations.

The estimated useful lives of depreciable assets are primarily as follows:

Laptop Computers	3-4 years
Equipment	3-5 years
Enterprise Software	3-5 years

The Company capitalizes certain external and internal computer software and software development costs incurred during the application development stage. The application development stage generally includes

## [Table of Contents](#)

software design and configuration, coding, testing and installation activities. Capitalized costs include only external direct cost of material and services consumed in developing or obtaining internal-use software, and payroll and payroll-related costs for employees who are directly associated with and devote time to the internal-use software project. Capitalization of such costs ceases no later than the point at which the project is substantially complete and ready for its intended use. Training and maintenance costs are expensed as incurred, while upgrades and enhancements are capitalized if it is probable that such expenditures will result in additional functionality.

The Company capitalized approximately \$1.0 million in 2021 and \$0.3 million in 2022 related to an expanded implementation of its enterprise software application to its Data and Analytics business segment, which was placed in service on April 1, 2022. The Company started amortizing these costs commencing with their go-live implementation dates.

Depreciation and amortization expense related to fixed assets totaled \$1,083,000, \$1,208,000 and \$809,000 for the years ended December 31, 2023, 2022 and 2021, respectively.

### **Goodwill and Intangible Assets**

Identifiable intangible assets are recorded at fair value as of the closing date when acquired in a business combination. Identifiable intangible assets related to acquisitions consisted of client relationships, covenants not-to-compete, trade names and technology, which are being amortized using the straight-line method over their estimated useful lives ranging from three years to twelve years, as more fully described in Note 3 “Goodwill and Other Intangible Assets, net” to the Notes to the Consolidated Financial Statements.

Excess purchase price over the fair value of net tangible assets and identifiable intangible assets acquired are recorded as goodwill. Goodwill is not amortized but is tested for impairment at least on an annual basis. If impairment is indicated, a write-down to fair value is recorded based on the excess of the carrying value of the reporting unit over its fair market value.

We review goodwill and intangible assets for impairment annually as of October 1<sup>st</sup> or more frequently if events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. The impairment test is performed at the reporting unit level. Determination of recoverability is based on the lowest level of identifiable estimated future discounted cash flows resulting from use of the assets and their eventual disposition. Measurement of any impairment loss is based on the excess carrying value of the reporting unit over their fair market value.

In conducting our annual impairment testing, we have the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the estimated fair value of a reporting unit is less than its carrying amount. If not, no further goodwill impairment testing is required. If it is more likely than not that a reporting unit’s fair value is less than its carrying amount, we are then required to perform a quantitative impairment test. We also may elect not to perform the qualitative assessment, and instead, proceed directly to the quantitative impairment test.

In 2023, 2022 and 2021, we performed quantitative impairment tests related to our IT Staffing Services segment, which includes the June 2015 acquisition of Hudson Global Resources Management, Inc.’s U.S. IT staffing business (“Hudson IT”). The results of each of these testing’s indicated no impairment associated with the carrying amount of goodwill.

Additionally in 2023, 2022 and 2021, we performed quantitative impairment tests related to our Data and Analytics Services segment which includes the July 2017 acquisition of InfoTrellis and the October 2020 acquisition of AmberLeaf. The results of these 2022 and 2021 testing’s indicated no impairment associated with the carrying amount of goodwill. On October 1, 2023, our annual impairment testing date, we did not identify an

impairment. However, due to a triggering event in the fourth quarter related to declining revenue trends and lower future revenue projections, our December 31, 2023 testing results indicated impairment associated with the carrying amount of goodwill of \$5.3 million. Accordingly, this goodwill impairment charge is reflected in selling, general and administrative expenses in the Company's Consolidated Statements of Operations in Item 8, herein.

### **Business Combinations**

The Company accounts for acquisitions in accordance with guidance found in ASC 805, *Business Combinations* ("ASC 805"). This guidance requires consideration given (including contingent consideration), assets acquired and liabilities assumed to be valued at their fair market values at the acquisition date. The guidance further provides that: (1) in-process research and development will be recorded at fair value as an indefinite-lived intangible asset; (2) acquisition-related transaction costs will generally be expensed as incurred; (3) restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and (4) changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will effect income tax expense.

ASC 805 requires that any excess purchase price over fair value of assets acquired (including identifiable intangibles) and liabilities assumed be recognized as goodwill. Additionally, any excess fair value of acquired net assets over acquisition consideration results in a bargain purchase gain. Prior to recording a gain, the acquiring entity must reassess whether all acquired assets and assumed liabilities have been identified and must perform re-measurements to verify that the consideration paid, assets acquired and liabilities assumed have all been properly valued.

### **Leases**

Leases Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Since most of the Company's leases do not have an implicit borrowing rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Our leases may include options allowing us in our sole discretion to extend or terminate the lease, and when it is reasonably certain that we will exercise those options, we will include those periods in our lease term. Variable costs, such as payments for insurance and tax payments, are expensed when the obligation for those payments is incurred.

### **Income Taxes**

The Company records an estimated liability for income and other taxes based on what management determines will likely be paid in the various tax jurisdictions in which we operate. Management uses its best judgment in the determination of these amounts. However, the liabilities ultimately realized and paid are dependent on various matters, including the resolution of the tax audits in the various affected tax jurisdictions, and may differ from the amounts recorded. An adjustment to the estimated liability would be recorded through income in the period in which it becomes probable that the amount of the actual liability differs from the amount recorded.

Management determines the Company's income tax provision using the asset and liability method. Under this method, deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The Company measures deferred tax assets and liabilities using enacted tax rates in effect for the year in which we expect to recover or settle the temporary differences. The effect of a change in tax rates on deferred taxes is recognized in the period that the change is enacted. The Company evaluates its deferred tax assets and records a valuation allowance when, in

## [Table of Contents](#)

management's opinion, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2023, 2022 and 2021, the Company provided a valuation allowance of \$628,000, \$559,000 and \$311,000, respectively, related to the uncertainty of the realization of foreign net operating losses ("NOL").

The Tax Cuts and Jobs Act of 2017 ("TCJA") created a new requirement that certain income earned by foreign subsidiaries, known as global intangible low-tax income ("GILTI"), must be included in the gross income of their U.S. shareholder. The FASB allows an accounting policy election of either recognizing deferred taxes for temporary differences expected to reverse as GILTI in future years or recognizing such taxes as a current-period expense when incurred. We have elected to treat the tax effect of GILTI as a current-period expense as incurred.

The Company accounts for uncertain tax positions in accordance with ASC Topic 740-10, "*Accounting for Uncertainty in Income Taxes*". Accordingly, the Company has reported a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in a tax return. As of December 31, 2023 and 2022, the Company provided \$0 and \$0 for uncertain tax positions, including interest and penalties, related to various federal and state income tax matters.

The income tax returns of the Company's Canadian subsidiary for the 2018 and 2019 tax years are currently under audit by the Canadian taxing authorities.

### **Deferred Financing Costs**

The Company capitalizes expenses directly related to securing and amending its credit facilities. These deferred costs are amortized as interest expense over the term of the underlying credit facilities. Unamortized deferred financing costs are shown as a non-current asset in the Consolidated Balance Sheets.

### **Contingent Consideration Liability**

In connection with the AmberLeaf acquisition in 2020, the Company had an obligation to pay consideration that was contingent upon the achievement of specified revenue growth and EBITDA margin objectives. As of the acquisition date, the Company recorded a contingent consideration liability of \$2.9 million representing the estimated fair value of the contingent consideration that was expected to be paid. The fair value of the contingent consideration liability was estimated by utilizing a probability weighted simulation model to determine the fair value of contingent consideration.

We re-measured this liability and recorded changes in the fair value when it was more likely than not that the future payments had changed. Increases or decreases in the fair value of contingent consideration can result from changes in timing and amounts of revenue and earnings estimates.

No contingent consideration revaluation was recorded in 2023 or 2022. In 2021, the Company revalued the contingent consideration liability related to the AmberLeaf acquisition after determining that relevant conditions for payment of such liability were likely not to be satisfied. The revaluation resulted in a \$2.9 million reduction in the contingent consideration liability. The credit is reflected in selling, general and administrative expenses in the Company's Consolidated Statements of Operations, in Item 8, herein. No contingent consideration liability remained outstanding as of December 31, 2023 and 2022.

### **Segment Reporting**

The Company has two reportable segments, in accordance with ASC Topic 280 "Disclosures About Segments of an Enterprise and Related Information": Data and Analytics and IT Staffing Services.

## **Revenue Recognition**

The Company recognizes revenue on time-and-material contracts over time as services are performed and expenses are incurred. Time-and-material contracts typically bill at an agreed upon hourly rate, plus out-of-pocket expense reimbursement. Out-of-pocket expense reimbursement amounts vary by assignment, but on average represent less than 2% of the total contract revenues. Revenue is earned on a per transaction or labor hour basis, as that amount directly corresponds to the value of the Company's performance. Revenue recognition is negatively impacted by holidays and consultant vacation and sick days.

The Company recognizes revenue on fixed price contracts over time as services are rendered and uses a cost-based input method to measure progress. Determining a measure of progress requires management to make judgments that affect the timing of revenue recognized. Under the cost-based input method, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Incurred cost represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the client. The Company has determined that the cost-based input method provides a faithful depiction of the transfer of goods or services to the customer. Estimated losses are recognized immediately in the period in which current estimates indicate a loss. We record deferred revenues when cash payments are received or due in advance of our performance, including amounts which may be refundable.

The Company's time-and-material and fixed price revenue streams are recognized over time as the customer receives and consumes the benefits of the Company's performance as the work is performed.

In certain situations related to client direct hire assignments, where the Company's fee is contingent upon the hired resources' continued employment with the client, revenue is not fully recognized until such employment conditions are satisfied.

## **Stock-Based Compensation**

In 2008, the Company adopted a Stock Incentive Plan (as amended to date, the "Plan") which provides that up to 5,400,000 shares of the Company's common stock shall be allocated for issuance to directors, executive management and key personnel. Grants under the Plan can be made in the form of stock options, stock appreciation rights, performance shares or stock awards. The Plan is administered by the Compensation Committee of the Board of Directors. Stock options are granted at an exercise price equal to the closing share price of the Company's common stock at the grant date and generally vest over a three to five-year period.

In 2018, the Company adopted the Mastech Digital, Inc. 2019 Employee Stock Purchase Plan (the "Stock Purchase Plan"). The Stock Purchase Plan is intended to meet the requirements of Section 423 of the Code and required the approval of the Company's shareholders to be qualified under Section 423 of the Code. In 2019, the Company's shareholders approved the Stock Purchase Plan. Under the Stock Purchase Plan, 600,000 shares of common stock (subject to adjustment upon certain changes in the Company's capitalization) are available for purchase by eligible employees who become participants in the Stock Purchase Plan. The purchase price per share is 85% of the lesser of (i) the fair market value per share of common stock on the first day of the offering period, or (ii) the fair market value per share of common stock on the last day of the offering period.

The Company accounts for stock-based compensation expense in accordance with ASC Topic 718 "*Share-based Payments*" which requires us to measure all share-based payments based on their estimated fair value and recognize compensation expense over the requisite service period. The fair value of our stock options and shares issued under the Company's Stock Purchase Plan is determined at the date of grant using the Black-Scholes option pricing model.

### **Treasury Stock**

On February 8, 2023, the Company announced that the Board of Directors authorized a share repurchase program of up to 500,000 shares of the Company's common stock over a two-year period. Repurchases under the program may occur from time to time in the open market, through privately negotiated transactions, through block purchases or other purchase techniques, or by any combination of such methods, and the program may be modified, suspended or terminated at any time at the discretion of the Board of Directors. During 2023, the Company repurchased 67,699 shares of common stock at an average price of \$9.10 per share under this program. Additionally, the Company makes stock purchases from time to time to satisfy employee tax obligations related to its Stock Incentive Plan. During 2023 and 2022, the Company did not purchase any shares to satisfy such employee tax obligations.

At December 31, 2023, the Company held 1.7 million shares in its treasury at a cost of approximately \$4.8 million. At December 31, 2022, the Company held 1.6 million shares in its treasury at a cost of approximately \$4.2 million.

### **Comprehensive Income (Loss)**

Comprehensive income (loss) as presented in the Consolidated Statements of Comprehensive Income (Loss) consists of net income (loss), unrealized gains or losses, net of tax, on cash flow hedging transactions and foreign currency translation adjustments.

### **Derivative Instruments and Hedging Activities — Interest Rate Swap Contracts**

Concurrent with the Company's borrowings on July 13, 2017 under its credit facility, the Company entered into an interest-rate swap to convert the debt's variable interest rate to a fixed rate of interest. These swap contracts, which matured on April 1, 2021, were designated as cash flow hedging instruments and qualified as effective hedges at inception under ASC Topic 815, "Derivatives and Hedging". These contracts were recognized on the balance sheet at fair value. The effective portion of the changes in fair value on these contracts was recorded in other comprehensive income (loss) and was reclassified into the Consolidated Statements of Operations as interest expense in the same period in which the underlying transaction affected earnings.

With respect to derivatives designated as hedges, the Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking such transactions. The Company evaluates hedge effectiveness at the time a contract is entered into and on an ongoing basis. If a swap contract is deemed ineffective, the change in the fair value of the derivative is recorded in the Consolidated Statement of Operations as interest expense.

At December 31, 2023 and 2022 no derivative instruments were outstanding.

### **Foreign Currency Translation**

The reporting currency of the Company and its subsidiaries is the U.S. dollar. The functional currency of the Company's subsidiary in Canada is the U.S. dollar because the majority of its revenue is denominated in U.S. dollars. The functional currency of the Company's Indian and European subsidiaries is their local currency. The results of operations of the Company's Indian and European subsidiaries are translated at the monthly average exchange rates prevailing during the period. The financial position of the Company's Indian and European subsidiaries is translated at the current exchange rates at the end of the period, and the related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) within Shareholders' Equity. Gains and losses resulting from foreign currency transactions are included as a component of other income (expense), net in the Consolidated Statements of Operations. Foreign exchange gains of \$650,000 in 2022 were primarily due to exchange rate variations between the Indian rupee and the U.S. dollar. Foreign exchange gains and losses were not material in 2023 and 2021.



## **Earnings (Loss) Per Share**

Basic earnings (loss) per share are computed using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted-average number of common shares outstanding during the period, plus the incremental shares outstanding assuming the exercise of dilutive stock options and the vesting of restricted shares and performance shares, calculated using the treasury stock method. For the year ended December 31, 2023, all stock options and restricted shares were anti-dilutive and excluded from the computation of diluted (loss) per share due to the net loss.

## **Recently Issued Accounting Standards**

### ***Recently Adopted Accounting Pronouncements***

In October 2021, the FASB issued ASU 2021-08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”. The amendments in this ASU require that an entity (acquirer) recognize, and measure contract assets and contract liabilities acquired in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, as if it had originated the contracts as of the acquisition date. The amendments in this ASU are effective for annual and interim periods beginning after December 15, 2022. We adopted this ASU on January 1, 2023 with no material impact on our financial statements

### ***Recent Accounting Pronouncements not yet adopted***

In November 2023, the FASB issued ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures”. The amendments in this ASU require disclosure of incremental segment information on an annual and interim basis. Additional disclosures include significant segment expenses that are part of segment profit or loss; the title and position of the chief operating decision maker; and how the chief operating decision maker uses segment profit or loss in assessing segment performance and deciding how to allocate resources. The amendments in this ASU are effective for annual periods beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company does not expect this ASU to have a material impact on its financial statements.

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. The amendments in this ASU enhance the transparency and usefulness of income tax disclosures. Additional disclosures include specific rate reconciliation categories; additional disclosure for reconciling items that meet a quantitative threshold; and federal, state and foreign income taxes paid by individual jurisdiction. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company does not expect this ASU to have a material impact on its financial statements.

A variety of proposed or otherwise potential accounting standards are currently under consideration by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, management has not yet determined the effect, if any that the implementation of such proposed standards would have on the Company’s consolidated financial statements.

## **2. Revenue from Contracts with Customers**

The Company recognizes revenue on time-and-material contracts over time as services are performed and expenses are incurred. Time-and-material contracts typically bill at an agreed-upon hourly rate, plus out-of-pocket expense reimbursement. Out-of-pocket expense reimbursement amounts vary by assignment, but on average represent less than 2% of total revenues.

The Company’s time-and-material and fixed price revenue streams are recognized over time as the customer receives and consumes the benefits of the Company’s performance as the work is performed.

## [Table of Contents](#)

In certain situations related to client direct hire assignments, where the Company's fee is contingent upon the hired resources continued employment with the client, revenue is not fully recognized until such employment conditions are satisfied.

The Company recognizes revenue on fixed price contracts over time as services are rendered and uses a cost-based input method to measure progress. Determining a measure of progress requires management to make judgments that affect the timing of revenue recognized.

We do not sell, lease or otherwise market computer software or hardware, and essentially 100% of our revenue is derived from the sale of data and analytics, IT staffing and Digital Transformation services. We expense sales commissions in the same period in which revenues are realized. These costs are recorded within selling, general and administrative expenses.

Each contract the Company enters into is assessed to determine the promised services to be performed and includes identification of the performance obligations required by the contract. In substantially all of our contracts, we have identified a single performance obligation for each contract either because the promised services are distinct, the contract qualifies as a series, or the promised services are highly interrelated and interdependent and therefore represent a combined single performance obligation.

Our Data and Analytics Services segment provides specialized capabilities in delivering data management and analytics services to customers globally. This business offers project-based consulting services in the areas of Master Data Management, Enterprise Data Integration, Big Data, Analytics and Digital Transformation, which can be delivered using on-site and offshore resources.

Our IT staffing segment combines technical expertise with business process experience in a broad range of staffing services in digital and mainstream technologies, which can be delivered onshore as well as offshore. Our digital technology stack includes data management and analytics, cloud, mobility, social and automation. Our mainstream technologies include business intelligence / data warehousing; web services; enterprise resource planning & customer resource management; and e-Business solutions. We work with businesses and institutions with significant IT-spend and recurring staffing needs. We also support smaller organizations with their "project focused" temporary IT staffing requirements. In late 2023, we expanded our service offerings to include engineering staffing services. Substantially all of our revenue is recognized over time.

The following table depicts the disaggregation of our revenues by contract type and operating segment:

	Years Ended December 31,		
	2023	2022	2021
	(Amounts in thousands)		
<b>Data and Analytics Services Segment</b>			
Time-and-material Contracts	\$ 25,307	\$ 26,911	\$ 25,224
Fixed-price Contracts	9,051	13,683	13,115
<b>Subtotal Data and Analytics Services</b>	<b>\$ 34,358</b>	<b>\$ 40,594</b>	<b>\$ 38,339</b>
<b>IT Staffing Services Segment</b>			
Time-and-material Contracts	\$166,740	\$201,644	\$183,673
Fixed-price Contracts	—	—	—
<b>Subtotal IT Staffing Services</b>	<b>\$166,740</b>	<b>\$201,644</b>	<b>\$183,673</b>
<b>Total Revenues</b>	<b>\$201,098</b>	<b>\$242,238</b>	<b>\$222,012</b>

The Company had one client that exceeded 10% of total revenues in 2023, 2022 and 2021 (CGI = 22.5%, 22.2% and 15.0%, respectively). Additionally, CGI accounted for 27.0% and 30.9% of the Company's accounts receivable balance at December 31, 2023 and 2022, respectively.

## [Table of Contents](#)

The Company's top ten clients represented approximately 53%, 53% and 48% of total revenues in 2023, 2022 and 2021, respectively. Additionally, our largest industry vertical, financial services, represented approximately 50% of total revenues in 2023 and 2022, and approximately 45% in 2021.

The following table presents our revenue from external customers disaggregated by geography, based on the work location of our customers:

	Years Ended December 31,		
	2023	2022	2021
	(Amounts in thousands)		
United States	\$197,246	\$236,187	\$214,379
Canada	2,474	4,215	4,543
India and Other	1,378	1,836	3,090
<b>Total</b>	<b>\$201,098</b>	<b>\$242,238</b>	<b>\$222,012</b>

Contract assets, shown as unbilled receivables in the Consolidated Balance Sheets, primarily relate to the right to consideration for work completed, but not billed at the reporting date on contracts with customers. The contract assets are transferred to receivables when the rights become unconditional. Contract liabilities, shown as deferred revenue in the Consolidated Balance Sheets, primarily relate to contracts where advance payments or deposits have been received, but performance obligations have not yet been satisfied and revenue has not been recognized.

The following table presents the Company's net accounts receivable from customers, contract assets and contract liabilities:

	December 31,	
	2023	2022
	(Amounts in thousands)	
Receivables from contracts, beginning of year	\$ 33,603	\$ 34,153
Receivables from contracts, end of year	\$ 22,556	\$ 33,603
Contract assets, beginning of year	\$ 8,719	\$ 9,240
Contract assets, end of year	\$ 7,259	\$ 8,719
Contract liabilities, beginning of year	\$ 207	\$ 544
Contract liabilities, end of year	\$ 684	\$ 207

As the majority of our contracts are one year or less when considering cancellation options, we have utilized the optional exemption under ASC 606-10-50-14 to not disclose information about the remaining performance obligations for contracts which have original expected durations of one year or less.

### 3. Goodwill and Other Intangible Assets, net

Goodwill of \$8.4 million related to our IT Staffing Services segment resulted from the 2015 acquisition of Hudson IT. Goodwill related to our Data and Analytics Services segment includes our 2017 acquisition of the services division of InfoTrellis, which totaled \$27.4 million, and our 2020 acquisition of AmberLeaf, which totaled \$6.4 million. The Company recorded a \$5.3 million goodwill impairment related to the Data and Analytics Services segment in 2023 and a \$9.7 million goodwill impairment in 2018. The impairments were primarily attributable to declines in revenue levels and lower future revenue projections.

## [Table of Contents](#)

A reconciliation of the beginning and ending amounts of goodwill by operating segment for the three years ended December 31, 2023 is as follows:

	Years Ended December 31,		
	2023	2022	2021
(Amounts in thousands)			
<b>IT Staffing Services:</b>			
Beginning balance	\$8,427	\$8,427	\$8,427
Goodwill recorded	—	—	—
Impairment	—	—	—
Ending balance	<u>\$8,427</u>	<u>\$8,427</u>	<u>\$8,427</u>
(Amounts in thousands)			
<b>Data and Analytics Services:</b>			
Beginning balance	\$24,083	\$24,083	\$24,083
Goodwill recorded	—	—	—
Impairment	(5,300)	—	—
Ending balance	<u>\$18,783</u>	<u>\$24,083</u>	<u>\$24,083</u>

The Company is amortizing the identifiable intangible assets on a straight-line basis over estimated average lives ranging from 3 to 12 years. Identifiable intangible assets were comprised of the following as of December 31, 2023 and 2022:

(Amounts in thousands)	As of December 31, 2023			
	Amortization Period (In Years)	Gross Carrying Value	Accumulative Amortization	Net Carrying Value
<b>IT Staffing Services:</b>				
Client relationships	12	\$ 7,999	\$ 5,694	\$ 2,305
Covenant-not-to-compete	5	319	319	—
Trade name	3	249	249	—
<b>Data and Analytics Services:</b>				
Client relationships	12	19,641	9,776	9,865
Covenant-not-to-compete	5	1,201	1,047	154
Trade name	5	1,711	1,539	172
Technology	7	1,979	1,474	505
<b>Total Intangible Assets</b>		<u>\$ 33,099</u>	<u>\$ 20,098</u>	<u>\$ 13,001</u>

## [Table of Contents](#)

(Amounts in thousands)	As of December 31, 2022			
	Amortization Period (In Years)	Gross Carrying Value	Accumulative Amortization	Net Carrying Value
<b>IT Staffing Services:</b>				
Client relationships	12	\$ 7,999	\$ 5,027	\$ 2,972
Covenant-not-to-compete	5	319	319	—
Trade name	3	249	249	—
<b>Data and Analytics Services:</b>				
Client relationships	12	19,641	8,140	11,501
Covenant-not-to-compete	5	1,201	959	242
Trade name	5	1,711	1,441	270
Technology	7	1,979	1,191	788
<b>Total Intangible Assets</b>		<b>\$ 33,099</b>	<b>\$ 17,326</b>	<b>\$ 15,773</b>

Amortization expense for the years ended December 31, 2023, 2022 and 2021 totaled \$2.8 million, \$3.0 million and \$3.2 million, respectively and is included in selling, general and administrative expenses in the Consolidated Statement of Operations.

The estimated aggregate amortization expense for intangible assets for the years ending December 31, 2024 through 2028 is as follows:

	Years Ended December 31,				
	2024	2025	2026	2027	2028
	(Amounts in thousands)				
Amortization expense	\$2,693	\$2,553	\$2,413	\$2,025	\$1,637

#### 4. Cash and Cash Equivalents

The Company had cash and cash equivalents consisting of cash balances on hand and money market funds that totaled \$21.1 million at December 31, 2023 and \$7.1 million at December 31, 2022. There were no restrictions on the Company's cash balances during the periods presented.

#### 5. Credit Facility

On July 13, 2017, the Company entered into a Credit Agreement (the "Credit Agreement") with PNC Bank, as administrative agent, swing loan lender and issuing lender, PNC Capital Markets LLC, as sole lead arranger and sole book-runner, and certain financial institution parties thereto as lenders (the "Lenders"). The Credit Agreement, as amended, provides for a total aggregate commitment of \$53.1 million, consisting of (i) a revolving credit facility (the "Revolver") in an aggregate principal amount not to exceed \$40 million and (ii) a \$13.1 million term loan facility (the "Term Loan"), as more fully described in Exhibit 10.1 to the Company's Form 8-Ks filed with the SEC on July 19, 2017, April 25, 2018, and October 7, 2020, Exhibit 10.2 to the Form 8-K/A filed with the SEC on January 4, 2022 and Exhibit 10.12 to the Company's Form 10-K filed with the SEC on March 15, 2024. Additionally, the facility includes an accordion feature for additional borrowing of up to \$20 million upon satisfaction of certain conditions.

The Revolver expires in December 2026 and includes swing loan and letter of credit sub-limits in the aggregate amount not to exceed \$6.0 million for swing loans and \$5.0 million for letters of credit. Borrowings under the Revolver may be denominated in U.S. dollars or Canadian dollars. The maximum borrowings in U.S. dollars may not exceed the sum of 85% of eligible U.S. accounts receivable and 60% of eligible U.S. unbilled receivables, less a reserve amount established by the administrative agent. The maximum borrowings in Canadian dollars may not exceed the lesser of (i) \$10.0 million; and (ii) the sum of 85% of eligible Canadian receivables, plus 60% of eligible Canadian unbilled receivables, less a reserve amount established by the administrative agent.

## [Table of Contents](#)

Amounts borrowed under the Term Loan were required to be repaid in consecutive quarterly installments of \$1.1 million through and including the maturity date of October 1, 2024. In August 2022, the Company prepaid \$7.6 million of the outstanding term loan with excess cash balances. The final term loan payment of \$1.1 million was made on January 3, 2023, taking the outstanding balance to zero.

Borrowings under the Revolver and the Term Loan, which may be made at the Company's election, bear interest at either (a) the higher of PNC's prime rate or the federal funds rate plus 0.50%, plus an applicable margin determined based upon the Company's senior leverage ratio or (b) the Secured Overnight Financing Rate ("SOFR"), plus an applicable margin determined based upon the Company's senior leverage ratio. The applicable margin on the base rate is between 0.50% and 1.25% on Revolver borrowings and between 1.75% and 2.50% on Term Loan borrowings. The applicable margin on the SOFR is between 1.50% and 2.25% on Revolver borrowings and between 2.75% and 3.50% on Term Loan borrowings. A 20 to 30-basis point per annum commitment fee on the unused portion of the Revolver is charged and due monthly in arrears. The applicable commitment fee is determined based upon the Company's senior leverage ratio.

The Company pledged substantially all of its assets in support of the Credit Agreement. The Credit Agreement contains standard financial covenants, including, but not limited to, covenants related to the Company's senior leverage ratio and fixed charge ratio (as defined under the Credit Agreement) and limitations on liens, indebtedness, guarantees, contingent liabilities, loans and investments, distributions, leases, asset sales, stock repurchases and mergers and acquisitions. As of December 31, 2023, the Company was in compliance with all applicable provisions of the Credit Agreement.

In connection with securing the commitments under the Credit Agreement and the April 20, 2018, October 1, 2020, December 29, 2021 and December 29, 2023 amendments to the Credit Agreement, the Company paid a commitment fee and incurred deferred financing costs totaling \$1,039,000, which were capitalized and are being amortized as interest expense over the life of the Credit Facility. Deferred financing costs of \$284,000 and \$293,000 (net of amortization) as of December 31, 2023, and December 31, 2022, respectively, are presented as long-term assets in the Company's Consolidated Balance Sheets.

As of December 31, 2023, and December 31, 2022, the Company's outstanding borrowings under the Revolver totaled zero dollars; and unused borrowing capacity available was approximately \$22.5 million and \$31.8 million, respectively. The Company's outstanding borrowings under the Term Loan were zero dollars and \$1.1 million at December 31, 2023, and December 31, 2022, respectively.

## **6. Leases**

The Company rents certain office facilities and equipment under noncancelable operating leases. As of December 31, 2023, approximately 96,000 square feet of office space is utilized for our sales and recruiting offices, delivery centers, and corporate headquarters. All of our leases are classified as operating leases. The average initial lease term is 4.3 years. Several leases have an option to renew, at our sole discretion, for an additional term. Our present lease terms range from less than one year to 5.8 years with a weighted average of 4.0 years. Leases with an initial term of twelve months or less are not recorded on the balance sheet.

Leases Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Since most of the Company's leases do not have an implicit borrowing rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Our leases may include options allowing us in our sole discretion to extend or terminate the lease, and when it is reasonably certain that we will exercise those options, we will include those periods in our

## [Table of Contents](#)

lease term. Variable costs, such as payments for insurance and tax payments, are expensed when the obligation for those payments is incurred.

The following table summarizes the balance sheet classification of the lease assets and related lease liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	(in thousands)	
<b>Assets:</b>		
Long-term operating lease right-of-use assets	\$ 5,106	\$ 3,886
<b>Liabilities:</b>		
Short-term operating lease liability	\$ 1,236	\$ 1,504
Long-term operating lease liability	3,843	2,294
Total Liabilities	<u>\$ 5,079</u>	<u>\$ 3,798</u>

Future minimum rental payments for office facilities and equipment under the Company's noncancelable operating leases are as follows:

	<u>Amount as of</u> <u>December 31, 2023</u> (in thousands)
2024	\$ 1,474
2025	1,477
2026	1,477
2027	791
2028	259
Thereafter	196
Total	<u>\$ 5,674</u>
Less: Imputed interest	(595)
Present value of operating lease liabilities	<u>\$ 5,079</u>

The weighted average discount rate used to calculate the present value of future lease payments was 5.4%.

We recognize rent expense for these leases on a straight-line basis over the lease term. Rental expense for the years ended December 31, 2023, 2022 and 2021 totaled \$1.7 million, \$1.7 million and \$1.8 million, respectively.

Total cash paid for lease liabilities for the years ended December 31, 2023, 2022 and 2021 totaled \$1.6 million, \$1.7 million and \$1.5 million, respectively.

New leases entered into during the years ended December 31, 2023, 2022 and 2021 totaled \$2.7 million, \$0.5 million and \$3.1 million, respectively. In 2023, the Company renegotiated and extended a 39,875 square feet office space lease in Noida, India through August 30, 2027 and a 11,495 square feet office space lease in Moon Township, Pennsylvania through September 29, 2029. New leases are considered non-cash transactions.

## **7. Long-Term Payroll Tax Liability**

As allowed under the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Company elected to defer payment of \$4.6 million of the employer's share of social security tax. The Company paid \$2.3 million of the deferred amount in December 2022 and \$2.3 million on December 2021. As of December 31, 2023 and 2022, the Company did not have any balances on the balance sheet related to these items.

## **8. Commitment and Contingencies**

In December 2022, the Company received a demand letter from the attorney of a former employee who resigned from his employment with the Company in November 2022. Among other allegations in the letter, this former employee has asserted various employment-related claims against the Company, including a claim of wrongful termination. For the year ended December 31, 2023, the Company incurred \$0.9 million of professional service fees related to this matter. Additionally, the Company settled this claim in 2023 with this former employee and paid a settlement amount of \$3.1 million, net of recoveries. Both the professional services fees and the settlement amount, net of recoveries are included in Selling, General and Administrative expenses in the Consolidated Statement of Operations, included in this annual report on Form 10-K.

In the ordinary course of our business, the Company is involved in a number of lawsuits and administrative proceedings. While uncertainties are inherent in the final outcome of these matters, the Company's management believes, after consultation with legal counsel, that the disposition of these proceedings should not have a material adverse effect on our financial position, results of operations or cash flows.

## **9. Employee Benefit Plan**

The Company provides an Employee Retirement Savings Plan (the "Retirement Plan") under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"), that covers substantially all U.S.-based salaried and W-2 hourly employees. Employees may contribute a percentage of eligible compensation to the Retirement Plan, subject to certain limits under the Code. The Company did not provide for any matching contributions for the three years ended December 31, 2023.

## **10. Stock-Based Compensation**

Effective October 1, 2008, the Company adopted a Stock Incentive Plan (the "Plan") which, as amended, provides that up to 5,400,000 shares of the Company's common stock shall be allocated for issuance to directors, executive management and key personnel. Grants under the Plan can be made in the form of stock options, stock appreciation rights, performance shares or stock awards. As of December 31, 2023, the Company had 4,005,000 outstanding and/or exercised stock options, 260,000 vested performance shares and 300,000 outstanding and/or released restricted stock units that were issued under the Plan. Thus, as of December 31, 2023, the Company has 835,000 shares available for future grants under the Plan.

The Plan is administered by the Compensation Committee of the Board of Directors. All grants awarded under the Plan are recommended by the Committee to the Board of Directors for approval. The exercise price of stock options is set on the grant date and is not to be less than the fair market value per share of our closing stock price on that date. Grants of stock options generally vest over a three to five-year period and options expire after ten years from the grant date. Restricted stock awards generally vest over a one-year period. Performance shares vest upon the achievement of the performance criteria and approval by the Compensation Committee of the Board of Directors.



## [Table of Contents](#)

Following is a summary of the Company's stock option activity for the three years ended December 31, 2023:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2020	2,009,000	\$ 9.40
Granted	501,000	17.58
Exercised	(31,000)	7.34
Cancelled / forfeited	(438,000)	13.04
Outstanding at December 31, 2021	2,041,000	10.66
Granted	1,200,000	15.76
Exercised	(113,000)	11.73
Cancelled / forfeited	(802,000)	15.85
Outstanding at December 31, 2022	2,326,000	11.38
Granted	205,000	10.14
Exercised	—	—
Cancelled / forfeited	(434,000)	13.62
<b>Outstanding at December 31, 2023</b>	<b><u>2,097,000</u></b>	<b><u>\$ 10.80</u></b>

As of December 31, 2023, the Company's outstanding "in the money" stock options using the year-end share price of \$8.43 had an aggregate intrinsic value of \$2.6 million. As of December 31, 2023, the intrinsic value of vested stock options totaled \$2.5 million. The total intrinsic value of options exercised during 2023, 2022 and 2021 totaled \$0, \$777,000 and \$355,000, respectively. The measurement date fair value of stock options vested during 2023, 2022 and 2021 totaled \$245,000, \$653,000 and \$2.1 million, respectively.

The table below summarizes information regarding the Company's outstanding and exercisable stock options as of December 31, 2023:

<u>Range of Exercise Prices:</u>	<u>Options Outstanding</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>	<u>Weighted Average Exercise Price</u>
\$0.01 to \$4.00	355,000	2.3	\$ 3.56
\$4.01 to \$8.00	575,000	4.8	6.83
\$8.01 to \$12.00	105,000	9.8	8.82
\$12.01 to \$16.00	821,000	7.5	14.99
\$16.01 to \$20.00	241,000	7.8	17.51
	<b><u>2,097,000</u></b>	<b><u>6.0</u></b>	<b><u>\$ 10.80</u></b>

  

<u>Range of Exercise Prices:</u>	<u>Options Exercisable</u>	<u>Weighted Average Remaining Contractual Life (in years)</u>	<u>Weighted Average Exercise Price</u>
\$0.01 to \$4.00	355,000	2.3	\$ 3.56
\$4.01 to \$8.00	491,000	4.8	6.84
\$8.01 to \$12.00	—	—	—
\$12.01 to \$16.00	335,000	6.4	15.42
\$16.01 to \$20.00	125,000	7.8	17.51
	<b><u>1,306,000</u></b>	<b><u>4.8</u></b>	<b><u>\$ 9.17</u></b>

## [Table of Contents](#)

Stock options of 205,000 units were issued during the year ended December 31, 2023, of which 180,000 vest over a four-year period and 25,000 vest over a three-year period. Stock options of 1.2 million units were issued during the year ended December 31, 2022, of which 900,000 vest over a four-year period and 300,000 vest over a three-year period. Stock options of 501,000 units were issued during the year ended December 31, 2021, of which 491,000 vest over a four-year period and 10,000 vest over a one-year period. The Company used the following average assumptions with respect to the Black-Scholes option pricing model for Mastech Digital stock options issued during 2023, 2022 and 2021.

	Years Ended December 31,		
	2023	2022	2021
<b>Stock option grants:</b>			
Weighted-average risk-free interest rate	4.0%	2.7%	0.6%
Weighted-average dividend yield	0.0%	0.0%	0.0%
Expected volatility	63.0%	66.1%	68.3%
Expected term (in years)	3.7	3.6	3.8
Weighted-average fair value	\$5.01	\$7.83	\$8.85

*Risk-free interest rate* — The risk-free rate for stock options granted during the period was determined by using a U.S. Treasury rate for the period that coincided with the expected term of the options.

*Expected dividend yield* — The Company did not contemplate a recurring dividend program. Accordingly, the dividend yield assumption used was 0.0%.

*Expected volatility* — Expected volatility was determined based on the historical volatility of Mastech Digital's common stock.

*Expected term* — Mastech Digital's expected term was based on the exercise history of our employees and the vesting term of our stock options.

Following is a summary of Mastech's restricted stock activity for the three years ended December 31, 2023:

	Years Ended December 31,		
	2023	2022	2021
Beginning outstanding balance	17,804	25,059	30,843
Awarded	19,924	13,979	11,955
Released	(17,804)	(21,234)	(17,739)
Forfeited	—	—	—
Ending outstanding balance	<u>19,924</u>	<u>17,804</u>	<u>25,059</u>

The aggregate intrinsic value of restricted stock units outstanding at December 31, 2023 was \$168,000. The total intrinsic value of restricted shares released during 2023 totaled \$232,000.

In October 2018, the Board of Directors of the Company approved the Mastech Digital, Inc. 2019 Employee Stock Purchase Plan (the "Stock Purchase Plan"). The Stock Purchase Plan is intended to meet the requirements of Section 423 of the Code and had to be approved by the Company's shareholders to be qualified. On May 15, 2019, the Company's shareholders approved the Stock Purchase Plan. Under the Stock Purchase Plan, 600,000 shares of common stock (subject to adjustment upon certain changes in the Company's capitalization) are available for purchase by eligible employees who become participants in the Stock Purchase Plan. The purchase price per share is 85% of the lesser of (i) the fair market value per share of common stock on the first day of the offering period, or (ii) the fair market value per share of common stock on the last day of the offering period.

## [Table of Contents](#)

During the year ended December 31, 2023 and December 31, 2022, the Company issued 25,646 and 23,789 shares under the Stock Purchase Plan at an average share of \$8.03 and \$11.53, respectively. At December 31, 2023, there were 466,919 shares available for purchases under the Plan.

The Company's eligible full-time employees are able to contribute up to 15% of their base compensation into the employee stock purchase plan, subject to an annual limit of \$25,000 per person. Employees are able to purchase Company common stock at a 15% discount to the lower of the fair market value of the Company's common stock on the initial or final trading dates of each six-month offering period. Offering periods begin on January 1 and July 1 of each year. The Company uses the Black-Scholes option pricing model to determine the fair value of employee stock purchase plan share-based payments. The fair value of the six-month "look-back" option in the Company's employee stock purchase plans is estimated by adding the fair value of 15% of one share of stock to the fair value of 85% of an option on one share of stock. The Company utilized U.S. Treasury yields as of the grant date for its risk-free interest rate assumption, matching the Treasury yield terms to the six-month offering period. The Company utilized historical company data to develop its dividend yield and expected volatility assumptions.

Stock-based compensation expense of \$3.1 million, \$2.2 million and \$2.2 million was recognized in the Consolidated Statements of Operations for the years ended December 31, 2023, 2022, and 2021, respectively. The Company has recognized related tax benefits associated with its stock-based compensation arrangements for the years ended December 31, 2023, 2022, and 2021 of \$721,000, \$663,000, and \$622,000, respectively. As of December 31, 2023, the total remaining unrecognized compensation expense related to non-vested stock options totaled \$3.5 million which will be amortized over the weighted-average remaining requisite service period of 1.8 years. The total remaining unrecognized compensation expense related to restricted stock units amounted to \$21,000 which will be amortized over the weighted-average remaining requisite service period of 0.1 years.

## 11. Income Taxes

The components of income before income taxes as shown in the accompanying Consolidated Statement of Operations, consisted of the following for the years ended December 31, 2023, 2022 and 2021:

	Years Ended December 31,		
	2023	2022	2021
	(Amounts in thousands)		
Income (loss) before income taxes:			
Domestic	\$(6,222)	\$13,892	\$17,117
Foreign	(2,809)	(1,401)	(231)
Income (loss) before income taxes	<u>\$(9,031)</u>	<u>\$12,491</u>	<u>\$16,886</u>

The Company has foreign subsidiaries which generate revenues from foreign clients. Additionally, the Company has foreign subsidiaries which provide services to its U.S. operations. Accordingly, the Company allocates a portion of its income to these subsidiaries based on a "transfer pricing" model and reports such income as foreign in the above table.

## [Table of Contents](#)

The provision (benefit) for income taxes, as shown in the accompanying Consolidated Statement of Operations, consisted of the following for the years ended December 31, 2023, 2022 and 2021:

	Years Ended December 31,		
	2023	2022	2021
(Amounts in thousands)			
Current provision (benefit):			
Federal	\$ (473)	\$2,293	\$2,657
State	(23)	653	713
Foreign	316	178	234
Total current provision (benefit)	<u>(180)</u>	<u>3,124</u>	<u>3,604</u>
Deferred provision (benefit):			
Federal	(648)	678	873
State	(133)	162	233
Foreign	(1,001)	(433)	(177)
Total deferred provision (benefit)	<u>(1,782)</u>	<u>407</u>	<u>929</u>
Change in valuation allowance	69	248	132
Total provision (benefit) for income taxes	<u>\$ (1,893)</u>	<u>\$3,779</u>	<u>\$4,665</u>

The reconciliation of income taxes computed using our statutory U.S. income tax rate and the provision (benefit) for income taxes for the years ended December 31, 2023, 2022 and 2021 were as follows:

(Amounts in thousands)	Years Ended December 31,					
	2023		2022		2021	
Income taxes computed at the federal statutory rate	\$ (1,897)	(21.0%)	\$2,623	21.0%	\$3,546	21.0%
State income taxes, net of federal tax benefit	(198)	(2.2)	804	6.4	962	5.7
Excess tax benefits from stock options/restricted shares	220	2.4	56	0.5	(82)	(0.5)
Difference in tax rate on foreign earnings/other	(87)	(1.0)	48	0.4	107	0.6
Change in valuation allowance	69	0.8	248	2.0	132	0.8
	<u>\$ (1,893)</u>	<u>(21.0%)</u>	<u>\$3,779</u>	<u>30.3%</u>	<u>\$4,665</u>	<u>27.6%</u>

The components of the deferred tax assets and liabilities were as follows:

	At December 31,	
	2023	2022
(Amounts in thousands)		
Deferred tax assets:		
Allowance for credit losses	\$ 150	\$ 126
Accrued vacation and bonuses	437	342
Stock-based compensation expense	2,100	1,692
Acquisition-related transaction costs	471	509
Net operating losses	628	559
Total deferred tax assets	<u>3,786</u>	<u>3,228</u>
Deferred tax liabilities:		
Prepaid expenses	488	441
Depreciation, intangibles and contingent consideration	1,877	3,148
Total deferred tax liabilities	<u>2,365</u>	<u>3,589</u>
Valuation allowance	(628)	(559)
Net deferred tax asset (liability)	<u>\$ 793</u>	<u>\$ (920)</u>

## [Table of Contents](#)

For the three years ended December 31, 2023, the Company had no unrecognized tax benefits related to uncertain tax positions.

We evaluate deferred income taxes quarterly to determine if valuation allowances are required or should be adjusted. GAAP accounting guidance requires us to assess whether valuation allowances should be established against deferred tax assets based on all available evidence, both positive and negative using a “more likely than not” standard. Our assessment considers, among other things, the nature of cumulative losses; forecast of future profitability; the duration of statutory carry-forward periods and tax planning alternatives. At December 31, 2023 and 2022, our valuation allowance was comprised of balances within locations of Singapore, Ireland and the United Kingdom. The valuation allowance balances at these locations totaled \$628,000, \$559,000 and \$311,000 as of December 31, 2023, 2022 and 2021, respectively, and reflect net operating losses which may not be realizable in the future.

The income tax returns of the Company’s Canadian subsidiary for the 2018 and 2019 tax years are currently under audit by the Canadian taxing authorities.

### 12. Shareholders’ Equity

On February 8, 2023, the Company announced that the Board of Directors authorized a share repurchase program of up to 500,000 shares of the Company’s common stock over a two-year period. Repurchases under the program may occur from time to time in the open market, through privately negotiated transactions, through block purchases or other purchase techniques, or by any combination of such methods, and the program may be modified, suspended or terminated at any time at the discretion of the Board of Directors. During the year ended December 31, 2023, the Company repurchased 67,699 shares of common stock at an average price of \$9.10 per share under this program. Additionally, the Company makes stock purchases from time to time to satisfy employee tax obligations related to its Stock Incentive Plan. The Company did not purchase any shares to satisfy employee tax obligations during the years ended December 31, 2023 and 2022.

At December 31, 2023 and 2022, the company held 1.7 million and 1.6 million shares in its treasury at a cost of approximately \$4.8 million and \$4.2 million, respectively.

### 13. Earnings (Loss) per Share

The computation of basic earnings (loss) per share (“EPS”) is based on the Company’s net income (loss) divided by the weighted average number of common shares outstanding. Diluted earnings (loss) per share reflects the potential dilution that could occur if outstanding stock options and restricted share units were exercised / released. The dilutive effect of stock options and restricted share units were calculated using the treasury stock method.

For the year ended December 31, 2023, all stock options and restricted shares were anti-dilutive and excluded from the computation of diluted (loss) per share. For the years ended December 31, 2022 and 2021, there were 506,000 and 276,000 anti-dilutive stock options that were excluded from the computation of diluted earnings per share, respectively.

The following table sets forth the denominators of the basic and diluted EPS computations:

<u>(Amounts in thousands, except per share data)</u>	<u>Years Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Weighted-average shares outstanding:			
Basic	11,613	11,588	11,436
Stock options and restricted share units	—	489	571
Diluted	<u>11,613</u>	<u>12,077</u>	<u>12,007</u>

## [Table of Contents](#)

The following table sets forth the computation of basic EPS utilizing net income and the Company's weighted-average common stock outstanding:

<u>(Amounts in thousands, except per share data)</u>	<u>Years Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net income (loss)	\$ (7,138)	\$ 8,712	\$12,221
Basic weighted-average shares outstanding	11,613	11,588	11,436
Basic EPS	<u>\$ (.61)</u>	<u>\$ .75</u>	<u>\$ 1.07</u>

The following table sets forth the computation of diluted EPS utilizing net income and the Company's weighted-average common stock outstanding plus the weighted-average of stock options, restricted shares and performance shares, which had a diluted effect on EPS:

<u>(Amounts in thousands, except per share data)</u>	<u>Years Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net income (loss)	\$ (7,138)	\$ 8,712	\$12,221
Basic weighted-average shares outstanding	11,613	12,077	12,007
Diluted EPS	<u>\$ (.61)</u>	<u>\$ .72</u>	<u>\$ 1.02</u>

#### 14. Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) for the years ended December 31, 2023, 2022 and 2021 were as follows:

<u>(in thousands)</u>	<u>Foreign Currency Translation Adjustments</u>	<u>Derivative Financial Instruments Designated as Cash Flow Hedges</u>	<u>Total</u>
Balance at December 31, 2020	\$ (513)	\$ (26)	\$ (539)
Gain (loss) arising during the period	(94)	1	(93)
Reclassification to earnings for gains realized	—	34	34
Income tax (expense)	—	(9)	(9)
Net other comprehensive income (loss) — year 2021	<u>(94)</u>	<u>26</u>	<u>(68)</u>
Balance at December 31, 2021	\$ (607)	\$ —	\$ (607)
(Loss) arising during the period	(948)	—	(948)
Net other comprehensive income (loss) — year 2022	<u>(948)</u>	<u>—</u>	<u>(948)</u>
Balance at December 31, 2022	\$ (1,555)	\$ —	\$ (1,555)
(Loss) arising during the period	(89)	—	(89)
Net other comprehensive income (loss) — year 2023	<u>(89)</u>	<u>—</u>	<u>(89)</u>
Balance at December 31, 2023	<u>\$ (1,644)</u>	<u>\$ —</u>	<u>\$ (1,644)</u>

Generally, the assets and liabilities of foreign operations are translated into U.S. dollars using the current exchange rate. For those operations, changes in exchange rates generally do not affect cash flows; therefore, resulting translation adjustments are made in shareholders' equity rather than in net income (loss).

## [Table of Contents](#)

Prior to April 2021, the Company utilized an interest-rate swap to convert a variable interest rate on debt to a fixed rate of interest. These swap contracts, which matured on April 1, 2021, were designated as cash flow hedging instruments and qualified as effective hedges at inception under ASC Topic 815, “Derivatives and Hedging”. The effective portion of the changes in fair value on these instruments was recorded in other comprehensive income (loss) and was reclassified into the Consolidated Statements of Operations as interest expense in the same period in which the underlying hedge transaction affected earnings. There was no impact on the Consolidated Statements of Operations and Comprehensive Income (“OCI”) for the years ended December 31, 2023 and 2022 and there is no balance reflected in the Consolidated Balance Sheets for these periods.

### 15. Fair Value Measurements

The Company has adopted the provisions of ASC 820, “Fair Value Measurements and Disclosures” (“ASC 820”), related to certain financial and nonfinancial assets and liabilities. ASC 820 establishes the authoritative definition of fair value; sets out a framework for measuring fair value; and expands the required disclosures about fair value measurements. The valuation techniques required by ASC 820 are based on observable and unobservable inputs using the following three-tier hierarchy:

- Level 1 — Inputs are observable quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 — Inputs are observable, other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are directly or indirectly observable in the marketplace.
- Level 3 — Inputs are unobservable that are supported by little or no market activity.

In prior periods, the company carried interest-rate swap contracts and contingent consideration liabilities at fair value measured on a recurring basis. At December 31, 2023 and December 31, 2022, the Company did not have any balances in the financial statements related to these items as the swap matured on April 1, 2021 and the contingent consideration was revalued to zero as of December 31, 2021.

In 2020, the Company incurred a \$2.9 million contingent consideration liability related to the AmberLeaf acquisition. In 2021, the Company revalued the contingent consideration liability related to the AmberLeaf acquisition after determining that relevant conditions for payment of such liability were not satisfied. The revaluation resulted in a \$2.9 million reduction to the contingent consideration liability in 2021, which is reflected in selling and administrative expenses in the Company’s Consolidated Statements of Operations, in Item 8 herein.

The following table provides information regarding changes in the Company’s Level 3 fair values for the contingent consideration liability for the three years ended December 31, 2023:

	Years Ended December 31,		
	2023	2022	2021
Beginning balance	\$—	\$—	\$ 2,882
Revaluation	—	—	(2,882)
Ending balance	<u>\$—</u>	<u>\$—</u>	<u>\$ —</u>

The carrying value of cash and cash equivalents, net accounts receivables and accounts payable and accrued expenses approximates fair value because of their short-term nature. The Company’s outstanding debt was repaid on January 3, 2023 and therefore, its carrying value also approximates fair value.

## [Table of Contents](#)

The carrying value of goodwill was calculated using a discounted cash flow model utilizing unobservable inputs, which requires management to develop its own assumptions in pricing the asset. At December 31, 2023, the Company carried the following financial assets (liabilities) at fair value measured on a non-recurring basis:

(Amounts in thousands)	Fair Value as of December 31, 2023			Total
	Level 1	Level 2	Level 3	
Goodwill	\$ —	\$ —	\$27,210	\$27,210

During the year ended December 31, 2023, the Company recorded a goodwill impairment related to its Data and Analytics Services segment of \$5.3 million.

### 16. Business Segments and Geographic Information

Our reporting segments are: 1) Data and Analytics Services; and 2) IT Staffing Services.

The Data and Analytics Services segment was acquired through the July 13, 2017 acquisition of the services division of Canada-based InfoTrellis, Inc. This segment is a project-based consulting services business with specialized capabilities in data management and analytics. The business is marketed as Mastech InfoTrellis and utilizes a dedicated sales team with deep subject matter expertise. Mastech InfoTrellis has offices in Atlanta, Toronto, and London, and a global delivery center in Chennai, India. Project-based delivery reflects a combination of on-site resources and offshore resources. Assignments are secured on both a time and material and fixed price basis. In October 2020, we acquired AmberLeaf, a Chicago-based customer experience consulting firm. This acquisition expands our capabilities in customer experience strategy and managed services offering for a variety of Cloud-based enterprise application across sales, marketing and customer service organizations.

The IT Staffing Services segment offers staffing services in digital and mainstream technologies and uses digital methods to enhance organizational learning. These services are marketed using a common sales force and delivered via our domestic and global recruitment centers. While the vast majority of our assignments are based on time and materials, we do have the capabilities to deliver our digital learning services on a fixed price basis.



## Table of Contents

Below are the operating results of our reporting segments:

	Years Ended December 31,		
	2023	2022	2021
	(Amounts in thousands)		
<b>Revenues:</b>			
Data and Analytics Services	\$ 34,358	\$ 40,594	\$ 38,339
IT Staffing Services	166,740	201,644	183,673
Total revenues	<u>\$201,098</u>	<u>\$242,238</u>	<u>\$222,012</u>
<b>Gross Margin %:</b>			
Data and Analytics Services	43.5%	41.5%	48.4%
IT Staffing Services	21.6%	23.0%	22.3%
Total gross margin %	25.4%	26.1%	26.8%
<b>Segment operating income (loss):</b>			
Data and Analytics Services	\$ (1,807)	\$ 3,329	\$ 5,310
IT Staffing Services	6,054	13,297	12,728
Subtotal	4,247	16,626	18,038
Amortization of acquired intangible assets	(2,772)	(2,987)	(3,170)
Goodwill impairment	(5,300)	—	—
Employment-related claim, net of recoveries	(3,100)	—	—
Cybersecurity breach	—	(450)	—
Severance expense	(2,350)	(990)	—
Revaluation of contingent consideration liability	—	—	2,882
Acquisition transaction expenses	—	—	(140)
Interest expense, FX gains/losses and other, net	244	292	(724)
Income (loss) before income taxes	<u>\$ (9,031)</u>	<u>\$ 12,491</u>	<u>\$ 16,886</u>

Below is a reconciliation of total assets, depreciation and amortization and capital expenditures by segment:

(Amounts in thousands)	Total Assets			Depreciation & Amortization			Capital Expenditures		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Data and Analytics Services	\$ 45,681	\$ 54,544	\$ 56,634	\$2,704	\$2,860	\$2,662	\$177	\$756	\$1,692
IT Staffing Services	59,546	54,335	57,434	1,151	1,335	1,317	158	79	203
Total	<u>\$105,227</u>	<u>\$108,879</u>	<u>\$114,068</u>	<u>\$3,855</u>	<u>\$4,195</u>	<u>\$3,979</u>	<u>\$335</u>	<u>\$835</u>	<u>\$1,895</u>

Below is geographic information related to our revenues from external customers and fixed assets, net (equipment, enterprise software and leasehold improvements):

Amounts in thousands	Revenues			Equipment, Enterprise Software and Leasehold Improvements, net		
	2023	2022	2021	2023	2022	2021
United States	\$ 197,246	\$ 236,187	\$ 214,379	\$ 791	\$1,353	\$ 2,221
Canada	2,474	4,215	4,543	332	429	2
India and Other	1,378	1,836	3,090	790	883	815
Total	<u>\$201,098</u>	<u>\$242,238</u>	<u>\$222,012</u>	<u>\$1,913</u>	<u>\$2,665</u>	<u>\$3,038</u>

## 17. Related-Party Transactions

In 2023, we entered into a three-year agreement to purchase cybersecurity software licenses from CrowdStrike, Inc. for \$118,000 per year. During 2022 and 2021, we purchased cybersecurity software licenses from CrowdStrike, Inc. for \$98,000 each year. In 2022, we entered into a three-year IT security training program with KnowBe4, Inc. for \$14,000 per year. One of our Board members is a Board member of CrowdStrike, Inc. and KnowBe4, Inc. The purchases were completed as arm's length transactions.

## 18. Subsequent Event

On January 12, 2024, we entered into a consulting services agreement with Primentor, Inc., a California corporation; Phaneesh Murthy ("Murthy"), the owner of Primentor; Srinjay Sengupta ("Sengupta"), a consultant of Primentor; and Sunil Wadhvani and Ashok Trivedi (together the "Founders"), each co-founders and directors of the Company. Under the terms of the consulting services agreement, Primentor will provide the Company with strategic advisory and management consulting services, as well as any other business and organizational strategy services as the Board of Directors of Company may reasonably request from time to time.

The initial term of the consulting services agreement is for a three-year period commencing January 12, 2024, and the Company may request to renew the term for additional successive one-year terms, in which case Primentor and the Company will negotiate to agree upon the scope of the additional services and the amount of additional consulting fees.

As compensation to Primentor, Murthy and Sengupta for providing the services requested by the Company, the Company will provide the following compensation:

- 1) Consulting fees to Primentor of \$990,000 in year one; \$270,000 in year two; and \$120,000 in year three, plus reimbursement for any reasonable and documented out-of-pocket expenses incurred by Primentor's personnel in rendering the services;
- 2) Stock options to purchase up to 192,500 shares of the Company's common stock to each, Murthy and Sangupta, at an exercise price of \$8.34 per share, with vesting occurring equally on an annual basis over a three-year period; and
- 3) Murthy and Sangupta will each receive from the Founders, for no additional consideration, an aggregate number of shares of common stock of the Company held by the Founders that is equal to 1.1% of the total number of shares of common stock of the Company outstanding at the time of a triggering event, as defined in the consulting services agreement.

The foregoing description of the consulting agreement is qualified in its entirety by reference to the full text of the Consulting Agreement (including the form of stock option agreements attached as exhibits thereto), which was filed by the Company as Exhibit 10.1 to the Company's Form 8-K filed with the SEC on January 19, 2024.

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

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

*Disclosure Controls and Procedures*

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of Company management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(b) and 15d-15(b). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective as of this date.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits 31.1 and 31.2, respectively, to this Annual Report on Form 10-K.

*Management’s Report on Internal Controls Over Financial Reporting*

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use, or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions or that the degree of compliance with established policies or procedures may deteriorate.

The Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023. In making its assessment of internal control over financial reporting, management used the criteria described in the *Internal Control-Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO-2013”). Based upon this assessment, management has concluded that the Company’s internal control over financial reporting was effective as of December 31, 2023.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by the Company’s independent registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management’s report in this Annual Report on Form 10-K.

---

[Table of Contents](#)

**ITEM 9B. OTHER INFORMATION**

*Disclosure of 10b5-1 plans*

During the fiscal quarter ended December 31, 2023, none of our directors or officers informed us of the adoption, modification or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

None.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information required by this Item, not set forth below, is incorporated herein by reference from the Company's definitive proxy statement relating to the Annual Meeting of Shareholders scheduled for May 15, 2024, which will be filed with the Commission within 120 days after the close of the Company's fiscal year ended December 31, 2023 (the "Proxy Statement") under the headings "Proposal No. 1 — Election of Directors", "Executive Officers", "Delinquent Section 16(A) Reports" and "Board Committees and Meetings".

We have adopted a code of ethics applicable to all of our employees, including our principal executive officer, principal financial officer and principal accounting officer, titled Code of Conduct Policy. The Code of Conduct Policy is posted on the Company's website, [www.mastechdigital.com](http://www.mastechdigital.com) (under the "Corporate Governance" caption of the Investor Relations page). The Company intends to satisfy the disclosure requirement regarding certain amendments to, or waivers from, provisions of its code of ethics by posting such information on the Company's website.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item is incorporated by reference to the Proxy Statement under the headings "Compensation Discussion And Analysis", "Summary Compensation Table", "Grants Of Plan-Based Awards", "Outstanding Equity Awards At Fiscal Year-End", "Potential Payments Upon Termination Or Change In Control", "Option Exercises And Stock Vested" and "Director Compensation".

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

*Securities Authorized for Issuance Under Equity Compensation Plans*

The information required by this item is hereby incorporated by reference to the Proxy Statement under the heading "Equity Compensation Plan Information".

*Security Ownership of Certain Beneficial Owners and Management*

The information required by this item is hereby incorporated by reference to the Proxy Statement under the headings "Security Ownership of Certain Beneficial Owners and Management".

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this item is hereby incorporated by reference to the Proxy Statement under the headings "Board Committees and Meetings" and "Policies and Procedures for Approving Related Person Transactions".

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this item is hereby incorporated by reference to the Proxy Statement under the heading "Independent Registered Public Accountants".

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

*1. Financial Statements*

The following Consolidated Financial Statements of the registrant and its subsidiaries are included on pages 50 to 79 and the reports of Independent Registered Public Accounting Firm are included on pages 48 and 49 in this Annual Report on Form 10-K.

Reports of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets — December 31, 2023 and 2022.

Consolidated Statements of Operations — Years ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Comprehensive Income (Loss) — Years ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Shareholders' Equity — Years ended December 31, 2023, 2022 and 2021.

Consolidated Statements of Cash Flows — Years ended December 31, 2023, 2022 and 2021.

Notes to Consolidated Financial Statements

*2. Consolidated Financial Statement Schedules*

The following Consolidated Financial Statement schedules shown below should be read in conjunction with the Consolidated Financial Statements on pages \_\_ to \_\_ in this Annual Report on Form 10-K. All other schedules are omitted because they are not applicable or not required or the required information is shown in the Consolidated Financial Statements or notes thereto.

The following items appear immediately on the following page:

Financial Statement Schedules:

Schedule II — Valuation and Qualifying Accounts for the years ended December 31, 2023, 2022 and 2021.

*3. Exhibits*

Exhibits required by Item 601 of Regulation S-K are listed in the Exhibit Index, which is incorporated herein by reference.

**MASTECH DIGITAL, INC.**  
**SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
**(Amounts in thousands)**

	<u>Balance at beginning of period</u>	<u>Charged to expense (credited)</u>	<u>Recoveries/ (Write- offs)</u>	<u>Balance at end of period</u>
<b>Allowance for Credit Losses:</b>				
Year ended December 31, 2023	\$ 444	\$ (30)	\$ 114	\$ 528
Year ended December 31, 2022	375	50	19	444
Year ended December 31, 2021	413	130	(168)	375

## Table of Contents

<u>Exhibit</u>	<u>(Index Description Exhibit)</u>
2.1	<a href="#"><u>Asset Purchase Agreement, dated July 7, 2017, by and among Mahmood Abbas, Zahid Naeem, Sachin Wadhwa, InfoTrellis Inc. and Mastech InfoTrellis Digital, Ltd., incorporated by reference to Exhibit 2.1 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 13, 2017</u></a>
2.2	<a href="#"><u>Asset Purchase Agreement, dated July 7, 2017, by and among Mahmood Abbas, Zahid Naeem, Sachin Wadhwa, InfoTrellis Inc. and Mastech InfoTrellis, Inc., incorporated by reference to Exhibit 2.2 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 13, 2017</u></a>
2.3	<a href="#"><u>Share Purchase Agreement, dated July 7, 2017, by and amongst Mastech Digital Data, Inc., 2291496 Ontario Inc., InfoTrellis India Private Limited, Mastech Digital Private Limited and Kumaran Sasikanthan, incorporated by reference to Exhibit 2.3 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 13, 2017</u></a>
2.4	<a href="#"><u>Share Purchase Agreement, dated October 1, 2020, by and among Mastech Digital Data, Inc., AmberLeaf Partners, Inc., and its shareholders, Lawrence F. Goldman and Don Steffen, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on October 6, 2020</u></a>
3.1	<a href="#"><u>Amended and Restated Articles of Incorporation of Mastech Digital, Inc., incorporated by reference to Exhibit 3.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on September 12, 2016</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of Mastech Digital, Inc., incorporated by reference to Exhibit 3.2 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on September 12, 2016</u></a>
4.1	<a href="#"><u>Form of Common Stock Certificate of Mastech Digital, Inc., incorporated by reference to Exhibit 4.1 to Mastech Digital, Inc.'s Annual Report on Form 10-K filed with the SEC on March 24, 2017</u></a>
4.2	<a href="#"><u>Amended and Restated Registration Rights Agreement, dated September 17, 2020, by and among Mastech Digital, Inc., Ashok Trivedi, in his individual capacity and as trustee of the Ashok K. Trivedi Revocable Trust, STP L.P., Edani L.P., Riveda L.P., Sunil Wadhvani, in his individual capacity and as trustee of The Revocable Declaration of Trust of Sunil Wadhvani, Wadhvani Partners No. 1 L.P. and Wadhvani Partners No. 2 L.P., incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on September 22, 2020</u></a>
4.3	<a href="#"><u>Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934, incorporated by reference to Exhibit 4.3 to Mastech Digital, Inc.'s Annual Report on Form 10-K filed with the SEC on March 30, 2020</u></a>
10.1†	<a href="#"><u>Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), effective as of May 14, 2014, incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2016</u></a>
10.2†	<a href="#"><u>Amendment to Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), executed May 18, 2016, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 23, 2016</u></a>
10.3†	<a href="#"><u>Second Amendment to Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), executed May 16, 2018, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 18, 2018</u></a>
10.4†	<a href="#"><u>Third Amendment to Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), executed May 15, 2019, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 15, 2019</u></a>



## Table of Contents

<u>Exhibit</u>	<u>(Index Description Exhibit)</u>
10.5†	<a href="#"><u>Fourth Amendment to Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), executed May 13, 2020, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 18, 2020</u></a>
10.6†	<a href="#"><u>Fifth Amendment to Mastech Digital, Inc.'s Stock Incentive Plan (as amended and restated), executed May 10, 2023, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 11, 2023</u></a>
10.7	<a href="#"><u>Credit Agreement, dated July 13, 2017, by and among Mastech Digital, Inc., certain subsidiaries of Mastech Digital, Inc., PNC Bank, National Association, as administrative agent, swing loan lender and issuing lender, PNC Capital Markets LLC, as sole lead arranger and sole bookrunner, and certain financial institutions party thereto as lenders, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 19, 2017</u></a>
10.8	<a href="#"><u>First Amendment to Credit Agreement, dated November 2017, by and among Mastech Digital, Inc., PNC Bank, National Association, as administrative agent and a lender, and certain financial institutions party thereto as lenders, incorporated by reference to Exhibit 10.3 to Mastech Digital, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on May 11, 2018</u></a>
10.9	<a href="#"><u>Second Amendment to Credit Agreement, dated April 20, 2018, by and among Mastech Digital, Inc., PNC Bank, National Association, as administrative agent and a lender, and certain financial institutions party thereto as lenders, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on April 25, 2018</u></a>
10.10	<a href="#"><u>Third Amendment to Credit Agreement and Joinder Agreement, dated as of October 1, 2020, by and among Mastech Digital, Inc., Mastech Digital Alliances, Inc., Mastech Digital Resourcing, Inc., Mastech Digital Data, Inc., Mastech InfoTrellis, Inc., Mastech InfoTrellis Digital, Ltd., Mastech Digital Services, Inc., Mastech Digital Solutions, Inc., Mastech Digital Consulting, Inc., Mastech Digital InfoTech, Inc., and AmberLeaf Partners, Inc., PNC Bank, National Association, and certain other financial institutions party thereto as lenders, and PNC Bank, National Association, in its capacity as administrative agent for the lenders thereto, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Amendment No. 1 to Form 8-K, filed with the SEC on October 7, 2020</u></a>
10.11	<a href="#"><u>Fourth Amendment to Credit Agreement, dated December 29, 2021, by and among Mastech Digital, Inc., PNC Bank, National Association, as administrative agent and a lender, and certain financial institutions party thereto as lenders</u></a>
10.12	<a href="#"><u>Fifth Amendment to Credit Agreement, dated December 29, 2023, by and among Mastech Digital, Inc., PNC Bank, National Association, as administrative agent and a lender, and certain financial institutions party thereto as lenders</u></a>
10.13	<a href="#"><u>Pledge Agreement, dated July 13, 2017, made by Mastech Digital, Inc. and certain subsidiaries of Mastech Digital, Inc., incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 19, 2017</u></a>
10.14	<a href="#"><u>Securities Purchase Agreement, dated July 7, 2017, by and between Mastech Digital, Inc. and Ashok Trivedi, as trustee of the Ashok K. Trivedi Revocable Trust, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 13, 2017</u></a>
10.15	<a href="#"><u>Securities Purchase Agreement, dated July 7, 2017, by and between Mastech Digital, Inc. and Sunil Wadhvani, as trustee of The Revocable Declaration of Trust of Sunil Wadhvani, incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K, filed with the SEC on July 13, 2017</u></a>

## Table of Contents

<u>Exhibit</u>	<u>(Index Description Exhibit)</u>
10.16†	<a href="#"><u>Fourth Amended and Restated Executive Employment Agreement, dated as of March 20, 2019, between Mastech Digital Technologies, Inc., Mastech Digital, Inc. and Vivek Gupta, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on March 21, 2019</u></a>
10.17†	<a href="#"><u>Schedule A-8, dated March 8, 2024, to Fourth Amended and Restated Executive Employment Agreement, dated as of March 20, 2019, between Mastech Digital Technologies, Inc., Mastech Digital, Inc. and Vivek Gupta, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on March 12, 2024</u></a>
10.18†	<a href="#"><u>Third Amended and Restated Executive Employment Agreement, dated as of March 20, 2019, between Mastech Digital Technologies, Inc., Mastech Digital, Inc. and John J. Cronin, Jr., incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on March 21, 2019</u></a>
10.19†	<a href="#"><u>Schedule A-13, dated March 8, 2024, to Third Amended and Restated Executive Employment Agreement, dated as of March 20, 2019, between Mastech Digital Technologies, Inc., Mastech Digital, Inc. and John J. Cronin, Jr., incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on March 12, 2024</u></a>
10.20†	<a href="#"><u>Executive Employment Agreement, dated as of October 26, 2022, between Mastech InfoTrellis, Inc., Mastech Digital Data, Inc., and Michael Fleishman, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on November 18, 2022</u></a>
10.21†	<a href="#"><u>Confidential Separation Agreement and General Release entered into by and between Mastech Digital, Inc., Mastech InfoTrellis, Inc., Mastech Digital Data, Inc. and the subsidiaries and affiliates of each and Michael Fleishman, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on December 1, 2023</u></a>
10.22†	<a href="#"><u>Amendment No. 1 to Confidential Separation Agreement and Release, dated December 7, 2023, entered into by and between Mastech Digital, Inc., Mastech InfoTrellis, Inc., Mastech Digital Data, Inc. and the subsidiaries and affiliates of each and Michael Fleishman, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on December 7, 2023</u></a>
10.23	<a href="#"><u>Lease Agreement, dated April 2, 2014, between PIBP 210 LLP and Mastech Digital, Inc., incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on April 7, 2014</u></a>
10.24	<a href="#"><u>Lease Deed, made and executed on April 1, 2021, by and between Olympia Tech Park (Chennai) Private Limited and InfoTrellis India Private Limited, incorporated by reference to Exhibit 10.4 to Mastech Digital, Inc.'s Quarterly Report on Form 10-Q, filed with the SEC on May 7, 2021</u></a>
10.25†	<a href="#"><u>Form of Restricted Stock Agreement under the Mastech Digital, Inc. Stock Incentive Plan (as amended and restated), incorporated by reference to Exhibit 10.9 to Mastech Digital, Inc.'s Annual Report on Form 10-K filed with the SEC on March 24, 2017</u></a>
10.26†	<a href="#"><u>Form of Non-Qualified Stock Option Agreement under the Mastech Digital, Inc. Stock Incentive Plan (as amended and restated), incorporated by reference to Exhibit 10.10 to Mastech Digital, Inc.'s Annual Report on Form 10-K filed with the SEC on March 24, 2017</u></a>
10.27†	<a href="#"><u>Mastech Digital, Inc. 2019 Employee Stock Purchase Plan, executed on May 15, 2019, incorporated by reference to Exhibit 10.2 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on May 15, 2019</u></a>

## Table of Contents

<u>Exhibit</u>	<u>(Index Description Exhibit)</u>
10.28	<a href="#"><u>Consulting Services Agreement, made and entered into effective as of January 12, 2024, by and among Primentor Inc., Phaneesh Murthy, Srinjay Sengupta, Mastech Digital, Inc., Sunil Wadhvani, and Ashok Trivedi, incorporated by reference to Exhibit 10.1 to Mastech Digital, Inc.'s Current Report on Form 8-K filed with the SEC on January 19, 2025</u></a>
10.29†	<a href="#"><u>Summary of Director Compensation Arrangements</u></a>
14.1	<a href="#"><u>Mastech Digital, Inc.'s Code of Business Conduct and Ethics, as adopted on September 15, 2016, incorporated by reference to Exhibit 14.1 to Mastech Digital, Inc.'s Annual Report on Form 10-K filed with the SEC on March 24, 2017</u></a>
21.1	<a href="#"><u>List of Subsidiaries of Mastech Digital, Inc.</u></a>
23.1	<a href="#"><u>Consent of UHY LLP, Independent Registered Public Accounting Firm</u></a>
31.1	<a href="#"><u>Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer</u></a>
31.2	<a href="#"><u>Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer</u></a>
32.1	<a href="#"><u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer</u></a>
32.2	<a href="#"><u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Financial Officer</u></a>
97.1	<a href="#"><u>Mastech Digital, Inc. Clawback Policy</u></a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Designates the Company's management contracts or compensation plans or arrangements for its executive officers.

\* XBRL (eXtensible Business Reporting Language) information is furnished and not filed herewith.

**SIGNATURES**

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

MASTECH DIGITAL, INC.

/s/ VIVEK GUPTA

---

**Vivek Gupta**  
*President and Chief Executive Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on this 15th day of March, 2024.

/s/ VIVEK GUPTA

---

**Vivek Gupta**  
*President, Chief Executive Officer and Director*  
*(Principal Executive Officer)*

/s/ JOHN J. CRONIN, JR.

---

**John J. Cronin, Jr.**  
*Chief Financial Officer*  
*(Principal Financial Officer and Principal Accounting Officer)*

/s/ SUNIL WADHWANI

---

**Sunil Wadhvani**  
*Co-Chairman of the Board of Directors, and Director*

/s/ ASHOK TRIVEDI

---

**Ashok Trivedi**  
*Co-Chairman of the Board of Directors, and Director*

/S/ GERHARD WATZINGER

---

**Gerhard Watzinger**  
*Director*

/s/ JOHN AUSURA

---

**John Ausura**  
*Director*

/s/ BRENDA GALILEE

---

**Brenda Galilee**  
*Director*

/s/ VLADIMIR RAK

---

**Vladimir Rak**  
*Director*

**FOURTH AMENDMENT TO  
CREDIT AGREEMENT**

This Fourth Amendment to Credit Agreement is dated as of December 29, 2021, by and among Mastech Digital, Inc., a Pennsylvania corporation (“**MDI**”), each of the other Loan Parties party hereto, PNC Bank, National Association (“**PNC Bank**”) and the other Lenders party hereto, and PNC Bank, in its capacity as administrative agent for the Lenders (hereinafter referred to in such capacity as the “**Administrative Agent**”) (the “**Fourth Amendment**”).

**W I T N E S S E T H:**

WHEREAS, MDI and the other Borrowers party thereto, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement, dated as of July 13, 2017, as amended by that certain (i) First Amendment to Credit Agreement, dated as of November 14, 2017, by and among MDI, as Borrowing Agent, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent, (ii) Second Amendment to Credit Agreement, dated as of April 20, 2018, by and among MDI, as Borrowing Agent, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent and (iii) Third Amendment to Credit Agreement, dated as of October 1, 2020, by and among MDI and the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent (as may be further amended, restated, modified or supplemented from time to time, the “**Credit Agreement**”); and

WHEREAS, the Loan Parties desire to amend certain provisions of the Credit Agreement and the Lenders and the Administrative Agent shall permit such amendments pursuant to the terms and conditions set forth herein.

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

1. All capitalized terms used herein which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement unless the context clearly indicates otherwise.

2. Amendments to Credit Agreement. Effective as of the Effective Date (as defined below):

(A) The Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached hereto as **Annex 1**.

(B) The Credit Agreement is hereby amended by deleting Schedules 1.1(A), 1.1(B) and 7.1.2 to the Credit Agreement in their entirety and replacing such schedules, respectively, with Schedules 1.1(A), 1.1(B) and 7.1.2 attached hereto as **Annex 2**. The parties hereto acknowledge and agree that notwithstanding anything to the contrary in the Credit Agreement, the Term Loan was advanced in full by the Lenders on the Third Amendment Effective Date, and the outstanding principal balance of the Term Loan shall be reallocated among the Lenders by the Administrative Agent on the Effective Date in accordance with Schedule 1.1(B) attached hereto to Annex 2.

(C) The Credit Agreement is hereby amended and modified by deleting Exhibit 2.4.1 to the Credit Agreement in its entirety and replacing such exhibit with Exhibit 2.4.1 attached hereto as **Annex 3**.

(D) The Exhibits to the Pledge Agreement are hereby deleted and replaced, respectively, with the Exhibits to the Pledge Agreement attached hereto as **Annex 4**.

3. The provisions of Section 2 of this Fourth Amendment shall become effective on the date that the Administrative Agent has determined that it has received, or the Lenders have otherwise waived the requirement for the Administrative Agent to receive, each of the following, in each case in form and substance satisfactory to the Administrative Agent (the date of such effectiveness, the “**Effective Date**”):

(a) this Fourth Amendment, duly executed by MDI and each other Loan Party, the Administrative Agent and the Lenders;

(b) restated and/or new Revolving Credit Notes, as applicable, each dated as of the Effective Date, duly executed by the US Revolving Borrowers in favor of each Lender with an increasing or new Revolving Credit Commitment;

(c) an amended and restated Swing Loan Note, dated as of the Effective Date, duly executed by the US Revolving Borrowers in favor of the Swing Loan Lender;

(d) restated and/or new Term Notes, each dated as of the Effective Date, duly executed by the Acquisition Borrowers in favor of each Lender with a Term Loan Commitment;

(e) a certificate of MDI signed by an Authorized Officer, dated as of the Effective Date, stating that (i) all representations and warranties of the Loan Parties set forth in the Credit Agreement and each other Loan Document are true and correct in all material respects (without duplication of any materiality qualifier contained therein) (except to the extent any representation or warranty is stated to relate solely to an earlier date, in which case, such representation and warranty shall have been true and correct on such earlier date), (ii) the Loan Parties are in compliance with each of the covenants and conditions under the Credit Agreement and the other Loan Documents in all material respects (without duplication of any materiality qualifier contained therein) and (iii) no Event of Default or Potential Default exists;

(f) a certificate signed by the Secretary or an Assistant Secretary or other Authorized Officer of each of the Loan Parties, each dated as of the Effective Date, certifying as appropriate as to: (i) true copies of all corporate or other organizational action taken by each Loan Party relative to this Fourth Amendment and any other Loan Documents to be executed and delivered by such Loan Party in connection herewith; (ii) the names of the Authorized Officers authorized to sign the Fourth Amendment and such other Loan Documents and their true signatures; and (iii) copies of its organizational documents in effect certified (to the extent applicable) by the appropriate state official where such documents are filed in a state office (or in the alternative if applicable, certifying that such organizational documents have not been amended since the Closing Date) together with certificates from the appropriate state officials as to the continued existence and good standing of each Loan Party in each state where organized;

(g) certificates from the appropriate state officials as to the continued existence and good standing of each US Loan Party in each state where organized;

(h) UCC Lien searches with respect to each US Loan Party in its jurisdiction of organization (and if necessary based on such results, evidence that all necessary termination statements in connection with all Liens (other than Permitted Liens) have been filed or satisfactory arrangements have been made for such filing);

(i) legal opinion, dated as of the Effective Date, with respect to the US Loan Parties from Blank Rome LLP;

(j) evidence that adequate insurance required to be maintained under the Credit Agreement is in full force and effect, along with certificates of insurance naming the Administrative Agent as additional insured or lender loss payee, as applicable;

(k) all documentation and other information requested by any Lender to the extent required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA Patriot Act;

(l) payment of all fees and expenses owed to the Administrative Agent and its counsel and the Lenders in connection with this Fourth Amendment and the Credit Agreement (including, without limitation, any such fees and expenses payable pursuant to any separate fee letter executed and delivered by the Administrative Agent and acknowledged and agreed to by the Loan Parties in connection herewith); and

(m) such other documents, deliverables and/or evidence reasonably required by the Administrative Agent in connection with the transactions contemplated hereby.

4. Each Loan Party hereby reconfirms and reaffirms, as of the Effective Date, all representations and warranties, agreements and covenants made by it pursuant to the terms and conditions of the Credit Agreement and the other Loan Documents, except as such representations and warranties, agreements and covenants may have heretofore been amended, modified or waived in writing in accordance with the Credit Agreement.

5. Each Loan Party hereby represents and warrants to the Lenders and the Administrative Agent as of the Effective Date that (i) such Loan Party has the legal power and authority to execute and deliver this Fourth Amendment, (ii) the officers of such Loan Party executing this Fourth Amendment have been duly authorized to execute and deliver the same and bind such Loan Party with respect to the provisions hereof, (iii) the execution and delivery hereof by such Loan Party and the performance and observance by such Loan Party of the provisions hereof and of the Credit Agreement and all documents executed or to be executed herewith or therewith, do not violate or conflict with the organizational agreements of such Loan Party or any Law applicable to such Loan Party or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against such Loan Party, and (iv) this Fourth Amendment, the Credit Agreement and the documents executed or to be executed by such Loan Party in connection herewith or therewith constitute valid and binding obligations of such Loan Party in every respect, enforceable in accordance with their respective terms, except to the extent that enforceability of this Agreement or any other Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance or by general principles of equity.

6. Each Loan Party represents and warrants that as of the Effective Date, after giving effect to the amendments set forth in this Fourth Amendment (i) no Event of Default exists under the Credit Agreement, nor will any occur as a result of the execution and delivery of this Fourth Amendment or the performance or observance of any provision hereof and (ii) the schedules attached to and made a part of the Credit Agreement, are true and correct in all material respects as of the date hereof, except as such schedules may have heretofore been amended or modified in writing in accordance with the Credit Agreement.

7. This Fourth Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents. Except as expressly set forth herein, this Fourth Amendment (i) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document. Except as modified by this Fourth Amendment and each Annex attached



hereto, each and every term, condition, obligation, covenant and agreement contained in the Credit Agreement or any other Loan Document is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. Each Loan Party reaffirms its Obligations, including obligations (whether direct, as a guarantor or otherwise), liabilities and indebtedness, under the Loan Documents to which it is party and its grant and the validity of the Liens granted by it in the Collateral under the applicable Loan Documents, and all financing statements and all other recordings and filings previously made, recorded or filed are intended to and do secure all of its Obligations and perfect all Liens granted by it in the Collateral, in each case to the extent provided in such Loan Documents, with all such Liens continuing in full force and effect after giving effect to this Fourth Amendment. This Fourth Amendment shall constitute a Loan Document for purposes of the Credit Agreement, and from and after the Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement shall, unless expressly provided otherwise, refer to the Credit Agreement as amended by this Fourth Amendment.

8. To induce the Administrative Agent and the Lenders to enter into this Fourth Amendment, each Loan Party hereby releases, acquits and forever discharges the Administrative Agent and the Lenders, and all officers, directors, agents, employees, successors and assigns of the Administrative Agent and the Lenders, from any and all liabilities, claims, demands, actions or causes of action of any kind or nature (if there be any), whether absolute or contingent, disputed or undisputed, at law or in equity, or known or unknown, that such Loan Party now has or ever had against the Administrative Agent or any Lender arising under or in connection with any of the Loan Documents or otherwise, in each case arising prior to the Effective Date. Each Loan Party represents and warrants to the Administrative Agent and the Lenders that such Loan Party has not transferred or assigned to any Person any such claim that such Loan Party ever had or claimed to have against the Administrative Agent or any Lender.

9. This Fourth Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed to be an original, but all such counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Fourth Amendment by e-mail or telecopy shall be effective as delivery of a manually executed counterpart of this Fourth Amendment.

10. This Fourth Amendment shall be deemed to be a contract under the Laws of the State of New York without regard to its conflict of laws principles. Each Loan Party hereby consents to the nonexclusive jurisdiction of the courts of the State of New York sitting in New York County, New York and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, with respect to any suit arising out of or mentioning this Fourth Amendment.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have caused this Fourth Amendment to be duly executed by their duly authorized officers the day and year first above written.

**LOAN PARTIES:**

Mastech Digital, Inc.,  
a Pennsylvania corporation

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

Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Technologies, Inc.,  
a Pennsylvania corporation

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

Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Alliances, Inc., a  
Pennsylvania corporation

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

Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Resourcing, Inc., a  
Pennsylvania corporation

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

Name: Vivek Gupta  
Title: President and CEO

---

Mastech Digital Data, Inc., a  
Delaware corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech InfoTrellis, Inc., a  
Delaware corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech InfoTrellis Digital, Ltd., a  
British Columbia corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Services, Inc., a  
Pennsylvania corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Consulting, Inc., a  
Pennsylvania corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech Digital Solutions, Inc., a  
Pennsylvania corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech Digital InfoTech, Inc., a  
Pennsylvania corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

AmberLeaf Partners, Inc., an  
Illinois corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: Vice President

Mastech Digital Systems, Inc., a  
Pennsylvania corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

Mastech Cloud Holdings, Inc., a  
Delaware corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

---

Mastech Cloud Services, Inc., a  
Delaware corporation

By: \_\_\_\_\_  
Name: Vivek Gupta  
Title: President and CEO

*[Lender Signature Pages Follow]*

---

**ADMINISTRATIVE AGENT AND LENDERS:**

**PNC Bank, National Association,**  
as a Lender and as Administrative Agent

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

---

**First National Bank of Pennsylvania,**  
as a Lender

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**Northwest Bank,**  
as a Lender

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_



---

**ANNEX 1**

[See attached]

Published CUSIP Number: 57633AAA0  
Revolving Credit CUSIP Number: 57633AAC6  
Term Loan CUSIP Number: 57633AAC6

\$40,000,000 REVOLVING CREDIT FACILITY  
\$13,100,000 TERM LOAN FACILITY

CREDIT AGREEMENT

by and among

MASTECH DIGITAL, INC.,

THE OTHER BORROWERS PARTY HERETO,

THE GUARANTORS PARTY HERETO,

THE LENDERS PARTY HERETO,

PNC BANK, NATIONAL ASSOCIATION,  
as Administrative Agent, Swing Loan Lender and Issuing Lender,

and

PNC CAPITAL MARKETS LLC, as Sole Lead Arranger and Sole Bookrunner,

Originally dated as of July 13, 2017

## TABLE OF CONTENTS

	<u>Page</u>
1. CERTAIN DEFINITIONS	1
1.1 Certain Definitions	1
1.2 Construction	48
1.3 Accounting Principles; Changes in GAAP	48
1.4 Currency Calculations	49
1.5 Exchange Rates; Currency Equivalents	50
1.6 Conforming Changes Relating to BSBY, Daily BSBY Floating, Eurocurrency Rate	50
1.7 Divisions	50
2. REVOLVING CREDIT AND SWING LOAN FACILITIES	50
2.1 Revolving Credit Commitments	50
2.1.1 Revolving Credit Loans	50
2.1.2 Swing Loan Commitment	51
2.2 Nature of Lenders' Obligations with Respect to Revolving Credit Loans	51
2.3 Commitment Fee	51
2.4 Loan Requests; Swing Loan Requests	52
2.4.1 Loan Requests	52
2.4.2 Swing Loan Requests	53
2.5 Making Revolving Credit Loans and Swing Loans; Presumptions by the Administrative Agent; Repayment of Revolving Credit Loans; Borrowings to Repay Swing Loans	53
2.5.1 Making Revolving Credit Loans	53
2.5.2 Presumptions by the Administrative Agent	53
2.5.3 Making Swing Loans	54
2.5.4 Repayment of Revolving Credit Loans	54
2.5.5 Borrowings to Repay Swing Loans	54
2.5.6 Swing Loans Under Cash Management Agreements	54
2.6 Revolving Credit Notes and Swing Notes	55
2.7 Letter of Credit Subfacility	55
2.7.1 Issuance of Letters of Credit	55
2.7.2 Letter of Credit Fees	56
2.7.3 Disbursements, Reimbursement	57
2.7.4 Repayment of Participation Advances	58
2.7.5 Documentation	59
2.7.6 Determinations to Honor Drawing Requests	59
2.7.7 Nature of Participation and Reimbursement Obligations	59
2.7.8 Indemnity	61
2.7.9 Liability for Acts and Omissions	61
2.7.10 Issuing Lender Reporting Requirements	62
2.7.11 Cash Collateral	63

2.8	Termination or Reduction of Revolving Credit Commitments	63
2.9	[Reserved]	63
2.10	[Reserved]	63
2.11	Settlement Date Procedures	63
3.	TERM LOANS	64
3.1	Term Loan Commitments	64
3.2	Nature of Lenders' Obligations with Respect to Term Loans	64
3.2.1	Repayment of Term Loans	64
3.3	Term Notes	64
4.	[RESERVED]	64
5.	INTEREST RATES AND INCREMENTAL LOANS	64
5.1	Interest Rate Options	64
5.1.1	Revolving Credit Interest Rate Options; Swing Line Interest Rate	65
5.1.2	Term Loan Interest Rate Options	66
5.1.3	Rate Calculations; Rate Quotations	66
5.1.4	Interest Act (Canada)	66
5.1.5	Canadian Usury Provision	67
5.2	Interest Periods	67
5.2.1	Amount of Borrowing Tranche	67
5.2.2	Renewals	67
5.2.3	No Conversion of Canadian Dollar Loans	68
5.3	Interest After Default	68
5.3.1	Letter of Credit Fees, Interest Rate	68
5.3.2	Other Obligations	68
5.3.3	Acknowledgment	68
5.4	Euro-Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available	68
5.4.1	Unascertainable; Increased Costs; Deposits Not Available. If at any time	68
5.4.2	Illegality	69
5.4.3	Administrative Agent's and Lender's Rights	69
5.4.4	Benchmark Replacement Setting	70
5.5	Selection of Interest Rate Options	77
5.6	Incremental Loans	77
6.	PAYMENTS	81
6.1	Payments	81
6.2	Pro Rata Treatment of Lenders	81
6.3	Sharing of Payments by Lenders	82
6.4	Presumptions by Administrative Agent	82
6.5	Interest Payment Dates	83
6.6	Voluntary Prepayments	83

6.6.1	Right to Prepay	83
6.6.2	Replacement of a Lender	84
6.6.3	Designation of a Different Lending Office	85
6.7	Mandatory Prepayments	85
6.7.1	Currency Fluctuations	85
6.7.2	Borrowing Base Exceeded	85
6.7.3	Sale of Assets	85
6.7.4	Additional Indebtedness	86
6.7.5	Insurance or Condemnation Proceeds	86
6.7.6	Excess Cash Flow	86
6.7.7	Application Among Loans and Interest Rate Options	87
6.8	Increased Costs	87
6.8.1	Increased Costs Generally	87
6.8.2	Capital Requirements	88
6.8.3	Certificates for Reimbursement; Repayment of Outstanding Loans; Borrowing of New Loans	88
6.8.4	Delay in Requests	88
6.9	Taxes	88
6.9.1	Issuing Lender	88
6.9.2	Payments Free of Taxes	89
6.9.3	Payment of Other Taxes by the Loan Parties	89
6.9.4	Indemnification by the Loan Parties	89
6.9.5	Indemnification by the Lenders	89
6.9.6	Evidence of Payments	90
6.9.7	Status of Lenders	90
6.9.8	Treatment of Certain Refunds	92
6.9.9	Survival	92
6.10	Indemnity	92
6.13	Defaulting Lenders	93
6.14	Designated Lenders	95
6.15	Illegality	95
7.	REPRESENTATIONS AND WARRANTIES	95
7.1	Representations and Warranties	95
7.1.1	Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default	95
7.1.2	Capitalization; Subsidiaries; Investment Companies	96
7.1.3	Validity and Binding Effect	96
7.1.4	No Conflict; Material Agreements; Consents	96
7.1.5	Litigation	97
7.1.6	Financial Statements	97
7.1.7	Margin Stock	98
7.1.8	Full Disclosure	98
7.1.9	Taxes	98
7.1.10	Patents, Trademarks, Copyrights, Licenses, Etc.	98
7.1.11	Liens in the Collateral	98

7.1.12	Insurance	99
7.1.13	ERISA Compliance	99
7.1.14	Canadian Pension Plans	99
7.1.15	Environmental Matters	100
7.1.16	Solvency	100
7.1.17	Anti-Terrorism Laws	100
7.1.18	Acquisition Documents	100
7.1.18	Acquisition Documents	100
7.1.18	Acquisition Documents	101
7.1.19	Location of Assets in the Province of Quebec	101
7.2	Updates to Schedules	101
8.	CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT	101
8.1	Initial Loans and Letters of Credit	101
8.1.1	Deliveries	101
8.1.2	Payment of Fees	104
8.2	Each Loan or Letter of Credit	104
9.	COVENANTS	104
9.1	Affirmative Covenants	104
9.1.1	Preservation of Existence, Etc.	104
9.1.2	Payment of Liabilities, Including Taxes, Etc.	104
9.1.3	Maintenance of Insurance	104
9.1.4	Maintenance of Properties and Leases	105
9.1.5	Visitation Rights	105
9.1.6	Keeping of Records and Books of Account	106
9.1.7	Compliance with Laws; Use of Proceeds	106
9.1.8	Further Assurances	106
9.1.9	Anti-Terrorism Laws; International Trade Law Compliance	106
9.1.10	Keepwell	107
9.2	Negative Covenants	107
9.2.1	Indebtedness	107
9.2.2	Liens; Lien Covenants	108
9.2.3	Guaranties	108
9.2.4	Loans and Investments	108
9.2.5	Dividends and Related Distributions	109
9.2.6	Liquidations, Mergers, Consolidations, Acquisitions	109
9.2.7	Dispositions of Assets	111
9.2.8	Affiliate Transactions	112
9.2.9	Subsidiaries and Joint Ventures	112
9.2.10	Continuation of or Change in Business	112
9.2.11	Fiscal Year	112
9.2.12	Changes in Organizational Documents or Acquisition Documents	113
9.2.13	Minimum Fixed Charge Coverage Ratio	113
9.2.14	Maximum Leverage Ratio	113

9.2.15	Limitation on Negative Pledges	113
9.2.16	Location of Assets in the Province of Quebec	113
9.3	Reporting Requirements	114
9.3.1	Quarterly Financial Statements	114
9.3.2	Annual Financial Statements	115
9.3.3	Certificate of the MDI	115
9.3.4	Borrowing Base Certificate; Schedule of Receivables; Schedule of Payables	115
9.3.5	Notices	115
10.	DEFAULT	117
10.1	Events of Default	117
10.1.1	Payments Under Loan Documents	117
10.1.2	Breach of Warranty	117
10.1.3	Anti-Terrorism Laws	117
10.1.4	Breach of Negative Covenants, Visitation Rights or Anti-Terrorism Laws	117
10.1.5	Breach of Other Covenants	117
10.1.6	Defaults in Other Agreements or Indebtedness	117
10.1.7	Final Judgments or Orders	118
10.1.8	Loan Document Unenforceable	118
10.1.9	Uninsured Losses Proceedings Against Assets	118
10.1.10	Events Relating to Pension Plans and Multiemployer Plans	118
10.1.11	Change of Control	118
10.1.12	Relief Proceedings	118
10.2	Consequences of Event of Default	119
10.2.1	Events of Default Other Than Bankruptcy, Insolvency or Reorganization Proceedings	119
10.2.2	Bankruptcy, Insolvency or Reorganization Proceedings	119
10.2.3	Set-off	119
10.2.4	Application of Proceeds	120
11.	THE ADMINISTRATIVE AGENT	121
11.1	Appointment and Authority	121
11.2	Rights as a Lender	121
11.3	Exculpatory Provisions	121
11.4	Reliance by Administrative Agent	122
11.5	Delegation of Duties	122
11.6	Resignation of Administrative Agent	123
11.7	Non-Reliance on Administrative Agent and Other Lenders	123
11.8	No Other Duties, etc.	124
11.9	Administrative Agent's Fee	124
11.10	Authorization to Release Collateral and Guarantors	124
11.11	No Reliance on Administrative Agent's Customer Identification Program	124

12. MISCELLANEOUS	129
12.1 Modifications, Amendments or Waivers	129
12.1.1 Increase of Commitment	129
12.1.2 Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment	129
12.1.3 Release of Collateral or Guarantor	129
12.1.4 Miscellaneous	129
12.2 No Implied Waivers; Cumulative Remedies	130
12.3 Expenses; Indemnity; Damage Waiver	130
12.3.1 Costs and Expenses	130
12.3.2 Indemnification by the Loan Parties	131
12.3.3 Reimbursement by Lenders	132
12.3.4 Waiver of Consequential Damages, Etc.	132
12.3.5 Payments	132
12.3.6 Survival	132
12.4 Holidays	132
12.5 Notices; Effectiveness; Electronic Communication	133
12.5.1 Notices Generally	133
12.5.2 Electronic Communications	133
12.5.3 Change of Address, Etc.	133
12.6 Severability	133
12.7 Duration; Survival	134
12.8 Successors and Assigns	134
12.8.1 Successors and Assigns Generally	134
12.8.2 Assignments by Lenders	134
12.8.3 Register	136
12.8.4 Participations	136
12.8.5 Certain Pledges; Successors and Assigns Generally	137
12.9 Confidentiality	138
12.9.1 General	138
12.9.2 Sharing Information With Affiliates of the Lenders	138
12.10 Counterparts; Integration; Effectiveness	138
12.10.1 Counterparts; Integration; Effectiveness	138
12.10.2 Electronic Execution of Assignments	139
12.11 CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL	139
12.11.1 Governing Law	139
12.11.2 SUBMISSION TO JURISDICTION	139
12.11.3 WAIVER OF VENUE	139
12.11.4 SERVICE OF PROCESS	140
12.11.5 WAIVER OF JURY TRIAL	140
12.12 USA Patriot Act Notice	140
12.13 Payment of Debt; Joint and Several Obligations; Borrowing Agency; Bifurcation of Obligations	140
12.13.1 US Revolving Borrowers	140
12.13.2 Canadian Revolving Borrowers	141



12.13.3	Designation of Borrowing Agent; Nature of Borrowing Agency	141
12.13.4	Bifurcation of Obligations	141
12.14	Additional Waivers of Borrowers	142
12.15	Joinder	143
12.16	Canadian Anti-Money Laundering Legislation	143
12.17	Acknowledgment and Consent to Bail-In of EEA Financial Institutions	144
12.18	No Advisory or Fiduciary Responsibility	144
12.19	Judgment Currency	145

## LIST OF SCHEDULES AND EXHIBITS

### SCHEDULES

- SCHEDULE 1.1(A) - PRICING GRID
- SCHEDULE 1.1(B) - COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES
- SCHEDULE 1.1(E) - EXISTING LETTERS OF CREDIT
- SCHEDULE 1.1(P) - PERMITTED LIENS
- SCHEDULE 7.1.2 - CAPITALIZATION; SUBSIDIARIES
- SCHEDULE 9.2.1 - PERMITTED INDEBTEDNESS

### EXHIBITS

- EXHIBIT 1.1(A) - ASSIGNMENT AND ASSUMPTION AGREEMENT
- EXHIBIT 1.1(B) - BORROWER JOINDER
- EXHIBIT 1.1(G) - GUARANTOR JOINDER
- EXHIBIT 1.1(L) - LENDER JOINDER
- EXHIBIT 1.1(N)(1) - REVOLVING CREDIT NOTE
- EXHIBIT 1.1(N)(2) - SWING LOAN NOTE
- EXHIBIT 1.1(N)(3) - TERM NOTE
- EXHIBIT 2.4.1 - LOAN REQUEST
- EXHIBIT 2.4.2 - SWING LOAN REQUEST
- EXHIBIT 6.9.7(A) - U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(B) - U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(C) - U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(D) - U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 9.2.6 - ACQUISITION COMPLIANCE CERTIFICATE
- EXHIBIT 9.3.3 - QUARTERLY COMPLIANCE CERTIFICATE
- EXHIBIT 9.3.4 - BORROWING BASE CERTIFICATE

## CREDIT AGREEMENT

THIS CREDIT AGREEMENT is originally dated as of July 13, 2017, and is made by and among MASTECH DIGITAL, INC., a Pennsylvania corporation (“**MDI**”), each of the other BORROWERS (as hereinafter defined), each of the GUARANTORS (as hereinafter defined), the LENDERS (as hereinafter defined), and PNC BANK, NATIONAL ASSOCIATION, in its capacity as the Administrative Agent (as hereinafter defined).

The Borrowers have requested the Lenders to provide (i) a revolving credit facility to the Revolving Borrowers (as hereinafter defined) in an aggregate principal amount not to exceed Forty Million and 00/100 Dollars (\$40,000,000.00), including therein a Swing Loan (as hereinafter defined) subfacility to the US Revolving Borrowers (as hereinafter defined) and a Letter of Credit (as hereinafter defined) subfacility to the US Revolving Borrowers, and (ii) a Thirteen Million One Hundred Thousand and 00/100 Dollar (\$13,100,000.00) term loan facility to the Acquisition Borrowers, in each case subject to Section 5.7 [Incremental Loans]. In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

### 1. CERTAIN DEFINITIONS

1.1 Certain Definitions. In addition to words and terms defined elsewhere in this Agreement, the following words and terms have the following meanings, respectively, unless the context hereof clearly requires otherwise:

Account Debtor means any Person who is or who may become obligated to a Loan Party under, with respect to, or on account of, a Receivable.

Acquisitions means the purchases by Purchasers consummated pursuant to the Acquisition Documents.

Acquisition Agreements means the US Acquisition Agreement, the Canadian Acquisition Agreement and the Indian Acquisition Agreement.

Acquisition Borrowers means, singularly or collectively as the context may require, MDDI and MII.

Acquisition Documents means the US Acquisition Documents, the Canadian Acquisition Documents and the Indian Acquisition Documents.

Acquisition Earn-Out means the Deferred Amount (as such term is defined in the Canadian Acquisition Agreement) due and payable in accordance with the terms of the Canadian Acquisition Agreement.

Administrative Agent means PNC Bank, National Association, and its successors and assigns, in its capacity as administrative agent hereunder.

Administrative Agent's Fee has the meaning specified in Section 11.9 [Administrative Agent's Fee].

Administrative Agent's Letter has the meaning specified in Section 11.9 [Administrative Agent's Fee].

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

Affiliate as to any Person means any other Person (i) which directly or indirectly controls, is controlled by, or is under common control with such Person, (ii) which beneficially owns or holds ten (10%) or more of any class of the voting or other equity interests of such Person, or (iii) ten percent (10%) or more of any class of voting interests or other equity interests of which is beneficially owned or held, directly or indirectly, by such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Agreement means this Credit Agreement, as the same may be amended, supplemented, modified or restated from time to time, including all schedules and exhibits.

Alternative Currency means Euros, Sterling and Canadian Dollars, in each case as long as there is a published RFR or Eurocurrency Rate, as applicable, or a Benchmark Replacement effected pursuant to Section 5.4.4 with respect thereto.

Alternative Currency Equivalent means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the Issuing Lender, as the case may be, in its sole discretion by reference to the applicable Bloomberg page (or such other publicly available service for displaying exchange rates as determined by the Administrative Agent from time to time), to be the exchange rate for the purchase of such Alternative Currency with Dollars on the date that is (i) with respect to RFR Loans and Letters of Credit to which an RFR would apply, the applicable Daily Simple RFR Lookback Day, (ii) with respect to Eurocurrency Rate Loans and Letters of Credit to which a Eurocurrency Rate would apply, the applicable Eurocurrency Rate Lookback Day, and (iii) otherwise, on the date which is two (2) Business Days immediately preceding the date of determination, or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto, in each case, prior to the date as of which the foreign exchange computation is made; provided, however, that if no such rate is available, the "Alternative Currency Equivalent" shall be determined by the Administrative Agent or the Issuing Lender, as the case may be, using any reasonable method of determination it deems appropriate in its sole discretion (and such determination shall be conclusive absent manifest error).

Alternative Currency Sublimit means an amount in Dollars equal to the lesser of (a) \$10,000,000.00 and (b) the total amount of the Revolving Credit Commitment. The Alternative Currency Sublimit is part of, and not in addition to, the Revolving Credit Facility.

AmberLeaf means AmberLeaf Partners, Inc., an Illinois corporation.

AmberLeaf Acquisition means the acquisition by MDDI of one hundred percent (100%) of the equity of AmberLeaf consummated pursuant to the AmberLeaf Acquisition Documents.

AmberLeaf Acquisition Agreement means the Share Purchase Agreement, dated October 1, 2020, by and among MDDI, AmberLeaf, the shareholders of AmberLeaf party thereto and Lawrence F. Goldman, as the sellers' representative thereunder, as such agreement exists on the Third Amendment Effective Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

AmberLeaf Acquisition Documents means the AmberLeaf Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the AmberLeaf Acquisition Agreement, as such documents, agreements and instruments exist on the Third Amendment Effective Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Anti-Corruption Laws means the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, and any other similar anti-corruption Laws or regulations administered or enforced in any jurisdiction in which any Borrower or any of its Subsidiaries conduct business.

Anti-Terrorism Laws means any Law in force or hereinafter enacted related to terrorism, money laundering, or economic sanctions, including Executive Order No. 13224, the USA PATRIOT Act, the International Emergency Economic Powers Act, 50 U.S.C. 1701, et. seq., the Trading with the Enemy Act, 50 U.S.C. App. 1, et. seq., 18 U.S.C. § 2332d, and 18 U.S.C. § 2339B, and any regulations or directives promulgated under these provisions.

Applicable Commitment Fee Rate means the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Commitment Fees."

Applicable Letter of Credit Fee Rate means the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Letter of Credit Fee."

Applicable Margin means, as applicable:

(A) the percentage spread to be added to the Base Rate applicable to Revolving Credit Loans under the Base Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Revolving Credit Base Rate Spread",

(B) the percentage spread to be added to the Base Rate applicable to Term Loans under the Base Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Term Facility Base Rate Spread",

(C) the percentage spread to be added to (i) the BSBY Rate applicable to Revolving Credit Loans under the BSBY Rate Option, (ii) the Daily Simple RFR applicable to Revolving Credit Loans under the Daily Simple RFR Option, (iii) the Eurocurrency Rate applicable to Revolving Credit Loans under the Eurocurrency Rate Option and (iv) the Term RFR applicable to Revolving Credit Loans under the Term RFR Option, in each case based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading “Revolving Credit Spread (Non-Base Rate)”, or

(D) the percentage spread to be added to the BSBY Rate applicable to Term Loans under the BSBY Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading “Term Facility BSBY Rate Spread”.

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

Approved Fund means any fund that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignment and Assumption Agreement means an assignment and assumption agreement entered into by a Lender and an assignee permitted under Section 12.8 [Successors and Assigns], in substantially the form of Exhibit 1.1(A).

Authorized Officer means, with respect to any Loan Party, the Chief Executive Officer, President, Chief Financial Officer, Treasurer or Assistant Treasurer of such Loan Party, any other executive officer, including any Executive Vice President or Senior Vice President of such Loan Party, any Vice President of any Subsidiary of such Loan Party, any manager or the members (as applicable) in the case of any Loan Party which is a limited liability company, or such other individuals, designated by written notice to the Administrative Agent from the Borrowing Agent, authorized to execute notices, reports and other documents on behalf of such Loan Party required hereunder. The Borrowing Agent may amend such list of individuals from time to time by giving written notice of such amendment to the Administrative Agent.

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

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

Bankruptcy Event has the meaning specified in the definition of Defaulting Lender.

Base Rate means, for any day, a fluctuating per annum rate of interest equal to the highest of (i) the Overnight Bank Funding Rate, plus 0.5%, (ii) the Prime Rate, and (iii) the Daily BSBY Floating Rate, plus 1.00%, so long as the Daily BSBY Floating Rate is offered, ascertainable and not unlawful; provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs. Notwithstanding anything to the contrary contained herein, in the case of any event specified in Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] or Section 5.4.2 [Illegality], to the extent any such determination affects the calculation of Base Rate, the definition hereof shall be calculated without reference to clause (iii) until the circumstances giving rise to such event no longer exist.

Base Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms set forth in either Section 5.1.1(i) [Revolving Credit Base Rate Option] or Section 5.1.2(i) [Term Facility Base Rate Option], as applicable.

Bloomberg means Bloomberg Index Services Limited (or a successor administrator).

Borrower or Borrowers means, singularly or collectively as the context may require, the US Revolving Borrowers, the Canadian Revolving Borrowers and the Acquisition Borrowers.

Borrower Joinder means a joinder by a Person as a US Revolving Borrower or Canadian Revolving Borrower under this Agreement, the Notes and the other Loan Documents in substantially the form of Exhibit 1.1(B).

Borrowing Agent means MDI.

Borrowing Base means the sum of the US Borrowing Base and the Canadian Borrowing Base.

Borrowing Base Certificate means a certificate in substantially the form of Exhibit 9.3.4 pursuant to which the Borrowing Agent shall compute the US Borrowing Base and the Canadian Borrowing Base. The Borrowing Agent shall deliver the Borrowing Base Certificate at the time specified in Section 9.3.4 [Borrowing Base Certificate, Etc.].

Borrowing Date means, with respect to any Loan, the date for the making thereof or the renewal or conversion thereof at or to the same or a different Interest Rate Option, which shall be a Business Day.

Borrowing Tranche means specified portions of Term Loans, Revolving Credit Loans, or Swingline Loans, as the context may require, consisting of simultaneous loans of the same Type in the same Currency, and in the case of Term Rate Loans, having the same Interest Period. For the avoidance of doubt, Daily Rate Loans of the same Type and Currency shall be considered one Borrowing Tranche.

BSBY Rate means (a) for any Interest Period with respect to a BSBY Rate Loan, the rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (i) the rate per annum equal to BSBY Screen Rate two (2) Business Days prior to the first day of such Interest Period and having a term comparable to such Interest Period; provided that if the rate is not published on such determination date, then the rate per annum for purposes of this clause (i) shall be the BSBY Screen Rate on the first Business Day immediately prior thereto, by (ii) a number equal to 1.00 minus the BSBY Reserve Percentage; provided, further, if the BSBY Rate, determined as provided above, would be less than the Floor, then the BSBY Rate shall be deemed to be the Floor. The BSBY Rate shall be adjusted automatically without notice to any Borrower on and as of the effective date of any change in the BSBY Reserve Percentage.

BSBY Rate Loan means a Loan that bears interest based on the BSBY Rate.

BSBY Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(i)(A) [Revolving Credit BSBY Rate Option] or Section 5.1.3(i)(A) [Term Loan BSBY Rate Option], as applicable.

BSBY Reserve Percentage means, as of any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to BSBY Screen Rate funding.

BSBY Screen Rate means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published by Bloomberg (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 or Sunday or a legal holiday on which commercial banks are authorized or required to be closed, or are in fact closed, for business in Pittsburgh, Pennsylvania (or, if otherwise, the Lending Office of the Administrative Agent); provided that for purposes of any direct or indirect calculation or determination of, or when used in connection with any interest rate settings, fundings, disbursements, settlements, payments, or other dealings with respect to any (i) BSBY Rate Loan, the term "Business Day" means any such day that is also a U.S. Government Securities Business Day; (ii) Eurocurrency Rate Loan, the term "Business Day" means any such day that is also a Eurocurrency Banking Day; and (iii) RFR Loan, the term "Business Day" means any such day that is also an RFR Business Day.



Canadian Acquisition means the purchase by Canadian Purchaser from InfoTrellis consummated pursuant to the Canadian Acquisition Documents.

Canadian Acquisition Agreement means that certain Asset Purchase Agreement, dated July 7, 2017, by and among Canadian Purchaser, InfoTrellis and Mr. Mahmood Abbas, Mr. Zahid Naeem and Mr. Sachin Wadhwa, as principals, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Canadian Acquisition Documents means the Canadian Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the Canadian Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Canadian Anti-Money Laundering & Anti-Terrorism Legislation means the Criminal Code, R.S.C. 1985, c. C-46, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17 and the United Nations Act, R.S.C. 1985, c.U-2 or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations al-Qaida and Taliban Regulations promulgated under the United Nations Act.

Canadian Borrowing Base means the Dollar Equivalent of the difference between (i) the sum of (a) up to eighty-five percent (85%) of Eligible Receivables of Canadian Revolving Borrowers *plus* (b) up to sixty percent (60%) of Eligible Unbilled Receivables of Canadian Revolving Borrowers, *minus* (ii) such reserves as Administrative Agent may reasonably deem proper and necessary from time to time in its Permitted Discretion (including, without limitation, in respect of Priority Payables). Notwithstanding anything to the contrary herein, the Administrative Agent may, in its sole but reasonable discretion, at any time hereafter, decrease the advance percentage for Eligible Receivables and Eligible Unbilled Receivables or increase the level of reserves or ineligibles, or define or maintain such other reserves or ineligibles, as the Administrative Agent may deem necessary or appropriate. Any such change shall become effective three (3) Business Days from the date of written notice from the Administrative Agent to the Borrowing Agent for the purpose of calculating the Canadian Borrowing Base hereunder; provided, however, upon the occurrence of an Event of Default hereunder, such change shall become effective immediately for the purpose of calculating the Canadian Borrowing Base hereunder.

Canadian Collateral Documents means, individually or collectively as the context may require, (i) the General Security Agreement, dated the Closing Date, executed and delivered by each Canadian Loan Party to the Administrative Agent for the benefit of the Lenders, and (ii) any other document, instrument or agreement executed and delivered by a Canadian Loan Party in favor of the Administrative Agent for the benefit of the Lenders pursuant to which a Lien is granted by such Canadian Loan Party in its Collateral as security for the Obligations.

Canadian Dollars means the official currency of Canada.

Canadian Guaranty Agreement or Canadian Guaranty Agreements means, singularly or collectively, as the context may require, any Guaranty and Suretyship Agreement executed and delivered by any Canadian Person to the Administrative Agent for the benefit of the Lenders on or after the date hereof, in form and substance satisfactory to the Administrative Agent.

Canadian Loan Parties means each Loan Party that is a Canadian Person.

Canadian Obligations means all Obligations of the Canadian Loan Parties.

Canadian Pension Plan means each pension plan required to be registered under Canadian federal or provincial pension standards legislation that is maintained or contributed to by a Loan Party for its employees or former employees, but does not include the Canada Pension Plan as maintained by the Government of Canada.

Canadian Pension Termination Event means (a) the voluntary full or partial wind up of a Specified Canadian Pension Plan by a Loan Party; (b) the institution of proceedings by FSCO to wind up in whole or in part, or have a trustee appointed to administer, a Specified Canadian Pension Plan; (c) any other event or condition which could reasonably be expected to constitute grounds for the full or partial wind up of, or the appointment of trustee to administer, a Specified Canadian Pension Plan; or (d) the failure to remit contributions when due under applicable pension standards legislation to a Canadian Pension Plan which provides benefits on a defined contribution basis.

Canadian Person means an entity organized under the laws of Canada or any province or territory thereof.

Canadian Purchaser means Mastech Canada.

Canadian Revolving Borrowers means, singularly or collectively as the context may require, Mastech Canada and each other Person which joins this Agreement as a Canadian Revolving Borrower after the date hereof pursuant to Section 12.15 [Joinder].

Canadian Revolving Facility Usage means at any time the sum of the Dollar Equivalent amount of the outstanding Revolving Credit Loans to the Canadian Revolving Borrowers.

Canadian Sublimit Amount means Ten Million and 00/100 Dollars (\$10,000,000.00).

Capital Expenditures means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements (or of any replacements or substitutions thereof or additions thereto) which have a useful life of more than one year and which, in accordance with GAAP, would be classified as capital expenditures.

Capital Lease means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

Capital Lease Obligations means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

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

Cash Collateralize means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender or the Lenders, as collateral for Letter of Credit Obligations or obligations of Lenders to fund participations in respect of Letter of Credit Obligations, cash or deposit account balances or, if the Administrative Agent and each applicable Issuing Lender shall agree in their sole discretion, other credit support, in each case in the aggregate amount of not less than one hundred five percent (105%) of the Letter of Credit Obligations, and in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable Issuing Lender.

Cash Management Agreements has the meaning specified in Section 2.5.6 [Swing Loans Under Cash Management Agreements].

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

CDOR Rate has the meaning specified in the definition of Eurocurrency Rate.

CFTC means the Commodity Futures Trading Commission.

Change in Law means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any Law, (ii) any change in any Law or in the administration, interpretation, implementation or application thereof by any Official Body or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Official Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations 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 (whether or not having the force of Law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

Change of Control means that any “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of an amount of Voting Power that equals or exceeds the aggregate amount of Voting Power owned by Ashok K. Trivedi and Sunil Wadhvani. For purposes of calculating the amount of Voting Power owned by Ashok K. Trivedi and Sunil Wadhvani, shares beneficially owned by members of their immediate family in trust or family partnerships for the benefit of Messrs. Trivedi and Wadhvani or members of their immediate family shall be deemed to be beneficially owned by Messrs. Trivedi and Wadhvani, respectively.

CIP Regulations has the meaning specified in Section 11.11 [No Reliance Etc.].

Class, when used in reference to any Loan, refers to whether such Loan, or the advances comprising such Loans, are Term Loans, Revolving Credit Loans or Swingline Loans and, when used in reference to any Lender, refers to whether such Lender has any (a) outstanding Revolving Credit Loans or Revolving Commitments, (b) Term Loan Commitments or Term Loans or (c) Incremental Term Loan Commitment or Incremental Term Loans.

Closing Compliance Certificate has the meaning assigned to that term in Section 8.1.1 [Deliveries].

Closing Date means the Business Day on which the first Loan shall be made, which shall be July 13, 2017.

Code means the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect, and to the extent this defined term is applicable to any Canadian Loan Party, the *Income Tax Act (Canada)*.

Collateral means the personal and/or real property of any Person granted as collateral to secure the Obligations or any portion thereof.

Collateral Assignment means the Collateral Assignment of Representations, Warranties, Covenants, Indemnity, Escrow and Purchase Price Adjustment Rights, dated the Closing Date, made by MDI for the benefit of the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

Collateral Assignment (AmberLeaf) means the Collateral Assignment of Representations, Warranties, Covenants, Indemnity, Escrow and Purchase Price Adjustment Rights, dated the Third Amendment Effective Date, made by MDDI for the benefit of the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

Collateral Documents means the Security Agreement, the Pledge Agreement, the Collateral Assignment, the Collateral Assignment (AmberLeaf), the IP Security Agreement, the Canadian Collateral Documents and any other agreement, document or instrument granting a Lien in Collateral.

Commercial Letter of Credit means any letter of credit which is a commercial letter of credit issued in respect of the purchase of goods or services by one or more of the Loan Parties or their Subsidiaries in the ordinary course of business.

Commitment means as to any Lender the aggregate of its Revolving Credit Commitment (and in the case of PNC, including its Swing Loan Commitment) and Term Loan Commitment, and Commitments means the aggregate of the Revolving Credit Commitments and Term Loan Commitments.

Commitment Fee has the meaning specified in Section 2.3 [Commitment Fee].

Compliance Certificate has the meaning specified in Section 9.3.3 [Certificate of MDI].

Conforming Changes means, with respect to the BSBY Screen Rate, BSBY Rate, Daily BSBY Floating Rate, Daily Simple RFR, Term RFR, Eurocurrency Rate or any Benchmark Replacement in relation thereto, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of the BSBY Screen Rate, BSBY Rate, Daily BSBY Floating Rate, Daily Simple RFR, Term RFR, Eurocurrency Rate or such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the BSBY Screen Rate, BSBY Rate, Daily BSBY Floating Rate, Daily Simple RFR, Term RFR, Eurocurrency Rate or the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

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.

Contras has the meaning specified in the definition of Eligible Receivables.

Covered Entity means (a) each Loan Party and each Subsidiary of any Loan Party, and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person means the direct or indirect (x) ownership of, or power to vote, twenty-five percent (25%) or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

Currency means Dollars or any Alternative Currency and Currencies means, collectively, Dollars and each Alternative Currency.

Daily BSBY Floating Rate means, for any day, a rate of interest per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (a) the BSBY Screen Rate for such day for a term of one (1) month, by (b) a number equal to 1.00 minus the BSBY Reserve Percentage; provided, that if the Daily BSBY Floating Rate, determined as provided above, would be less than the Floor, then the Daily BSBY Floating Rate shall be deemed to be the Floor. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily BSBY Floating Rate without notice to any Borrower.

Daily Rate Loan means a Loan that bears interest at a rate based on the (i) Base Rate or (ii) Daily Simple RFR.

Daily Rate Loan Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(ii) [Revolving Credit Daily Rate Loan Option] or Section 5.1.3(ii) [Term Loan Daily Rate Loan Option], as applicable.

Daily Simple RFR means, for any day (an "RFR Day"), a rate per annum determined by the Administrative Agent, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to any applicable Daily Simple RFR below by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%) (a) the applicable Daily Simple RFR set forth below by (b) a number equal to 1.00 minus the RFR Reserve Percentage:

(a) Sterling, SONIA for the day (such day, adjusted as applicable as set forth herein, the "SONIA Lookback Day") that is two (2) Business Days prior to (A) if such RFR Day is a Business Day, such RFR Day or (B) if such RFR Day is not a Business Day, the Business Day immediately preceding such RFR Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator's Website; and

(b) Euro, €STR for the day (such day, adjusted as applicable as set forth herein, the "€STR Lookback Day") that is two (2) Business Days prior to (A) if such RFR Day is a Business Day, such RFR Day or (B) if such RFR Day is not a Business Day, the Business Day immediately preceding such RFR Day, in each case, as such €STR is published by the €STR Administrator on the €STR Administrator's Website;

provided that if the adjusted rate as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The adjusted Daily Simple RFR rate for each outstanding Daily Simple RFR Loan shall be adjusted automatically as of the effective date of any change in the RFR Reserve Percentage. The Administrative Agent shall give prompt notice to the Borrowing Agent of the adjusted Daily Simple RFR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

If by 5:00 pm (local time for the applicable RFR) on the second (2<sup>nd</sup>) Business Day immediately following any Daily Simple RFR Lookback Day, the RFR in respect of such Daily Simple RFR Lookback Day has not been published on the applicable RFR Administrator's Website and a Benchmark Replacement Date with respect to the applicable Daily Simple RFR has not occurred, then the RFR for such Daily Simple RFR Lookback Day will be the RFR as published in respect of the first preceding Business Day for which such RFR was published on the RFR Administrator's Website; provided that any RFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple RFR for no more than three (3) consecutive RFR Days. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to any Borrower.

Daily Simple RFR Lookback Days means, collectively, SONIA Lookback Day and €STR Lookback Day, and each individually is a Daily Simple RFR Lookback Day.

Daily Simple RFR Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(ii)(B) [Revolving Credit Daily Rate Loan Option].

Daily Simple SOFR means, for any day (a "**SOFR Rate Day**"), the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) SOFR for the day (the "**SOFR Determination Date**") that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If Daily Simple SOFR as determined above would be less than the SOFR Floor, then Daily Simple SOFR shall be deemed to be the Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination Date for which SOFR was published in accordance with the definition of "SOFR"; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to any Borrower, effective on the date of any such change.

Defaulting Lender means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swing Loans or (iii) pay over to the Administrative Agent, the Issuing Lender, PNC (as the Swing Loan Lender) or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith

determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrowing Agent or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within two Business Days after request by the Administrative Agent or the Borrowing Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's or the Borrowing Agent's receipt of such certification in form and substance satisfactory to the Administrative Agent or the Borrowing Agent, as the case may be, (d) has become the subject of a Bankruptcy Event or a Bail-In Action or (e) has failed at any time to comply with the provisions of Section 6.3 [Sharing of Payments by Lenders] with respect to purchasing participations from the other Lenders, whereby such Lender's share of any payment received, whether by setoff or otherwise, is in excess of its Ratable Share of such payments due and payable to all of the Lenders.

As used in this definition and in Section 6.13 [Defaulting Lenders], the term "Bankruptcy Event" means, with respect to any Person, such Person or such Person's direct or indirect parent company becoming the subject of a bankruptcy or insolvency proceeding, or having had a receiver, manager, receiver and manager, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person's direct or indirect parent company by an Official Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Official Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

Designated Lender has the meaning specified in Section 6.14 [Designated Lenders].

Disqualified Lender means any Person who is identified to the Administrative Agent in writing prior to the date hereof that is engaged in a Mastech competitive business; provided that, Borrowing Agent shall be permitted to supplement such list in writing to the Administrative Agent from time to time after the Closing Date to the extent that such supplemented Person (a) is an Affiliate of any Person identified as a Disqualified Lender prior to the Closing Date or (b) is or becomes, or Borrowing Agent hereafter learns that such Person is, engaged in a Mastech competitive business (or is an Affiliate of any such Person). Any supplement to the list of Disqualified Lenders shall become effective five (5) Business Days after delivery to the Administrative Agent. As used herein, "Mastech competitive business" means, as at any date of determination, the sale or attempted sale of any products or services which are the same as or similar to the products and services sold by any Loan Party or any of its Subsidiaries.



Dollar, Dollars, U.S. Dollars and the symbol \$ means lawful money of the United States of America.

Dollar Equivalent means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent or the Issuing Lender, as applicable) by the applicable Bloomberg source (or such other publicly available source for displaying exchange rates as determined by the Administrative Agent or the Issuing Lender, as applicable, from time to time) on the date that is the applicable Eurocurrency Lookback Day (for amounts relating to Eurocurrency Loans and Letters of Credit denominated in an Alternative Currency to which the Eurocurrency Rate would apply), the applicable Daily RFR Lookback Day (for amounts relating to RFR Loans and Letters of Credit denominated in an Alternative Currency to which a Daily Simple RFR would apply) immediately preceding the date of determination, or otherwise on the date which is two (2) Business Days immediately preceding the date of determination or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable, using any method of determination it deems appropriate in its sole discretion. Any determination by the Administrative Agent or the Issuing Lender pursuant to clauses (b) or (c) above shall be conclusive absent manifest error.

Domestic Person means the US Persons and the Canadian Persons.

Domestic Subsidiary means any Subsidiary of any Loan Party that is a Domestic Person.

Drawing Date has the meaning specified in Section 2.7.3.1 [Disbursements, Reimbursement].

EBITDA means, for any period of determination, the sum of (i) net income (or loss) (excluding extraordinary gains or losses including, without limitation, those items created by mandated changes in accounting treatment), plus (ii) interest expense, plus (iii) all charges against or minus credits to income for federal, state and local income tax expenses, plus (iv) non-cash share issuance and share option related compensation expense items (SFAS 123, 148 and APB 25 and each of their respective successors), plus (v) depreciation, plus (vi) amortization, plus (vii) non-cash stock based compensation, plus or minus (as applicable) (viii) any non-cash charges related to the AmberLeaf Acquisition or Permitted Acquisitions, including goodwill impairment

or other expenses or credits in connection with the consummation of the AmberLeaf Acquisition or Permitted Acquisitions or adjustments to the contingent purchase price component of the AmberLeaf Acquisition or a Permitted Acquisition, *plus* (ix) non-recurring costs and expenses in connection with (A) the AmberLeaf Acquisition in an aggregate amount not to exceed \$600,000 and (B) Permitted Acquisitions occurring after the Third Amendment Effective Date, in an amount not to exceed \$900,000 in the aggregate for all such Permitted Acquisitions, *plus* (x) costs and expenses related to severance in an aggregate amount not to exceed Five Hundred Thousand and 00/100 Dollars (\$500,000.00) during the term of this Agreement, in each case of MDI on a Consolidated Basis. For purposes of calculating EBITDA, (a) with respect to a business acquired by the Loan Parties pursuant to the AmberLeaf Acquisition or a Permitted Acquisition, EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if the AmberLeaf Acquisition or the Permitted Acquisition had been consummated at the beginning of such period, and (b) with respect to a business liquidated, sold or disposed of by the Loan Parties pursuant to Section 9.2.7 [Dispositions of Assets or Subsidiaries], EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if such liquidation, sale or disposition had been consummated at the beginning of such period.

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 member state of the European Union, Iceland, Liechtenstein and Norway.

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

Eligible Contract Participant means an “eligible contract participant” as defined in the CEA and the regulations thereunder.

Eligible Receivables means and include with respect to each Revolving Borrower, an account receivable of any Revolving Borrower arising in the ordinary course of such Revolving Borrower’s business and which the Administrative Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as the Administrative Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to a first priority perfected security interest in favor of the Administrative Agent, and is evidenced by an invoice or other documentary evidence satisfactory to the Administrative Agent. In addition, a Receivable of a Revolving Borrower shall be an Eligible Receivable only if:

- (a) It is not more than ninety (90) days from the date of the invoice therefore;

(b) It arose from the performance of services or an outright sale of goods by a Revolving Borrower in the ordinary course of such Revolving Borrower's business and such goods have been shipped, or services provided or will be provided, to the Account Debtor and such Revolving Borrower has possession of, or has delivered to the Administrative Agent, in the case of goods, shipping and delivery receipts evidencing such shipment and, in the case of services, receipts or other evidence satisfactory to the Administrative Agent that such services have been provided or will be provided;

(c) It is not subject to any prior assignment, claim or Lien, and the Revolving Borrowers will not make any further assignment of the Receivable or create any further Lien on the Receivable (in each case other than (i) a Lien in favor of the Administrative Agent, (ii) a Permitted Lien which does not have priority over the Lien in favor of the Administrative Agent and (iii) unregistered Liens in respect of Priority Payables that are not yet due and payable and which are not being enforced or Permitted Liens subject to reserves under the Borrowing Base and which are not being enforced), or permit its rights in the Receivable to be reached by attachment, levy, garnishment or other judicial process;

(d) It is not subject to set-off, credit allowance or adjustment by the Account Debtor, except discounts allowed for prompt payment, and the Account Debtor has not complained as to its liability on the Receivable and has not returned, or retained the right to return, any of the goods from the sale of which the Receivable arose;

(e) It does not arise from a sale of goods that are delivered or to be delivered outside the United States of America or a province or territory of Canada that has adopted the PPSA or from a sale of goods to an Account Debtor domiciled outside of the United States of America or a province or territory of Canada that has adopted the PPSA, unless the sale is (i) on a letter of credit, which is in form and substance and issued by a financial institution satisfactory to the Administrative Agent and which has been issued or confirmed by a bank that is organized under the Laws of the United States of America or a state thereof and which has been transferred or assigned to the Administrative Agent as additional security or (ii) insured by credit insurance, with an insurance company reasonably acceptable to the Administrative Agent that names the Administrative Agent as an additional insured and lender/loss payee with respect thereto;

(f) It arose in the ordinary course of a Revolving Borrower's business and did not arise from the performance of services or a sale of goods to a supplier, an employee, member, officer, relative of an officer or any other Affiliate of a Revolving Borrower;

(g) It does not arise with respect to an Account Debtor from whom fifty percent (50%) or more of the total amount owed by such Account Debtor to any Revolving Borrower (i) is more than ninety (90) days from the date of the invoice therefore or (ii) is otherwise ineligible under this definition;

(h) It does not arise with respect to an Account Debtor whose Receivables constitute twenty percent (20%) or more of the aggregate amount of all outstanding Receivables of any Revolving Borrower; provided, however, that to the extent that any one Account Debtor's Receivables exceed the percentage set forth above in this paragraph (h), such Receivables shall be ineligible solely to the extent that such Receivables exceed the percentage set forth above in this Paragraph (h), unless otherwise ineligible under this definition;

(i) It does not arise out of contracts with (i) the United States, any state or any department, agency, or instrumentality thereof, unless the applicable Revolving Borrower has executed all instruments and taken all steps required by the Administrative Agent including but not limited to, steps to ensure that all monies due and to become due under such contracts shall be assigned to the Administrative Agent and notice thereof given to the government under the Federal Assignment of Claims Act or other applicable Law and an agreement by such Account Debtor to make payment directly to the Administrative Agent or (ii) Her Majesty in right of Canada or any Provincial or local Official Body, or any ministry, unless the applicable Revolving Borrower assigns its right to payment of such Receivable to the Administrative Agent in compliance with the particular provisions of the Financial Administration Act, R.S.C. 185, c.F 11, as amended, or any similar applicable federal, provincial or local law, regulation or requirement; and such assignment is enforceable against such Official Body;

(j) It does not constitute a finance charge;

(k) No notice of bankruptcy, insolvency or material adverse change of the Account Debtor has been received by or is known to the Revolving Borrowers;

(l) It is not a Receivable with respect to which there is an unresolved dispute with respect to the Account Debtor's obligation thereunder; provided, however, that to the extent that there is an unresolved dispute with respect to the Account Debtor's obligations under such Receivable, such Receivable shall be ineligible solely to the extent of the disputed amount thereof, unless otherwise ineligible under this definition;

(m) It is not a Receivable evidenced by an "instrument" or "chattel paper" (each as defined in the UCC) not in the possession of the Administrative Agent;

(n) The Administrative Agent has not notified the Revolving Borrowers that, despite the fact that the Account Debtor meets other specifications established by the Administrative Agent in accordance with this Agreement, the Administrative Agent has determined, in its Permitted Discretion, that the Receivable or Account Debtor is unsatisfactory; and

(o) It is payable in freely transferable Dollars or Canadian Dollars.

In addition to the foregoing requirements, Receivables of any Account Debtor that are otherwise Eligible Receivables shall be reduced to the extent of any accounts payable (including, without limitation, the Administrative Agent's reasonable estimate of any contingent or accrued liabilities) by the applicable Revolving Borrower to such Account Debtor (collectively, "**Contras**"); provided that the Administrative Agent, in its Permitted Discretion, may determine that none of the accounts with respect to such Account Debtor shall be Eligible Receivables in the event that there exists an unreasonably large amount of payables owing to such Account Debtor.

Eligible Unbilled Receivables means and refer to those certain Receivables relating to which a Revolving Borrower has not yet billed for the completed service or the completed sale giving rise thereto, and that otherwise would be deemed Eligible Receivables in accordance with the provisions of the definition thereof (other than for their unbilled status as described above); provided, that for determining if such Receivables satisfy clause (a) of the definition of Eligible Receivables, such Receivables shall be deemed to have been invoiced on the date that such Receivables are first included in the US Borrowing Base or Canadian Borrowing Base, as applicable.

Eligibility Date means, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Loan Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any other Loan Document is then in effect with respect to such Loan Party, and otherwise it shall be the Effective Date of this Agreement and/or such other Loan Document(s) to which such Loan Party is a party).

Embargoed Property means any property (a) in which a Sanctioned Person holds an interest; (b) beneficially owned, directly or indirectly, by a Sanctioned Person; (c) that is due to or from a Sanctioned Person; (d) that is located in a Sanctioned Jurisdiction; or (e) that would otherwise cause any actual or possible violation by the Lenders, Administrative Agent or Collateral Agent of any applicable Anti-Terrorism Law if the Lenders were to obtain an encumbrance on, lien on, pledge of or security interest in such property, or provide services in consideration of or relating to such property.

Environmental Laws means all applicable federal, state, provincial, local, tribal, territorial and foreign Laws (including common law), constitutions, statutes, treaties, regulations, rules, ordinances and codes and any consent decrees, settlement agreements, judgments, orders, directives, policies or programs issued by or entered into with an Official Body pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health from exposure to regulated substances; (iii) protection of the environment and/or natural resources; (iv) employee safety in the workplace; (v) the presence, use, management, generation, manufacture, processing, extraction, treatment, recycling, refining, reclamation, labeling, packaging, sale, transport, storage, collection, distribution, disposal or release or threat of release of regulated substances; (vi) the presence of contamination; (vii) the protection of endangered or threatened species; and (viii) the protection of environmentally sensitive areas.

ERISA means the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA Event means (a) with respect to a Pension Plan, a reportable event under Section 4043 of ERISA as to which event (after taking into account notice waivers provided for in the regulations) there is a duty to give notice to the PBGC; (b) a withdrawal by MDI or any member of the ERISA Group from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or

partial withdrawal by MDI or any member of the ERISA Group from a Multiemployer Plan, notification that a Multiemployer Plan is in reorganization, or occurrence of an event described in Section 4041A(a) of ERISA that results in the termination of a Multiemployer Plan; (d) the filing of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (f) 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 MDI or any member of the ERISA Group.

ERISA Group means, at any time, MDI and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with MDI, are treated as a single employer under Section 414 of the Code or Section 4001(b)(1) of ERISA.

Erroneous Payment has the meaning assigned to it in Section 11.12(i).

Erroneous Payment Deficiency Assignment has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Impacted Class has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Return Deficiency has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Subrogation Rights has the meaning assigned to it in Section 11.12(iv).

€STR means a rate equal to the Euro Short Term Rate as administered by the €STR Administrator.

€STR Administrator means the European Central Bank (or any successor administrator of the Euro Short Term Rate).

€STR Administrator's Website means the European Central Bank's website, currently at <http://www.ecb.europa.eu>, or any successor source for the Euro Short Term Rate identified as such by the €STR Administrator from time to time.

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

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

Eurocurrency Banking Day means any day which is, as applicable, for Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Canadian Dollars, any day on which banks are open for business in Canada.

Eurocurrency Rate means, with respect to any Eurocurrency Rate Borrowing for any Interest Period, an interest rate per annum determined by Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%)(a) the applicable Eurocurrency Rate below for such Interest Period by (b) a number equal to 1.00 minus the Eurocurrency Reserve Percentage:

(a) denominated in Canadian Dollars, the rate per annum (the "CDOR Rate") as determined by the Administrative Agent, equal to the arithmetic average rate applicable to Canadian Dollar bankers' acceptances (C\$BAs) for the applicable Interest Period appearing on the Bloomberg page BTMM CA, rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1% per annum, at approximately 11:00 a.m. Eastern Time, two (2) Eurocurrency Banking Days prior to the commencement of such Interest Period; provided that if by such time such rate does not appear on the Bloomberg page BTMM CA, the CDOR Rate on such day shall be the rate for such period applicable to Canadian Dollar bankers' acceptances quoted by a bank listed in Schedule I of the Bank Act (Canada), as selected by the Administrative Agent, as of 11:00 a.m. Eastern Time on such day or, if such day is not a Business Day, then on the immediately preceding Business Day; provided further that any CDOR Rate so determined based on the immediately preceding Business Day shall be utilized for purposes of calculation of the Eurocurrency Rate for no more than three (3) consecutive Business Days (collectively, the "CDOR Lookback Day");

provided that if the adjusted Eurocurrency Rate as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The Eurocurrency Rate for any Loans shall be based upon the Eurocurrency Rate for the Currency in which such Loans are requested. The Eurocurrency Rate for each outstanding Eurocurrency Rate Loan shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Percentage. The Administrative Agent shall give prompt notice to the Borrowing Agent of the Eurocurrency Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

Eurocurrency Rate Lookback Days means CDOR Lookback Day, and each such day is a Eurocurrency Rate Lookback Day.

Eurocurrency Rate Borrowing means, as to any Borrowing Tranche, a Eurocurrency Rate Loan comprising such Borrowing Tranche.

Eurocurrency Rate Loan means a Loan that bears interest at a rate based on the Eurocurrency Rate.

Eurocurrency Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(i)(B) [Revolving Credit Eurocurrency Rate Option].

Eurocurrency Reserve Percentage means, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans.

Event of Default means any of the events described in Section 10.1 [Events of Default] and referred to therein as an “Event of Default.”

Excess Cash Flow means as for any fiscal period of MDI and its Subsidiaries, (i) EBITDA *minus* (ii) Fixed Charges.

Excluded Hedge Liability or Liabilities means, with respect to each Loan Party, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Loan Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Loan Party’s failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Loan Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Loan Party for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap, (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest, and (c) if there is more than one Loan Party executing this Agreement or the other Loan Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

Excluded Subsidiaries means each Subsidiary of any Loan Party that is not a Domestic Person. The Excluded Subsidiaries are not required to join this Agreement as Loan Parties.



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, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) 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 (b) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. 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 (a) such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by the Borrowing Agent under Section 6.6.2 [Replacement of a Lender]) or (b) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 6.9.7 [Status of Lenders], 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, (iii) Taxes attributable to such Recipient's failure to comply with Section 6.9.7 [Status of Lenders], and (iv) any U.S. federal withholding Taxes imposed under FATCA (except to the extent imposed due to the failure of any Loan Party to provide documentation or information to the IRS).

Existing Letters of Credit means the letters of credit set forth on Schedule 1.1(E) that were issued by PNC Bank prior to the date hereof upon the application of a Loan Party and are outstanding on the Closing Date.

FATCA means Sections 1471 through 1474 of the Code, as of the date of this Agreement (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.

Federal Funds Effective Rate for any day means the rate per annum (based on a year of 360 days and actual days elapsed) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the date of this Agreement; provided, if such Federal Reserve Bank (or its successor) does not announce such rate on any day, the "Federal Funds Effective Rate" for such day shall be the Federal Funds Effective Rate for the last day on which such rate was announced.

Fixed Charge Coverage Ratio means, for any period of determination, the ratio of (i) EBITDA to (ii) Fixed Charges.

Fixed Charges means for any period of determination, the sum of (a) cash interest expense, plus (b) scheduled principal installments (excluding prepayments of Loans) on Total Indebtedness (as adjusted for prepayments) including, without limitation, payments under Capital Leases, plus (c) cash income tax expense, plus (d) Capital Expenditures, plus (e) Stock Repurchases, plus (f) dividends or distributions, in each case of MDI on a Consolidated Basis.

Floor means a rate of interest equal to zero basis points (0.00%).

Foreign Currency Hedge means any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency.

Foreign Currency Hedge Liabilities has the meaning assigned in the definition of Lender Provided Foreign Currency Hedge.

Foreign Lender means (i) if a Borrower is a US Person, a Lender that is not a US Person, and (ii) if a Borrower is not a US Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

Fourth Amendment means that certain Fourth Amendment to Credit Agreement, dated as of December 29, 2021, by and among MDI and each of the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.

Fourth Amendment Effective Date means the Effective Date (as such term is defined in the Fourth Amendment).

FSCO means The Financial Institutions Commission of British Columbia, the Financial Services Commission of Ontario or like body in Canada or in any other province or territory or jurisdiction of Canada with whom a Canadian Pension Plan is required to be registered in accordance with applicable Law and any other Official Body succeeding to the functions thereof.

GAAP means generally accepted accounting principles as are in effect from time to time in the United States of America, subject to the provisions of Section 1.3 [Accounting Principles; Changes in GAAP], and applied on a consistent basis both as to classification of items and amounts.

Guarantor means, collectively, any Person that is from time to time party to a Guaranty Agreement or any other agreement pursuant to which it guarantees the Obligations or any portion thereof.

Guarantor Joinder means a joinder by a Person as a Guarantor under the Loan Documents in substantially the form of Exhibit 1.1(G).

Guaranty of any Person means any obligation of such Person guaranteeing or in effect guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly, including any agreement to indemnify or hold harmless any other Person, any performance bond or other suretyship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

Guaranty Agreement or Guaranty Agreements means, singularly or collectively, as the context may require, the US Guaranty Agreement and the Canadian Guaranty Agreement.

Hedge Liabilities means collectively, the Foreign Currency Hedge Liabilities and the Interest Rate Hedge Liabilities.

ICC has the meaning specified in Section 12.11.1 [Governing Law].

Increased Amount Date means as is specified in Section 5.7 [Incremental Loans].

Incremental Lender means as is specified in Section 5.7 [Incremental Loans].

Incremental Loan Commitments means as is specified in Section 5.7 [Incremental Loans].

Incremental Loans means as is specified in Section 5.7 [Incremental Loans].

Incremental Revolving Credit Commitment means as is specified in Section 5.7 [Incremental Loans].

Incremental Revolving Credit Increase means as is specified in Section 5.7 [Incremental Loans].

Incremental Term Loan means as is specified in Section 5.7 [Incremental Loans].

Incremental Term Loan Commitment means as is specified in Section 5.7 [Incremental Loans].

Indebtedness means, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit agreement or bank guarantee, (iv) Hedge Liabilities, (v) any other transaction (including forward sale or purchase agreements, Capital Leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness and which are not more than forty-five (45) days past due), (vi) indebtedness constituting earn-out obligations of such Person to the extent such become liabilities on the balance sheet of such Person in accordance with GAAP or (vii) any Guaranty of Indebtedness for borrowed money.

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

Indemnitee has the meaning specified in Section 12.3.2 [Indemnification by the Loan Parties].

Indian Acquisition means the collective purchase by Indian Purchaser and Mastech Digital Private Limited of all of the outstanding shares of InfoTrellis India Private Limited consummated pursuant to the Indian Acquisition Documents.

Indian Acquisition Agreement means the Share Purchase Agreement, dated July 5, 2017, by and among Indian Purchaser, 2291496 Ontario Inc., a corporation organized under the Laws of Ontario, Canada, InfoTrellis India Private Limited, an Indian company, Mastech Digital Private Limited, an Indian company and Mr Kumaran Sasikanthan, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Indian Acquisition Documents means the Indian Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the Indian Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Indian Purchaser means MDDI.

Information means all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of such Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the Issuing Lender on a non-confidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries, provided that, in the case of information received from the Loan Parties or any of their Subsidiaries after the date of this Agreement, such information is clearly identified at the time of delivery as confidential or is otherwise known by the recipient thereof to be confidential.

InfoTrellis means InfoTrellis Inc., a corporation organized under the Laws of Ontario, Canada.

Insolvency Proceeding means, with respect to any Person, (a) a case, action or proceeding with respect to such Person (i) before any court or any other Official Body under any bankruptcy, insolvency, reorganization or other similar Law now or hereafter in effect, or (ii) for the appointment of a receiver, manager, receiver and manager, interim receiver, monitor, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or otherwise relating to the liquidation, dissolution, winding-up, arrangement, reorganization or relief of such Person, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of its creditors; undertaken under any Law.

Intercompany Subordination Agreement means the Intercompany Subordination Agreement, dated the Closing Date, among MDI and various of its Subsidiaries, in form and substance satisfactory to the Administrative Agent.

Interest Period means the period of time selected by the Borrowing Agent in connection with (and to apply to) any election permitted hereunder by the Borrowers to have Revolving Credit Loans or Term Loans bear interest under a Term Rate Loan Option. Subject to the last sentence of this definition and subject to availability for the interest rate applicable to the relevant Currency, such period shall be one, three or six Months. Such Interest Period shall commence on the effective date of such Term Rate Loan Option, which shall be (i) the Borrowing Date if the Borrowers are requesting new Loans, or (ii) the date of renewal of or conversion to a Term Rate Loan Option if the Borrowers are renewing or converting to a Term Rate Loan Option applicable to outstanding Loans. Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (B) the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Loans that would end after the Maturity Date or the Term Loan Maturity Date, as applicable.

Interest Rate Hedge means an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by any Loan Party in order to provide protection to, or minimize the impact upon, such Loan Party of increasing floating rates of interest applicable to Indebtedness.

Interest Rate Option means any Term Rate Loan Option or Daily Rate Loan Option.

IP Security Agreement means the Patent, Trademark and Copyright Security Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

IRS means the Internal Revenue Service, and to the extent this defined term is applicable to any Canadian Loan Party, the Canada Revenue Agency.

ISP98 has the meaning specified in Section 12.11.1 [Governing Law].

Issuing Lender means PNC in its individual capacity as issuer of Letters of Credit hereunder, and any other Lender that Borrowing Agent, Administrative Agent and such other Lender may agree may from time to time issue Letters of Credit hereunder.

Joint Venture means a corporation, partnership, limited liability company or other entity in which any Person other than the Loan Parties and their Subsidiaries holds, directly or indirectly, an equity interest.

Law means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Official Body, foreign or domestic.

Lender Joinder Agreement means a joinder of a Lender under the Loan Documents, substantially in the form of Exhibit 1.1(L), delivered in connection with any Incremental Loan Commitments pursuant to Section 5.7 [Incremental Loans].

Lender Provided Foreign Currency Hedge means a Foreign Currency Hedge which is provided by any Person that was a Lender or its Affiliate at the time such Foreign Currency Hedge was entered into or which was in existence on the Closing Date and which: (a) is documented in a standard International Swaps and Derivatives Association Master Agreement or another reasonable and customary manner, and (b) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Foreign Currency Hedge (the “Foreign Currency Hedge Liabilities”) by any Loan Party that is party to such Lender Provided Foreign Currency Hedge shall, for purposes of this Agreement and all other Loan Documents be “Obligations” of such Person and of each other Loan Party, be guaranteed obligations under the Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 10.2.4 [Application of Proceeds].

Lender Provided Interest Rate Hedge means an Interest Rate Hedge which is provided by any Person that was a Lender or its Affiliate at the time such Interest Rate Hedge was entered into or which was in existence on the Closing Date and which: (a) is documented in a standard International Swaps and Derivatives Association Master Agreement, or another reasonable and customary manner, and (b) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Interest Rate Hedge (the “**Interest Rate Hedge Liabilities**”) by any Loan Party that is party to such Lender Provided Interest Rate Hedge shall, for purposes of this Agreement and all other Loan Documents be “Obligations” of such Person and of each other Loan Party, be guaranteed obligations under any Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 10.2.4 [Application of Proceeds].

Lenders means the financial institutions named on Schedule 1.1(B) and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Lender. For the purpose of any Loan Document which provides for the granting of a security interest or other Lien to the Lenders or to the Administrative Agent for the benefit of the Lenders as security for the Obligations, “Lenders” shall include any Affiliate of a Lender to which such Obligation is owed.

Lending Office means, as to the Administrative Agent, the Issuing Lender or any Lender, the office or offices of such Person described as such in such Lender’s administrative questionnaire, or such other office or offices as such Person may from time to time notify the Borrowing Agent and the Administrative Agent.

Letter of Credit has the meaning specified in Section 2.7.1 [Issuance of Letters of Credit]. Letters of Credit may be issued in Dollars or in any Alternative Currency.

Letter of Credit Borrowing has the meaning specified in Section 2.7.3.3 [Disbursements, Reimbursement].

Letter of Credit Fee has the meaning specified in Section 2.7.2 [Letter of Credit Fees].

Letter of Credit Obligation means, as of any date of determination, the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date (if any Letter of Credit shall increase in amount automatically in the future, such aggregate Dollar Equivalent amount available to be drawn shall currently give effect to any such future increase) plus the aggregate Dollar Equivalent amount of Reimbursement Obligations and Letter of Credit Borrowings on such date.

Leverage Ratio means, as of the date of determination, the ratio of (A) Total Funded Debt to (B) EBITDA (i) for the four (4) consecutive fiscal quarters then ending if such date is a fiscal quarter end or (ii) for the four (4) fiscal quarters most recently ended if such date is not a fiscal quarter end.

Lien means any mortgage, deed of trust, pledge, lien, adverse claim or right, deemed trust, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

Loan Documents means this Agreement, the Administrative Agent's Letter, the Collateral Documents, each Guaranty Agreement, the Intercompany Subordination Agreement, each Note and any other instruments, certificates or documents delivered in connection herewith or therewith, and Loan Document means any of the Loan Documents.

Loan Parties means the Borrowers and the Guarantors.

Loan Request has the meaning specified in Section 2.4 [Loan Requests; Swing Loan Requests].

Loans means collectively and Loan means separately all Revolving Credit Loans, Swing Loans and Term Loans or any Revolving Credit Loan, Swing Loan or Term Loan.

Mastech Canada means Mastech InfoTrellis Digital, Ltd., a corporation organized under the Laws of British Columbia, Canada.

Material Adverse Change means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition or results of operations of the Loan Parties taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of the Loan Parties taken as a whole to duly and punctually pay or perform any of the Obligations, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Administrative Agent or any of the Lenders, to the extent permitted, to enforce their legal remedies pursuant to this Agreement or any other Loan Document.

Maturity Date means December 29, 2026.

MDA means Mastech Digital Alliances, Inc., a Pennsylvania corporation.

MD Consulting means Mastech Digital Consulting, Inc., a Pennsylvania corporation.

MDDI means Mastech Digital Data, Inc., a Delaware corporation.

MDI has the meaning specified in the Preamble hereof.

MD InfoTech means Mastech Digital InfoTech, Inc., a Pennsylvania corporation.

MDI on a Consolidated Basis means the consolidation of MDI and its Subsidiaries in accordance with GAAP.

MDR means Mastech Digital Resourcing, Inc., a Pennsylvania corporation.

MD Services means Mastech Digital Services, Inc., a Pennsylvania corporation.

MD Solutions means Mastech Digital Solutions, Inc., a Pennsylvania corporation.

MDT means Mastech Digital Technologies, Inc., a Pennsylvania corporation.

MII means Mastech InfoTrellis, Inc., a Delaware corporation.

Month, with respect to an Interest Period under the Term Rate Loan Option, means the interval between the days in consecutive calendar months numerically corresponding to the first day of such Interest Period. If any Interest Period for a Term Rate Loan begins on a day of a calendar month for which there is no numerically corresponding day in the month in which such Interest Period is to end, the final month of such Interest Period shall be deemed to end on the last Business Day of such final month.

Moody's means Moody's Investors Service, Inc.

Multiemployer Plan means any employee pension benefit plan which is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and to which MDI or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the plan year including the Closing Date and the preceding five plan years, has made or had an obligation to make such contributions, but, for greater certainty, does not include any Canadian Pension Plan.

Non-Consenting Lender has the meaning specified in Section 12.1 [Modifications, Amendments or Waivers].



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

Non-Qualifying Party means any Loan Party that fails for any reason to qualify as an Eligible Contract Participant on the effective date of the applicable Swap.

Non-US Loan Party has the meaning assigned to that term in Section 12.13.4 [Bifurcation of Obligations].

Notes means, collectively, the promissory notes in substantially the form of Exhibit 1.1(N)(1) evidencing the Revolving Credit Loans, in substantially the form of Exhibit 1.1(N)(2) evidencing the Swing Loan and in substantially the form of Exhibit 1.1(N)(3) evidencing the Term Loans.

Obligation means any obligation or liability of any of the Loan Parties, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, under or in connection with (i) this Agreement, the Notes, the Letters of Credit, the Administrative Agent's Letter or any other Loan Document whether to the Administrative Agent, any of the Lenders or their Affiliates or other persons provided for under such Loan Documents, (ii) any Lender Provided Interest Rate Hedge, (iii) any Lender Provided Foreign Currency Hedge, and (iv) any Other Lender Provided Financial Service Product. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

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

Official Body means the government of the United States of America, Canada or any other nation, or of any political subdivision thereof, whether state, local or provincial (which shall be deemed to include territories), 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) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

Order has the meaning specified in Section 2.7.9 [Liability for Acts and Omissions].

Other Connection Taxes means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient (or an agent or affiliate thereof) and the jurisdiction imposing such Tax (other than connections arising solely 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 Lender Provided Financial Service Product means agreements or other arrangements under which any Lender or Affiliate of a Lender provides any of the following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, or (f) cash management, including controlled disbursement, accounts or services.

Other Taxes means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 6.6.2 [Replacement of a Lender]).

Overnight Bank Funding Rate means for any day, (a) with respect to any amount denominated in Dollars, the rate comprising both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by PNC at such time (which determination shall be conclusive absent manifest error); provided, further, that if the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero, and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Lender, as the case may be, in accordance with banking industry rules on interbank compensation (which determination shall be conclusive absent manifest error). The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to any Borrower.

Participant has the meaning specified in Section 12.8.4 [Participations].

Participant Register has the meaning specified in Section 12.8.4 [Participations].

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Participation Advance has the meaning specified in Section 2.7.3.3 [Disbursements, Reimbursement].

Payment Date means the first day of each calendar quarter after the date hereof and on the Maturity Date, the Term Loan Maturity Date or upon acceleration of the Notes.

Payment In Full and Paid in Full means the indefeasible payment in full in cash of the Loans and other Obligations hereunder (other than contingent indemnification obligations which by their terms survive the termination of the Commitments and payment of the Loans), termination of the Commitments and expiration, termination or cash collateralization (in accordance with the terms of this Agreement) of all Letters of Credit.

PBGC means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

Pension Plan means at any time an “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA) (including a “multiple employer plan” as described in Sections 4063 and 4064 of ERISA, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 or Section 430 of the Code and either (i) is sponsored, maintained or contributed to by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been sponsored, maintained or contributed to by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group, or in the case of a “multiple employer” or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years, but, for greater certainty, does not include any Canadian Pension Plan.

Permitted Acquisition has the meaning specified in Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions].

Permitted Discretion means a determination made by the Administrative Agent in good faith in the exercise of its reasonable business judgment based on how a lender with similar rights providing a secured credit facility of the type set forth herein would act, in the circumstances then applicable to the Loan Parties at the time with the information then available to it.

Permitted Investments means:

(a) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;

(b) commercial paper maturing in 180 days or less rated not lower than A-1, by Standard & Poor’s or P-1 by Moody’s Investors Service, Inc. on the date of acquisition;

(c) demand deposits, time deposits or certificates of deposit maturing within one year in commercial banks whose obligations are rated A-1, A or the equivalent or better by Standard & Poor’s on the date of acquisition;

(d) money market or mutual funds whose investments are limited to those types of investments described in clauses (i)-(iii) above;

and  
(e) investments made under any cash management agreements with any Lender or any commercial bank that satisfies the criteria set forth in clause (c) above.

Permitted Liens means:

- (i) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business and which are not yet due and payable;
- (ii) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;
- (iii) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and statutory and common law Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default and Liens arising by applicable law relating to employee contributions withheld from payroll of a Canadian Loan Party but not yet due to be remitted to a Canadian Pension Plan pursuant to applicable pension standards legislation;
- (iv) Good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;
- (v) Encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;
- (vi) Liens, security interests and mortgages in favor of the Administrative Agent for the benefit of the Lenders and their Affiliates securing the Obligations (including Lender Provided Interest Rate Hedges, Lender Provided Foreign Currency Hedges and Other Lender Provided Financial Services Obligations);
- (vii) Any Lien existing on the Third Amendment Effective Date and described on Schedule 1.1(P), provided that the principal amount secured thereby is not hereafter increased, and no additional assets become subject to such Lien;
- (viii) Subject to any limitation set forth in Section 9.2.1 [Indebtedness] with respect to any related Indebtedness, (a) Purchase Money Security Interests and Capital Leases; provided that such Liens shall be limited to the assets acquired with such purchase money financing or leased pursuant to such Capital Lease; and (b) Liens existing on property of any Person that becomes a Subsidiary after the date of this Agreement that exists at the time such Person becomes a Subsidiary and is not created in anticipation or contemplation of such Person becoming a Subsidiary;
- (ix) The following, (A) if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (B) if a final judgment is entered and such judgment is discharged within thirty (30) days of entry, and in either case they do not affect the Collateral or, in the aggregate, materially impair the ability of any Loan Party to perform its Obligations hereunder or under the other Loan Documents:

(1) claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty; provided that the applicable Loan Party maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(2) claims, Liens or encumbrances upon, and defects of title to, real or personal property other than the Collateral, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(3) claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens; or

(4) Liens resulting from final judgments or orders described in Section 10.1.7 [Final Judgments or Orders]; and

(x) Liens securing other obligations of the Loan Parties and their Subsidiaries in an aggregate amount not to exceed One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) at any one time outstanding.

Person means any individual, corporation, partnership, limited partnership, limited and unlimited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

Pledge Agreement means the Pledge Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

PNC means PNC Bank, National Association, its successors and assigns.

Potential Default means any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

PPSA means the Personal Property Security Act (British Columbia), Personal Property Security Act (Ontario) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

Prime Rate means the interest rate per annum announced from time to time by the Administrative Agent at its Principal Office as its then prime rate, which rate may not be the lowest or most favorable rate then being charged to commercial borrowers or others by the Administrative Agent and may not be tied to any external rate of interest or index. Any change in the Prime Rate shall take effect at the opening of business on the day such change is announced.

Principal Office means the main banking office of the Administrative Agent in Pittsburgh, Pennsylvania.

Priority Payables means (a) the full amount of the obligations, liabilities or indebtedness of any Canadian Revolving Borrower which (i) has a trust, deemed trust or statutory lien imposed to provide for payment or a Lien, choate or inchoate, ranking or capable of ranking senior to or pari passu with Liens securing the Canadian Obligations on any Collateral under any applicable Law or (ii) have a right imposed to provide for payment ranking or capable of ranking senior to or pari passu with the Canadian Obligations under any applicable Law, including, but not limited to, claims for unremitted and/or accelerated rents, utilities, taxes (including sales taxes and goods and services taxes and harmonized sales taxes and withholding taxes), amounts payable to an insolvency administrator, wages, employee withholdings or deductions and vacation pay, severance and termination pay, including pursuant to the Wage Earner Protection Program Act (Canada), government royalties and pension fund obligations (including any amounts representing any unfunded liability, solvency deficiency or wind-up deficiency with respect to a Canadian Pension Plan) and (b) the amount equal to the aggregate value of the right of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) or any other applicable Laws granting revendication or similar rights to unpaid suppliers or any similar laws of Canada or any other applicable jurisdiction.

Prior Security Interest means a valid and enforceable perfected first-priority security interest under the UCC or PPSA, as applicable, in the Collateral which is subject only to Permitted Liens.

Projections has the meaning specified in Section 7.1.6(ii) [Financial Projections].

Published Rate means the rate of interest published each Business Day in *The Wall Street Journal* “Money Rates” listing under the caption “London Interbank Offered Rates” for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the rate at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market for a one month period as published in another publication selected by the Administrative Agent).

Purchase Money Security Interest means Liens upon tangible personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such tangible personal property

Purchasers means US Purchaser, Canadian Purchaser and Indian Purchaser.

Qualified ECP Loan Party means each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a “commodity pool” as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding Ten Million and 00/100 Dollars (\$10,000,000.00), or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a “letter of credit or keepwell, support, or other agreement” for purposes of Section 1a(18)(A)(v)(II) of the CEA.

Ratable Share means:

(i) with respect to a Lender's obligation to make Revolving Credit Loans, participate in Letters of Credit and other Letter of Credit Obligations, participate in Swing Loans, and receive payments, interest, and fees related thereto, the proportion that such Lender's Revolving Credit Commitment bears to the Revolving Credit Commitments of all of the Lenders, provided that if the Revolving Credit Commitments have terminated or expired, the Ratable Shares for purposes of this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments;

(ii) with respect to a Lender's obligation to make Term Loans and receive payments, interest, and fees related thereto, proportion that such Lender's Term Loan Commitment bears to the Term Loan Commitments of all of the Lenders;

(iii) [reserved];

(iv) with respect to all other matters as to a particular Lender, the percentage obtained by dividing (A) such Lender's Revolving Credit Commitment plus Term Loan, by (B) the sum of the aggregate amount of the Revolving Credit Commitments plus Term Loans of all Lenders; provided, however that if the Revolving Credit Commitments have terminated or expired, the computation in this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments, and not on the current amount of the Revolving Credit Commitments, subject to Section 6.13 [Defaulting Lenders].

Receivable means any account, contract right, general intangible, chattel paper, instrument or document representing any right to payment for goods sold or services rendered, whether or not earned by performance and whether or not evidenced by a contract, instrument or document, which is now owned or hereafter acquired by a Revolving Borrower. All Receivables, whether Eligible Receivables or not, shall be subject to the Administrative Agent's Prior Security Interest.

Recipient means (i) the Administrative Agent, (ii) any Lender and (iii) the Issuing Lender, as applicable.

Register has the meaning specified in Section 12.8.3 [Register].

Reimbursement Obligation has the meaning specified in Section 2.7.3.1 [Disbursements, Reimbursement].

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

Relevant Governmental Body means (a) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, 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, and (b) with respect to a Benchmark Replacement in respect of Loans denominated in any Alternative Currency, (1) the central bank for the Currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (2) any working group or committee officially endorsed or convened by (A) the central bank for the Currency in which such Benchmark Replacement is denominated, (B) any central bank or other supervisor that is responsible for supervising either (i) such Benchmark Replacement or (ii) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

Relevant Interbank Market means in relation to any currency other than Dollars, the applicable offshore interbank market.

Relief Proceeding means any proceeding seeking a decree or order for relief in respect of any Loan Party or Subsidiary of a Loan Party in a voluntary or involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, manager, receiver and manager, interim receiver, monitor, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or Subsidiary of a Loan Party for any substantial part of its property, or for the winding-up, reorganization, arrangement or liquidation of its affairs, or an assignment for the benefit of its creditors.

Reportable Compliance Event means that: (1) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, or enters into a settlement with an Official Body in connection with any sanctions or other Anti-Terrorism Law or Anti-Corruption law, or any predicate crime to any Anti-Terrorism Law or Anti-Corruption Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Terrorism Law or Anti-Corruption Law; (2) any Covered Entity engages in a transaction that has caused or may cause the Lenders, Administrative Agent or Collateral Agent to be in violation of any Anti-Terrorism Laws, including a Covered Entity's use of any proceeds of the Facilities to fund any operations in, finance any investments or activities in, or, make any payments to, directly or indirectly, a Sanctioned Person or Sanctioned Jurisdiction; or (3) any Collateral becomes Embargoed Property.

Required Lenders means

(A) If there exists fewer than three (3) Lenders, all Lenders (other than any Defaulting Lender), and



(B) If there exist three (3) or more Lenders, at least two (2) Lenders (other than any Defaulting Lender) aggregately having more than fifty percent (50%) of the sum of (a) the aggregate amount of the Revolving Credit Commitments of the Lenders (excluding any Defaulting Lender) or, after the termination of the Revolving Credit Commitments, the outstanding Revolving Credit Loans and Ratable Share of Letter of Credit Obligations of the Lenders (excluding any Defaulting Lender) and (b) the aggregate outstanding amount of any Term Loans.

Required Share has the meaning assigned to such term in Section 2.11 [Settlement Date Procedures].

Revaluation Date means (a) with respect to each Borrowing Tranche of a Term Rate Loan denominated in an Alternative Currency, (i) each date of a borrowing, renewal, and conversion pursuant to the terms of this Agreement and (ii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; (b) with respect to each Borrowing Tranche of a Daily Rate Loan denominated in an Alternative Currency, each date such Daily Rate Loan is outstanding; and (c) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment or extension of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the applicable Issuing Lender under any Letter of Credit denominated in an Alternative Currency and (iii) such additional dates as the Administrative Agent or the applicable Issuing Lender shall determine or the Required Lenders shall require.

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

Revolving Borrowers means the US Revolving Borrowers and the Canadian Revolving Borrowers.

Revolving Credit Commitment means, as to any Lender at any time, the amount initially set forth opposite its name as of the Third Amendment Effective Date on Schedule 1.1(B) in the column labeled “Amount of Commitment for Revolving Credit Loans,” as such Commitment is thereafter assigned, increased pursuant to Section 5.7 [Incremental Loans] or otherwise modified, and Revolving Credit Commitments means the aggregate Revolving Credit Commitments of all of the Lenders.

Revolving Credit Facility means the revolving loan facility provided pursuant to Article 2.

Revolving Credit Loans means collectively and Revolving Credit Loan means separately all Revolving Credit Loans or any Revolving Credit Loan made by the Lenders or one of the Lenders to the Revolving Borrowers pursuant to Section 2.1 [Revolving Credit Commitments] or 2.7.3 [Disbursements, Reimbursement].

Revolving Facility Usage means, collectively, the US Revolving Facility Usage and the Canadian Revolving Facility Usage.

RFR means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, SONIA, and (b) Euro, €STR.

RFR Adjustment means with respect to RFR Loans or Term RFR Rate Loans, the adjustment set forth in the table below corresponding to such Alternative Currency for the corresponding Daily Simple RFR Option or Term RFR Option:

<u>Currency</u>	<u>Adjustment to Daily Simple RFR</u>	<u>Adjustment to Term RFR</u>
Euros	0.0456%	0.0456%
Sterling	0.0326%	0.0326%

RFR Administrator means the SONIA Administrator or the €STR Administrator, as applicable.

RFR Business Day means as applicable, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to (i) Euro, a TARGET Day, and (ii) Sterling, a day on which banks are open for general business in London.

RFR Day has the meaning specified in the definition of “Daily Simple RFR”.

RFR Loan means a Loan that bears interest at a rate based on Daily Simple RFR or, after the replacement of the then-current Benchmark for any Currency for all purposes hereunder or under any Loan Document with Term RFR pursuant to Section 5.4.4, Term RFR for such Currency, as the context may require.

RFR Reserve Percentage means as of any day, the maximum effective percentage in effect on such day, if any, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to RFR Loans.

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

Sanctioned Jurisdiction means any country, territory, or region that is the subject of sanctions administered by OFAC.

Sanctioned Person means (a) a Person that is the subject of sanctions administered by OFAC or the U.S. Department of State (“State”), including by virtue of being (i) named on OFAC’s list of “Specially Designated Nationals and Blocked Persons”; (ii) organized under the Laws of, ordinarily resident in, or physically located in a Sanctioned Jurisdiction; (iii) owned or controlled 50% or more in the aggregate, by one or more Persons that are the subject of sanctions administered by OFAC; (b) a Person that is the subject of sanctions maintained by the European

Union (“E.U.”), including by virtue of being named on the E.U.’s “Consolidated list of persons, groups and entities subject to E.U. financial sanctions” or other, similar lists; (c) a Person that is the subject of sanctions maintained by the United Kingdom (“U.K.”), including by virtue of being named on the “Consolidated List Of Financial Sanctions Targets in the U.K.” or other, similar lists; or (d) a Person that is the subject of sanctions imposed by any Official Body of a jurisdiction whose Laws apply to this Agreement.

Schedule of Accounts means a detailed aged trial balance of all then existing Receivables in form and substance reasonably satisfactory to Administrative Agent, specifying in each case the names, addresses, face amount and dates of invoice(s) for each Account Debtor obligated on a Receivable so listed and, if requested by the Administrative Agent, copies of proof of delivery and customer statements and the original copy of all documents, including, without limitation, repayment histories and present status reports, and such other matters and information relating to the status of the Receivables and/or the Account Debtors so scheduled as the Administrative Agent may from time to time reasonably request.

Schedule of Payables means a detailed listing of the Revolving Borrowers’ (i) existing accounts payable, specifying the names of each creditor and the amount owed to such creditor and such matters and information relating to the status of the Revolving Borrowers’ accounts payable so scheduled as the Administrative Agent may from time to time reasonably request and (ii) Priority Payables.

SEC means the United States Securities and Exchange Commission.

Security Agreement means the Security Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

Settlement Date means the Business Day on which the Administrative Agent elects to effect settlement pursuant Section 2.11 [Settlement Date Procedures].

SOFR shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

Solvent means, with respect to any Person on any date of determination, taking into account any right of reimbursement, contribution or similar right available to such Person from other Persons, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (ii) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature, and (v) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s

property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

SONIA means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

SONIA Administrator means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

SONIA Administrator's Website means the Bank of England's website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

Specified Canadian Pension Plan means any Canadian Pension Plan which contains a "defined benefit provision", as defined in subsection 147.1(1) of the Income Tax Act (Canada).

Standard & Poor's means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Standby Letter of Credit means a Letter of Credit (including a direct pay letter of credit) issued to support obligations of one or more of the Loan Parties or their Subsidiaries, contingent or otherwise, which finance the working capital and business needs of the Loan Parties or their Subsidiaries, but excluding any Letter of Credit (a) under which the stated amount of such Letter of Credit increases automatically over time or (b) that is a Commercial Letter of Credit.

Statements has the meaning specified in Section 7.1.6(i) [Historical Statements].

Sterling or £ means the lawful currency of the United Kingdom.

Stock Repurchase or Stock Repurchases means, from the period of determination, all purchases, redemptions or other acquisitions by MDI of any shares of any class of capital stock of MDI.

Subsidiary of any Person at any time means any corporation, trust, partnership, limited liability company or other business entity (i) of which more than fifty percent (50%) of the outstanding voting securities or other interests normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, or (ii) which is controlled or capable of being controlled by such Person or one or more of such Person's Subsidiaries.

Subsidiary Equity Interests has the meaning specified in Section 7.1.2 [Capitalization; Subsidiaries; Investment Companies].

Swap means any “swap” as defined in Section 1a(47) of the CEA and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

Swap Obligation means any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender Provided Interest Rate Hedge, or a Lender Provided Foreign Currency Hedge.

Swing Loan Commitment means PNC’s commitment to make Swing Loans to the US Revolving Borrowers pursuant to Section 2.1.2 [Swing Loan Commitment] hereof in an aggregate principal amount up to Seven Million and 00/100 Dollars (\$7,000,000.00).

Swing Loan Lender means PNC, in its capacity as a lender of Swing Loans.

Swing Loan Note means the Swing Loan Note of the US Revolving Borrowers in substantially the form of Exhibit 1.1(N)(2) evidencing the Swing Loans, together with all amendments, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

Swing Loan Request means a request for Swing Loans made in accordance with Section 2.4.2 [Swing Loan Requests].

Swing Loans means collectively and Swing Loan means separately all Swing Loans or any Swing Loan made by PNC to the US Revolving Borrowers pursuant to Section 2.1.2 [Swing Loan Commitment].

Target means, singularly or collectively, as the context may require, InfoTrellis, 2291496 Ontario Inc., a corporation organized under the Laws of Ontario, Canada and InfoTrellis India Pvt. Ltd., an Indian corporation.

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

TARGET Day means any day on which TARGET2 is open for the settlement of payments in Euros.

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

Term Loan Commitment means, as to any Lender at any time, the amount initially set forth opposite its name as of the Third Amendment Effective Date on Schedule 1.1(B) in the column labeled “Amount of Commitment for Term Loans,” as such Commitment is thereafter assigned or modified and Term Loan Commitments means the aggregate Term Loan Commitments of all of the Lenders.

Term Loan Maturity Date means October 1, 2024.

Term Loans means collectively and Term Loan means separately all Term Loans or any Term Loans made on the Third Amendment Effective Date by the Lenders or one of the Lenders to the Acquisition Borrowers pursuant to Section 3.1 [Term Loans Commitments].

Term Rate Loan means a Loan that bears interest at a rate based on the BSBY Rate, Eurocurrency Rate or Term RFR.

Term Rate Loan Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(i) [Revolving Credit Term Rate Loan Option] or Section 5.1.3(i) [Term Loan Term Rate Loan Option], as applicable.

Term RFR means, with respect to Euros or Sterling for any Interest Period, a rate per annum determined by the Administrative Agent, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to any applicable Term RFR Forward Looking Rate by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%) (a) the applicable Term RFR Forward Looking Rate by (b) a number equal to 1.00 minus the Term RFR Reserve Percentage; provided that if the adjusted rate as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The adjusted Term RFR for each outstanding Term RFR Loan shall be adjusted automatically as of the effective date of any change in the Term RFR Reserve Percentage. The Administrative Agent shall give prompt notice to the Borrowing Agent of the adjusted Term RFR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

Term RFR Forward Looking Rate means, with respect to Euros or Sterling for any Interest Period, the forward-looking term rate for a period comparable to such Interest Period based on the RFR for such Currency that is published by an authorized benchmark administrator and is displayed on a screen or other information service, each as identified or selected by the Administrative Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of such Interest Period determined by the Administrative Agent.

Term RFR Loan means a Loan that bears interest based on Term RFR.

Term RFR Notice means a notification by the Administrative Agent to the Lenders and the Borrowing Agent of the occurrence of a Term RFR Transition Event.

Term RFR Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1(a)(i)(3) [Revolving Credit Term Rate Loan Option].

Term RFR Transition Date means, in the case of a Term RFR Transition Event, the date that is set forth in the Term RFR Notice provided to the Lenders and the Borrowing Agent pursuant to Section 5.4.4(i)(B), which date shall be at least 30 (thirty) calendar days from the date of the Term RFR Notice.

Term RFR Transition Event means, with respect to Euros or Sterling for any Interest Period, the determination by the Administrative Agent that (a) the applicable Term RFR for such Currency is determinable for each Available Tenor, (b) the administration of such Term RFR is administratively feasible for the Administrative Agent, (c) [the RFR Administrator publishes, publicly announces or makes publicly available that such Term RFR is administered in accordance with the IOSCO Principles, (d) such Term RFR is used as a benchmark rate in at least five currently outstanding syndicated credit facilities denominated in the applicable Currency (and such syndicated credit facilities are identified and are publicly available for review), and (e) such Term RFR is recommended for use by a Relevant Governmental Body.

Term SOFR Rate shall mean, with respect to any amount to which the Term SOFR Rate Option applies, for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1%) (A) the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (the "**Term SOFR Determination Date**") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator, by (B) a number equal to 1.00 minus the SOFR Reserve Percentage. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate, for purposes of clause (A) in the preceding sentence, shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the Floor, then the Term SOFR Rate shall be deemed to be the Floor.

Term SOFR Reference Rate shall mean the forward-looking term rate based on SOFR.

Third Amendment means that certain Third Amendment to Credit Agreement, dated as of October 1, 2020, by and among MDI and each of the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.

Third Amendment Effective Date means the Effective Date (as such term is defined in the Third Amendment).

Total Funded Debt means, as of any date of determination, the sum of all Indebtedness representing borrowed money, including both current and long term portion thereof, Capital Lease Obligations, reimbursement obligations under letters of credit, obligations under any Swap (excluding net obligations under a Swap (exclusive of any mark to market adjustment not requiring any actual cash payment or settlement) and contingent and guaranty obligations (excluding any Indebtedness in respect of the Acquisition Earn-Out), in each case of MDI on a Consolidated Basis.

Type, when used in reference to any Loan or Borrowing Tranche, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing Tranche, is determined by reference to (a) the Base Rate, (b) BSBY Rate, (c) prior to the Term RFR Transition Date with respect to Euros and Sterling, the Daily Simple RFR for such Currency or, on and after the Term RFR Transition Date with respect to any such Currency, the Term RFR for such Currency, or (d) the Eurocurrency Rate.

UCC means the Uniform Commercial Code as adopted in the State of New York from time to time.

UCP has the meaning specified in Section 12.11.1 [Governing Law].

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

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

Undrawn Availability means, as of any date of determination, an amount equal to (a) the lesser of (i) the Borrowing Base or (ii) the Revolving Credit Commitments, minus (b) the sum of (i) the Revolving Facility Usage plus (ii) all amounts due and owing to any Revolving Borrower's trade creditors which are outstanding beyond normal trade terms, plus (iii) fees and expenses then due from the Revolving Borrowers hereunder which have not been paid or charged to the account of the Revolving Borrowers.

Unpaid Drawing means, with respect to any Letter of Credit, the aggregate Dollar Equivalent amount of the draws made on such Letters of Credit that have not been reimbursed by the US Revolving Borrowers.

USA Patriot Act means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

US Acquisition means the purchase by US Purchaser from InfoTrellis consummated pursuant to the US Acquisition Documents.

US Acquisition Agreement means the United States Asset Purchase Agreement, dated July 7, 2017, by and among US Purchaser, InfoTrellis and Mr. Mahmood Abbas, Mr. Zahid Naeem and Mr. Sachin Wadhwa, as principals, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.



US Acquisition Documents means the US Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the US Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

US Borrowing Base means the sum of (i) the sum of (a) up to eighty-five percent (85%) of Eligible Receivables of US Revolving Borrowers *plus* (b) up to sixty percent (60%) of Eligible Unbilled Receivables of US Revolving Borrowers, *minus* (ii) such reserves as Administrative Agent may reasonably deem proper and necessary from time to time in its Permitted Discretion. Notwithstanding anything to the contrary herein, the Administrative Agent may, in its sole but reasonable discretion, at any time hereafter, decrease the advance percentage for Eligible Receivables and Eligible Unbilled Receivables or increase the level of reserves or ineligible, or define or maintain such other reserves or ineligible, as the Administrative Agent may deem necessary or appropriate. Any such change shall become effective three (3) Business Days from the date of written notice from the Administrative Agent to the Borrowing Agent for the purpose of calculating the US Borrowing Base hereunder; provided, however, upon the occurrence of an Event of Default hereunder, such change shall become effective immediately for the purpose of calculating the US Borrowing Base hereunder.

US Guaranty Agreement or US Guaranty Agreements means, singularly or collectively, as the context may require, any Guaranty and Suretyship Agreement executed and delivered by any US Person to the Administrative Agent for the benefit of the Lenders on or after the date hereof, in form and substance satisfactory to the Administrative Agent.

US Loan Party has the meaning assigned to that term in Section 12.13.4 [Bifurcation of Obligations].

US Purchaser means MII.

US Revolving Borrowers means, singularly or collectively as the context may require, (i) immediately prior to the consummation of the AmberLeaf Acquisition, MDI, MDT, MDA, MDR, MII, MD Services, MD Consulting, MD Solutions and MD InfoTech and (ii) immediately following the consummation of the AmberLeaf Acquisition, MDI, MDT, MDA, MDR, MII, MD Services, MD Consulting, MD Solutions, MD InfoTech, AmberLeaf and each other Person which joins this Agreement as a US Revolving Borrower after the date hereof pursuant to Section 12.15 [Joinder].

US Revolving Facility Usage means at any time the sum of the Dollar Equivalent amount of the outstanding Revolving Credit Loans to the US Revolving Borrowers, the outstanding Swing Loans, and the Letter of Credit Obligations.

US Person means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

US Tax Compliance Certificate has the meaning specified in Section 6.9.7 [Status of Lenders].

Voting Power means, the voting power of the then outstanding capital stock of MDI entitled to vote generally in the election of directors of MDI.

Withholding Agent means any Loan 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.

1.2 Construction. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents: (i) references to the plural include the singular, the plural, the part and the whole and the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; (ii) the words “hereof,” “herein,” “hereunder,” “hereto” and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole; (iii) article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Loan Document, as the case may be, unless otherwise specified; (iv) reference to any Person includes such Person’s successors and assigns; (v) reference to any agreement, including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto, document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated; (vi) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding,” and “through” means “through and including”; (vii) 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, (viii) section headings herein and in each other Loan Document are included for convenience and shall not affect the interpretation of this Agreement or such Loan Document, and (ix) unless otherwise specified, all references herein to times of day shall constitute references to Eastern Time. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

1.3 Accounting Principles; Changes in GAAP. Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms have the meanings ascribed to such terms by GAAP; provided, however, that all accounting terms used in Section 9.2 [Negative Covenants] (and all defined terms

used in the definition of any accounting term used in Section 9.2) have the meaning given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing Statements referred to in Section 7.1.6(i) [Historical Statements]. Notwithstanding the foregoing, if the Borrowing Agent notifies the Administrative Agent in writing that the Loan Parties wish to amend any financial covenant in Section 9.2 of this Agreement, any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any change in GAAP occurring after the Closing Date on the operation of such financial covenants and/or interest, Letter of Credit Fee or Commitment Fee determinations (or if the Administrative Agent notifies the Borrowing Agent in writing that the Required Lenders wish to amend any financial covenant in Section 9.2, any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any such change in GAAP), then the Administrative Agent, the Lenders and the Loan Parties shall negotiate in good faith to amend such ratios or requirements 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, the Loan Parties' compliance with such covenants and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee, and Commitment Fee determinations shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenants or definitions are amended in a manner satisfactory to the Loan Parties and the Required Lenders, and the Loan Parties shall provide to the Administrative Agent, when they deliver their financial statements pursuant to Section 9.3.1 [Quarterly Financial Statements] and 9.3.2 [Annual Financial Statements] of this Agreement, such reconciliation statements as shall be reasonably requested by the Administrative Agent. Notwithstanding the foregoing or anything in this Agreement to the contrary, whenever in this Agreement it is necessary to determine whether a lease is a Capital Lease or an operating lease, such determination shall be made on the basis of GAAP as in effect on the Closing Date (provided that if there is a change in GAAP after the Closing Date that effects the treatment of Capital Leases or operating leases, all financial statements delivered to the Administrative Agent in accordance with the terms of this Agreement after the date of such change in GAAP shall be accompanied by a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect immediately prior to such accounting change).

1.4 Benchmark Replacement Notification. Section 5.4.4 [Benchmark Replacement Setting] of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the BSBY Rate, Daily BSBY Floating Rate, Eurocurrency Rate, Daily Simple RFR or Term RFR for any applicable Currency is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the BSBY Rate, Daily BSBY Floating Rate, Eurocurrency Rate, Daily Simple RFR or Term RFR for any applicable Currency, or with respect to any alternative or successor rate thereto, or replacement rate therefor.

## 1.5 Exchange Rates; Currency Equivalents.

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

(ii) Wherever in this Agreement in connection with the initial advance, or the conversion, continuation or prepayment, of a Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%), as determined by the Administrative Agent or the Issuing Lender, as the case may be. All financial statements and Compliance Certificates shall be set forth in Dollars. For purposes of preparing financial statements, calculating financial covenants, and determining compliance with covenants expressed in Dollars, Alternative Currencies shall be converted into Dollars in accordance with GAAP.

1.6 Conforming Changes Relating to BSBY, Daily BSBY Floating, Eurocurrency Rate, Daily Simple RFR or Term RFR. With respect to the BSBY Rate, Daily BSBY Floating, Eurocurrency Rate, Daily Simple RFR or Term RFR, 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 provide notice to the Borrowing Agent and the Lenders each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective.

1.7 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.

## 2. REVOLVING CREDIT AND SWING LOAN FACILITIES

### 2.1 Revolving Credit Commitments.

2.1.1 Revolving Credit Loans. Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender severally agrees to make Revolving Credit Loans in either Dollars or one or more Alternative Currencies to the Borrowers at any time or from time to time on or after the date hereof to the Maturity Date;

provided that after giving effect to each such Loan (i) the aggregate Dollar Equivalent amount of Revolving Credit Loans from such Lender shall not exceed such Lender's Revolving Credit Commitment minus such Lender's Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations, (ii) the Revolving Facility Usage shall not exceed the Revolving Credit Commitments, (iii) the US Revolving Facility Usage shall not exceed the US Borrowing Base, (iv) the Revolving Facility Usage denominated in Alternative Currencies shall not exceed the Alternative Currency Sublimit, and (v) the Canadian Revolving Facility Usage shall not exceed the lesser of (a) the Canadian Sublimit Amount or (b) the Canadian Borrowing Base. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.1 [Revolving Credit Commitments].

2.1.2 Swing Loan Commitment. Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, and in order to facilitate loans and repayments between Settlement Dates, the Swing Loan Lender may, at its option, cancelable at any time for any reason whatsoever, make swing loans in Dollars (the "**Swing Loans**") to the US Revolving Borrowers at any time or from time to time after the date hereof to, but not including, the Maturity Date, in an aggregate principal amount up to but not in excess of the Swing Loan Commitment, provided that after giving effect to such Loan, (i) the Revolving Facility Usage shall not exceed the Revolving Credit Commitments and (ii) the US Revolving Facility Usage shall not exceed the US Borrowing Base. Within such limits of time and amount and subject to the other provisions of this Agreement, the US Revolving Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.2 [Swing Loan Commitment].

2.2 Nature of Lenders' Obligations with Respect to Revolving Credit Loans. Each Lender shall be obligated to participate in each request for Revolving Credit Loans pursuant to Section 2.4 [Loan Requests; Swing Loan Requests] in accordance with its Ratable Share. The aggregate Dollar Equivalent of each Lender's Revolving Credit Loans outstanding hereunder to the Revolving Borrowers at any time shall never exceed its Revolving Credit Commitment minus its Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations. The obligations of each Lender hereunder are several. The failure of any Lender to perform its obligations hereunder shall not affect the Obligations of the Revolving Borrowers to any other party nor shall any other party be liable for the failure of such Lender to perform its obligations hereunder. The Lenders have no obligation to make Revolving Credit Loans hereunder on or after the Maturity Date.

2.3 Commitment Fee. Accruing at all times from the Closing Date until the Maturity Date (and without regard to whether the conditions to making Revolving Credit Loans are then met), the Revolving Borrowers agree to pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable commitment fee in Dollars (the "**Commitment Fee**") equal to the Applicable Commitment Fee Rate (computed on the basis of a year of three hundred sixty five (365) or three hundred sixty six (366) days, as the case may be, and actual days elapsed) multiplied by the daily difference between the amount of (i) the Revolving Credit Commitments and (ii) the Revolving Facility Usage (computed to exclude therefrom the full amount of the outstanding Swing Loans); provided, however, that no Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Revolving Borrowers shall not be required to pay any such Commitment Fee that otherwise would have been required to have been paid to that Defaulting Lender). Subject to the proviso in the directly preceding sentence, all Commitment Fees shall be payable in arrears on each Payment Date.

## 2.4 Loan Requests; Swing Loan Requests.

2.4.1 Loan Requests. Except as otherwise provided herein, the Borrowing Agent may, on behalf of the US Revolving Borrowers, the Canadian Revolving Borrowers or the Acquisition Borrowers, from time to time prior to the Maturity Date (or the Term Loan Maturity Date with respect to any portion of the Term Loans) request the Lenders to make Revolving Credit Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans or Term Loans pursuant to Section 5.2 [Interest Periods], by delivering to the Administrative Agent, not later than 2:00 p.m.,

(i) three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans or Term Loans denominated in Dollars to which the BSBY Rate Option applies or the conversion to or the renewal of such Interest Rate Option for any Revolving Credit Loans or Term Loans denominated in Dollars;

(ii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Alternative Currencies to which the Eurocurrency Rate Option applies, or the conversion to or renewal of a Eurocurrency Rate Option for any Revolving Credit Loans denominated in Alternative Currencies;

(iii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Alternative Currencies to which the Daily Simple RFR Option or Term RFR Option applies, or the conversion to or renewal of a Daily Simple RFR Option or Term RFR Option for any Revolving Credit Loans denominated in Alternative Currencies; and/or

(iv) the same Business Day of the proposed Borrowing Date with respect to the making of a Revolving Credit Loan or Term Loan to which the Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Revolving Credit Loan or Term Loan,

in each case, of a duly completed request therefor substantially in the form of Exhibit 2.4.1 or a request by telephone immediately confirmed in writing by letter, facsimile, or e-mail (in “pdf”, “tif” or similar format) in such form (each, a “**Loan Request**”), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify whether the proposed Loans are for the account of the US Revolving Borrowers, the Canadian Revolving Borrowers or the Acquisition Borrowers, the Currency (which for any Borrowing Tranche consisting of a Term Loan shall be in Dollars), the Type, and the aggregate amount of the proposed Loans comprising each Borrowing Tranche, and, if applicable, the Interest Period, which amounts shall be in (x) integral multiples of the Dollar Equivalent of \$500,000 and not less than the Dollar Equivalent of \$1,000,000 for each Borrowing Tranche under a Term Rate Loan Option, and (y) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under a Daily Rate Loan Option.

2.4.2 Swing Loan Requests. Except as otherwise provided herein, the Borrowing Agent, on behalf of the US Revolving Borrowers, may from time to time prior to the Maturity Date request the Swing Loan Lender to make Swing Loans by delivery to the Swing Loan Lender not later than 2:00 p.m. on the proposed Borrowing Date of a duly completed request therefor substantially in the form of Exhibit 2.4.2 hereto or a request by telephone immediately confirmed in writing by letter, facsimile, facsimile, or e-mail (in “pdf”, “tif” or similar format) (each, a “**Swing Loan Request**”), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Swing Loan Request shall be irrevocable and shall specify the proposed Borrowing Date and the principal amount of such Swing Loan, which shall be not less than One Hundred Thousand and 00/100 Dollars (\$100,000.00).

2.5 Making Revolving Credit Loans and Swing Loans; Presumptions by the Administrative Agent; Repayment of Revolving Credit Loans; Borrowings to Repay Swing Loans.

2.5.1 Making Revolving Credit Loans. The Administrative Agent shall, promptly after receipt by it of a Loan Request pursuant to Section 2.4 [Loan Requests; Swing Loan Requests], notify the Lenders of its receipt of such Loan Request specifying the information provided by the Borrowing Agent, including the Currency in which the Revolving Credit Loan is requested, and the apportionment among the Lenders of the requested Revolving Credit Loans as determined by the Administrative Agent in accordance with Section 2.2 [Nature of Lenders’ Obligations with Respect to Revolving Credit Loans]. Each Lender shall remit its apportioned share (as provided to it by the Administrative Agent) of the principal amount of each Revolving Credit Loan in the requested Currency (in the case of Alternative Currency Loans, in Dollars if so requested by the Administrative Agent) to the Administrative Agent such that the Administrative Agent is able to, and the Administrative Agent shall, to the extent the Lenders have made funds available to it for such purpose and subject to Section 8.2 [Each Loan or Letter of Credit], fund such Revolving Credit Loans to the US Revolving Borrowers or Canadian Revolving Borrowers in Same Day Funds at the Principal Office prior to 2:00 p.m., on the applicable Borrowing Date; provided that if any Lender fails to remit such funds to the Administrative Agent in a timely manner, the Administrative Agent may elect in its sole discretion to fund with its own funds the Revolving Credit Loans of such Lender on such Borrowing Date, and such Lender shall be subject to the repayment obligation in Section 6.4 [Presumptions by the Administrative Agent].

2.5.2 Presumptions by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan that such Lender will not make available to the Administrative Agent such Lender’s share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.5.1 [Making Revolving Credit Loans] and may, in reliance upon such assumption, make available to the applicable Revolving Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Lender and the applicable Revolving Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding

amount in the appropriate Currency with interest thereon, for each day from and including the date such amount is made available to the applicable Revolving Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Loans under the Base Rate Option, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays its share of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan. Any payment by the Revolving Borrowers shall be without prejudice to any claim the Revolving Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

2.5.3 Making Swing Loans. So long as PNC elects to make Swing Loans, PNC shall, after receipt by it of a Swing Loan Request pursuant to Section 2.4.2 [Swing Loan Requests], fund such Swing Loan to the US Revolving Borrowers in U.S. Dollars and immediately available funds at the Principal Office prior to 4:00 p.m. on the Borrowing Date. A Swing Loan Note, if required by the Swing Loan Lender, shall evidence the Swing Loans.

2.5.4 Repayment of Revolving Credit Loans. The Revolving Borrowers shall repay the outstanding principal amount of all Revolving Credit Loans together with all outstanding interest thereon on the Maturity Date.

2.5.5 Borrowings to Repay Swing Loans. PNC may, at its option, exercisable at any time for any reason whatsoever, demand repayment of the Swing Loans, and each Lender shall make a Revolving Credit Loan to the US Revolving Borrowers in an amount equal to such Lender's Ratable Share of the aggregate principal amount of the outstanding Swing Loans, plus, if PNC so requests, accrued interest thereon, provided that no Lender shall be obligated in any event to make Revolving Credit Loans in excess of its Revolving Credit Commitment minus its Ratable Share of Letter of Credit Obligations. Revolving Credit Loans made pursuant to the preceding sentence shall bear interest at the Base Rate Option and shall be deemed to have been properly requested in accordance with Section 2.4.1 [Loan Requests] without regard to any of the requirements of that provision. PNC shall provide notice to the Lenders (which may be telephonic or written notice by letter, facsimile or telex) that such Revolving Credit Loans are to be made under this Section 2.5.5 [Borrowings to Repay Swing Loans] and of the apportionment among the Lenders, and the Lenders shall be unconditionally obligated to fund such Revolving Credit Loans (whether or not the conditions specified in Section 2.4.1 [Loan Requests] are then satisfied) by the time PNC so requests, which shall not be earlier than 3:00 p.m. on the Business Day next after the date the Lenders receive such notice from PNC.

2.5.6 Swing Loans Under Cash Management Agreements. In addition to making Swing Loans pursuant to the foregoing provisions of Section 2.5.3 [Making Swing Loans], without the requirement for a specific request from the Borrowing Agent pursuant to Section 2.4.2 [Swing Loan Requests], PNC as the Swing Loan Lender may make Swing Loans to the US Revolving Borrowers in accordance with the provisions of the agreements between the US Revolving Borrowers and such Swing Loan Lender relating to the US Revolving Borrowers' deposit, sweep and other accounts at such Swing Loan Lender and related arrangements and



agreements regarding the management and investment of the US Revolving Borrowers' cash assets as in effect from time to time (the "**Cash Management Agreements**") to the extent of the daily aggregate net negative balance in the US Revolving Borrowers' accounts which are subject to the provisions of the Cash Management Agreements. Swing Loans made pursuant to this Section 2.5.6 in accordance with the provisions of the Cash Management Agreements shall (i) be subject to the limitations as to aggregate amount set forth in Section 2.1.2 [Swing Loan Commitment], (ii) not be subject to the limitations as to individual amount set forth in Section 2.4.2 [Swing Loan Requests], (iii) be payable by the US Revolving Borrowers, both as to principal and interest, at the rates and times set forth in the Cash Management Agreements (but in no event later than the Maturity Date), (iv) not be made at any time after such Swing Loan Lender has received written notice of the occurrence of an Event of Default and so long as such shall continue to exist, or, unless consented to by the Required Lenders, a Potential Default and so long as such shall continue to exist, (v) if not repaid by the US Revolving Borrowers in accordance with the provisions of the Cash Management Agreements, be subject to each Lender's obligation pursuant to Section 2.5.5 [Borrowings to Repay Swing Loans], and (vi) except as provided in the foregoing subsections (i) through (v), be subject to all of the terms and conditions of this Section 2.

2.6 Revolving Credit Notes and Swing Notes. The Obligation of the Revolving Borrowers to repay the aggregate unpaid principal amount of the Revolving Credit Loans and Swing Loans made to it by each Lender, together with interest thereon, shall be evidenced by a revolving credit Note and a swing Note, dated the Closing Date payable to the order of such Lender in a face amount equal to the Revolving Credit Commitment or Swing Loan Commitment, as applicable, of such Lender.

2.7 Letter of Credit Subfacility.

2.7.1 Issuance of Letters of Credit. The Borrowing Agent or any Loan Party may at any time prior to the Maturity Date request the issuance of a letter of credit (each a "**Letter of Credit**"), which may be denominated in either Dollars or any Alternative Currency, for its own account or the account of another Loan Party or any Subsidiary (in which case the Borrowing Agent and such Subsidiary shall be co-applicants with respect to such Letter of Credit), or the amendment or extension of an existing Letter of Credit, by delivering or transmitting electronically, or having such other Loan Party deliver or transmit electronically to the Issuing Lender (with a copy to the Administrative Agent) a completed application for letter of credit, or request for such amendment or extension, as applicable, in such form as the Issuing Lender may specify from time to time by no later than 10:00 a.m. at least five (5) Business Days, or such shorter period as may be agreed to by the Issuing Lender, in advance of the proposed date of issuance. Each Letter of Credit shall be a Standby Letter of Credit and not a Commercial Letter of Credit. The Borrowing Agent or any Loan Party shall authorize and direct the Issuing Lender to name the Borrowing Agent or any Loan Party or any Subsidiary as the "Applicant" or "Account Party" of each Letter of Credit. Promptly after receipt of any letter of credit application, the Issuing Lender shall confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit application and if not, such Issuing Lender will provide the Administrative Agent with a copy thereof.

2.7.1.1 Unless the Issuing Lender has received notice from any Lender, the Administrative Agent or any Loan Party, at least one day prior to the requested date of issuance, amendment or extension of the applicable Letter of Credit, that one or more applicable conditions in Section 8 [Conditions of Lending and Issuance of Letters of Credit] is not satisfied, then, subject to the terms and conditions hereof and in reliance on the agreements of the other Lenders set forth in this Section 2.7, the Issuing Lender or any of the Issuing Lender's Affiliates will issue the proposed Letter of Credit or agree to such amendment or extension, provided that each Letter of Credit shall (A) have a maximum maturity of twelve (12) months from the date of issuance, and (B) in no event expire later than the Maturity Date (except that, subject to the provisions of Section 2.7.11 [Cash Collateral], a Letter of Credit may expire up to one year beyond the Maturity Date) and provided further that in no event shall (i) the Letter of Credit Obligations exceed, at any one time, Five Million and 00/100 Dollars (\$5,000,000.00), (ii) the Revolving Facility Usage exceed, at any one time, the Revolving Credit Commitments, (iii) the US Revolving Facility exceed the US Borrowing Base or (iv) the Revolving Facility Usage denominated in Alternative Currencies exceed, at any one time, the Alternative Currency Sublimit. Each request by the Borrowing Agent or any Loan Party for the issuance, amendment or extension of a Letter of Credit shall be deemed to be a representation by the Borrowing Agent or such Loan Party that it shall be in compliance with the preceding sentence and with Section 8 [Conditions of Lending and Issuance of Letters of Credit] after giving effect to the requested issuance, amendment or extension of such Letter of Credit. Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to the beneficiary thereof, the applicable Issuing Lender will also deliver to the Borrowing Agent and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

2.7.1.2 Notwithstanding Section 2.7.1.1, the Issuing Lender shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Official Body or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing the Letter of Credit, or any Law applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Official Body with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the Issuing Lender with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it, or (ii) the issuance of the Letter of Credit would violate one or more policies of the Issuing Lender applicable to letters of credit generally.

Each Existing Letter of Credit shall be deemed to be a Letter of Credit for all purposes of this Agreement.

2.7.2 Letter of Credit Fees. The US Revolving Borrowers shall pay in Dollars (i) to the Administrative Agent for the ratable account of the Lenders a fee (the "**Letter of Credit Fee**") equal to the Applicable Letter of Credit Fee Rate on the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date, and (ii) to the Issuing Lender for its own account a fronting fee equal to one-quarter of one percent (0.25%) per annum (in each case computed on the basis of a year of three hundred sixty (360) days and actual days elapsed) on the aggregate Dollar Equivalent amount available to be drawn under all outstanding

Letters of Credit on such date (or such other amount as agreed to in writing between the Issuing Lender, the fronting bank and the Borrowing Agent), which fees shall be payable quarterly in arrears on each Payment Date following issuance of each Letter of Credit. The US Revolving Borrowers shall also pay in Dollars to the Issuing Lender for the Issuing Lender's sole account the Issuing Lender's then in effect customary fees and administrative expenses payable with respect to the Letters of Credit as the Issuing Lender may generally charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of Letters of Credit.

2.7.3 Disbursements, Reimbursement. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Lender a participation in such Letter of Credit and each drawing thereunder in a Dollar Equivalent amount equal to such Lender's Ratable Share of the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively, in each case in the Currency in which each Letter of Credit is issued.

2.7.3.1 In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Lender will promptly notify the Borrowing Agent and the Administrative Agent thereof. Provided that it shall have received such notice, the US Revolving Borrowers shall reimburse (such obligation to reimburse the Issuing Lender shall sometimes be referred to as a "**Reimbursement Obligation**") the Issuing Lender prior to 12:00 noon on each date that an amount is paid by the Issuing Lender under any Letter of Credit (each such date, a "**Drawing Date**") by paying to the Administrative Agent for the account of the Issuing Lender an amount, in the Currency of the drawing under such Letter of Credit, equal to the amount so paid by the Issuing Lender. In the event the US Revolving Borrowers fail to reimburse the Issuing Lender (through the Administrative Agent) for the full amount of any drawing under any Letter of Credit, in the Currency of such drawing, by 12:00 noon on the Drawing Date, the Administrative Agent will promptly notify each Lender thereof, and the US Revolving Borrowers shall be deemed to have requested that Revolving Credit Loans be made by the Lenders in Dollars (and, if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by Issuing Lender in such Alternative Currency on the Drawing Date thereof) under the Base Rate Option to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Credit Commitment and subject to the conditions set forth in Section 8.2 [Each Loan or Letter of Credit] other than any notice requirements. Any notice given by the Administrative Agent or Issuing Lender pursuant to this Section 2.7.3.1 [Disbursements, Reimbursement] may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.7.3.2 Each Lender shall upon any notice pursuant to Section 2.7.3.1 [Disbursements, Reimbursement] make available to the Administrative Agent for the account of the Issuing Lender an amount in Dollars in immediately available funds equal to its Ratable Share of the amount of the drawing (and if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by the Issuing Lender in such Alternative Currency on the Drawing Date thereof), whereupon the participating Lenders shall (subject to Section 2.7.3 [Disbursement; Reimbursement]) each be deemed to have made a

Revolving Credit Loan under the Base Rate Option to the US Revolving Borrowers in that amount. If any Lender so notified fails to make available to the Administrative Agent for the account of the Issuing Lender the amount of such Lender's Ratable Share of such amount by no later than 2:00 p.m. on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Federal Funds Effective Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Loans under the Revolving Credit Base Rate Option on and after the fourth (4<sup>th</sup>) day following the Drawing Date. The Administrative Agent and the Issuing Lender will promptly give notice (as described in Section 2.7.3.1 [Disbursements. Reimbursement]) of the occurrence of the Drawing Date, but failure of the Administrative Agent or the Issuing Lender to give any such notice on the Drawing Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligation under this Section 2.7.3.2 [Disbursements. Reimbursement].

2.7.3.3 With respect to any unreimbursed drawing that is not converted into Revolving Credit Loans under the Base Rate Option to the US Revolving Borrowers in whole or in part as contemplated by Section 2.7.3.1 [Disbursements. Reimbursement], because of the US Revolving Borrowers' failure to satisfy the conditions set forth in Section 8.2 [Each Loan or Letter of Credit] other than any notice requirements, or for any other reason, the US Revolving Borrowers shall be deemed to have incurred from the Issuing Lender a borrowing (each a "**Letter of Credit Borrowing**") in Dollars in the amount of such drawing (and, if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by the Issuing Lender in such Alternative Currency on the Drawing Date thereof). Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to the Revolving Credit Loans under the Base Rate Option. Each Lender's payment to the Administrative Agent for the account of the Issuing Lender pursuant to Section 2.7.3 [Disbursements, Reimbursement] shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing (each a "**Participation Advance**") from such Lender in satisfaction of its participation obligation under this Section 2.7.3 [Disbursements. Reimbursement].

#### 2.7.4 Repayment of Participation Advances.

2.7.4.1 Upon (and only upon) receipt by the Administrative Agent for the account of the Issuing Lender of immediately available funds from the US Revolving Borrowers (i) in reimbursement of any payment made by the Issuing Lender under the Letter of Credit with respect to which any Lender has made a Participation Advance to the Administrative Agent, or (ii) in payment of interest on such a payment made by the Issuing Lender under such a Letter of Credit, the Administrative Agent on behalf of the Issuing Lender will pay to each Lender, in the same funds as those received by the Administrative Agent, the amount of such Lender's Ratable Share of such funds, except the Administrative Agent shall retain for the account of the Issuing Lender the amount of the Ratable Share of such funds of any Lender that did not make a Participation Advance in respect of such payment by the Issuing Lender.

2.7.4.2 If the Administrative Agent is required at any time to return to any Loan Party, or to a trustee, receiver, manager, receiver and manager, interim receiver, monitor liquidator, custodian, or any official in any Insolvency Proceeding, any portion of any payment made by any Loan Party to the Administrative Agent for the account of the Issuing Lender pursuant to this Section 2.7 [Letter of Credit Subfacility] in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Lender shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent for the account of the Issuing Lender the amount of its Ratable Share of any amounts so returned by the Administrative Agent plus interest thereon from the date such demand is made to the date such amounts are returned by such Lender to the Administrative Agent, at a rate per annum equal to the Overnight Bank Funding Rate in effect from time to time, in the applicable Currency of such payment.

2.7.5 Documentation. Each Loan Party agrees to be bound by the terms of the Issuing Lender's application and agreement for letters of credit and the Issuing Lender's written regulations and customary practices relating to letters of credit, though such interpretation may be different from such Loan Party's own. In the event of a conflict between such application or agreement and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct, the Issuing Lender shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following any Loan Party's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.7.6 Determinations to Honor Drawing Requests. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the Issuing Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

2.7.7 Nature of Participation and Reimbursement Obligations. Each Lender's obligation in accordance with this Agreement to make the Revolving Credit Loans or Participation Advances, as contemplated by Section 2.7.3 [Disbursements, Reimbursement], as a result of a drawing under a Letter of Credit, and the Obligations of the US Revolving Borrowers to reimburse the Issuing Lender upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.7 [Letter of Credit Subfacility] under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Lender or any of its Affiliates, the US Revolving Borrowers or any other Person for any reason whatsoever, or which any Loan Party may have against the Issuing Lender or any of its Affiliates, any Lender or any other Person for any reason whatsoever;

(ii) the failure of any Loan Party or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in Section 2.1 [Revolving Credit Commitments], Section 2.4 [Loan Requests; Swing Loan Requests], Section 2.5 [Making Revolving Credit Loans and Swing Loans; Etc.] or Section 8.2 [Each Loan or Letter of Credit] or as otherwise set forth in this Agreement for the making of a Revolving Credit Loan, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Lenders to make Participation Advances under Section 2.7.3 [Disbursements, Reimbursement];

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by any Loan Party or any Lender against any beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, crossclaim, defense or other right which any Loan Party or any Lender may have at any time against a beneficiary, successor beneficiary any transferee or assignee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), the Issuing Lender or its Affiliates or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Loan Party or Subsidiaries of a Loan Party and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provision of services relating to a Letter of Credit, in each case even if the Issuing Lender or any of its Affiliates has been notified thereof;

(vi) payment by the Issuing Lender or any of its Affiliates under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by the Issuing Lender or any of its Affiliates to issue any Letter of Credit in the form requested by the Borrowing Agent or any other Loan Party, unless the Issuing Lender has received written notice from the Borrowing Agent or such other Loan Party of such failure within three (3) Business Days after the Issuing Lender shall have furnished the Borrowing Agent and the Administrative Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Loan Party or Subsidiaries of a Loan Party;

(x) any breach of this Agreement or any other Loan Document by any party thereto;

(xi) the occurrence or continuance of an Insolvency Proceeding with respect to any Loan Party;

- (xii) the fact that an Event of Default or a Potential Default shall have occurred and be continuing;
- (xiii) the fact that the Maturity Date shall have passed or this Agreement or the Commitments hereunder shall have been terminated;
- (xiv) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to any Borrower or any Subsidiary or in the relevant currency markets generally; and
- (xv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

2.7.8 Indemnity. The US Revolving Borrowers hereby agree to protect, indemnify, pay and save harmless each Issuing Lender and any of its Affiliates that has issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which the Issuing Lender or any of its Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (A) the gross negligence or willful misconduct of the Issuing Lender as determined by a final non-appealable judgment of a court of competent jurisdiction or (B) the wrongful dishonor by the Issuing Lender or any of Issuing Lender's Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Official Body.

2.7.9 Liability for Acts and Omissions. As between any Loan Party and the Issuing Lender, or the Issuing Lender's Affiliates, such Loan Party assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender shall not be responsible for any of the following, including any losses or damages to any Loan Party or other Person or property relating therefrom: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Issuing Lender or its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Loan Party against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Loan Party and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, e-mail or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required

in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Lender or its Affiliates, as applicable, including any act or omission of any Official Body, and none of the above shall affect or impair, or prevent the vesting of, any of the Issuing Lender's or its Affiliates rights or powers hereunder. Nothing in the preceding sentence shall relieve the Issuing Lender from liability for the Issuing Lender's gross negligence or willful misconduct in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall the Issuing Lender or its Affiliates be liable to any Loan Party for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Issuing Lender and each of its Affiliates (i) may rely on any oral or other communication believed in good faith by the Issuing Lender or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit, (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by the Issuing Lender or its Affiliate; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Issuing Lender or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "**Order**") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the Issuing Lender or its Affiliates under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not put the Issuing Lender or its Affiliates under any resulting liability to the US Revolving Borrowers or any Lender.

**2.7.10 Issuing Lender Reporting Requirements.** Each Issuing Lender shall, on the first Business Day of each month, provide to Administrative Agent a schedule of the Letters of Credit issued by it, in form and substance satisfactory to Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount (if any), and the expiration date of any Letter of Credit outstanding at any time during the preceding month, and any other information relating to such Letter of Credit that the Administrative Agent may request.



2.7.11 Cash Collateral. Upon the request of Administrative Agent, if on or after the date that is thirty (30) days prior to the Maturity Date, any Letter of Credit Obligation for any reason remains outstanding, US Revolving Borrowers shall immediately Cash Collateralize the then outstanding amount of all Letter of Credit Obligations. US Revolving Borrowers hereby grant to Administrative Agent, for the benefit of each Issuing Lender and the Lenders, a security interest in all cash collateral pledged pursuant to this Section or otherwise under this Agreement.

2.8 Termination or Reduction of Revolving Credit Commitments. The Borrowing Agent shall have the right, upon not less than three (3) Business Days' (or such shorter period to which the Administrative Agent may agree) notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the aggregate amount of the Revolving Credit Commitments (ratably among the Lenders in proportion to their Ratable Shares); provided that no such termination or reduction of Revolving Credit Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans made on the effective date thereof, the Revolving Facility Usage would exceed the aggregate Revolving Credit Commitments of the Lenders. Any such reduction shall be in an amount equal to One Million and 00/100 Dollars (\$1,000,000.00), or a whole multiple thereof, and shall reduce permanently the Revolving Credit Commitments then in effect. Any such reduction or termination shall be accompanied by prepayment of the revolving credit Notes, together with outstanding Commitment Fees, and the full amount of interest accrued on the principal sum to be prepaid (and all amounts referred to in Section 6.10 [Indemnity] hereof) to the extent necessary to cause the aggregate Revolving Facility Usage after giving effect to such prepayments to be equal to or less than the Revolving Credit Commitments as so reduced or terminated. Any notice to reduce the Revolving Credit Commitments under this Section 2.8 shall be irrevocable.

2.9 [Reserved].

2.10 [Reserved].

2.11 Settlement Date Procedures. In order to minimize the transfer of funds between the Lenders and the Administrative Agent, the US Revolving Borrowers may borrow, repay and reborrow Swing Loans and PNC may make Swing Loans as provided in Section 2.1.2 [Swing Loan Commitments] hereof during the period between Settlement Dates. The Administrative Agent shall notify each Lender of its Ratable Share of the total of the Revolving Credit Loans and the Swing Loans (each a "**Required Share**"). On such Settlement Date, each Lender shall pay to the Administrative Agent the amount equal to the difference between its Required Share and its Revolving Credit Loans, and the Administrative Agent shall pay to each Lender its Ratable Share of all payments made by the Revolving Borrowers to the Administrative Agent with respect to the Revolving Credit Loans. The Administrative Agent shall also effect settlement in accordance with the foregoing sentence on the proposed Borrowing Dates for Revolving Credit Loans and may at its option effect settlement on any other Business Day. These settlement procedures are established solely as a matter of administrative convenience, and nothing contained in this Section 2.11 [Settlement Date Procedures] shall relieve the Lenders of their obligations to fund Revolving Credit Loans on dates other than a Settlement Date pursuant to Section 2.1.2 [Swing Loan Commitment]. The Administrative Agent may at any time at its option for any reason whatsoever require each Lender to pay immediately to the Administrative Agent such Lender's Ratable Share of the outstanding Revolving Credit Loans and each Lender may at any time require the Administrative Agent to pay immediately to such Lender its Ratable Share of all payments made by the Revolving Borrowers to the Administrative Agent with respect to the Revolving Credit Loans.

### 3. TERM LOANS

3.1 Term Loan Commitments. Subject to the terms and conditions hereof, and relying upon the representations and warranties herein set forth, each Lender severally agrees to make a Term Loan in Dollars to the Acquisition Borrowers on the Third Amendment Effective Date in such principal amount as the Acquisition Borrowers shall request up to, but not exceeding such Lender's Term Loan Commitment. The Term Loan Commitments are not revolving credit commitments, and the Acquisition Borrowers shall not have the right to borrow, repay and reborrow under this Section 3.1.

3.2 Nature of Lenders' Obligations with Respect to Term Loans. Each Lender shall be obligated to participate in the Term Loans pursuant to Section 3.1 [Term Loan Commitments] in accordance with its Ratable Share. The aggregate of each Lender's Term Loans outstanding hereunder to the Acquisition Borrowers at any time shall never exceed its Term Loan Commitment. The obligations of each Lender hereunder are several. The failure of any Lender to perform its obligations hereunder shall not affect the Obligations of the Acquisition Borrowers to any other party nor shall any other party be liable for the failure of such Lender to perform its obligations hereunder. The Lenders shall have no obligation to make Term Loans after the Third Amendment Effective Date, and any portion of the Term Loan Commitment not drawn on the Third Amendment Effective Date shall automatically expire.

3.2.1 Repayment of Term Loans. The Term Loans shall be due and payable in consecutive quarterly installments on each Payment Date commencing on January 1, 2021. The principal amount of each quarterly installment of the Term Loans shall each be in the principal amount equal to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00); provided, however, that the final principal repayment installment of the Term Loans shall be repaid on the Term Loan Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all Term Loans outstanding on such date.

3.3 Term Notes. The Obligation of the Acquisition Borrowers to repay the aggregate unpaid principal amount of the Term Loans made to it by each Lender, together with interest thereon, shall be evidenced by a term Note, dated the Third Amendment Effective Date payable to the order of such Lender in a face amount equal to the Term Loan Commitment of such Lender.

### 4. [RESERVED]

### 5. INTEREST RATES AND INCREMENTAL LOANS

5.1 Interest Rate Options. The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by it from the applicable Interest Rate Options specified below applicable to the Revolving Credit Loans, the Term Loans, or the Swingline Loans, respectively, it being understood that, subject to the provisions of this Agreement, the Borrowers may select different Interest Rate Options and different Interest Periods to apply simultaneously to

the Loans comprising different Borrowing Tranches and may renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche; provided that there shall not be at any one time outstanding more than seven (7) Borrowing Tranches in the aggregate among all of the Loans; provided further that if an Event of Default or Potential Default exists and is continuing, the Borrowers may not request or renew any Term Rate Loan Option or Daily Simple RFR Option for any Loans and the Required Lenders may demand that all existing Borrowing Tranches (i) denominated in Dollars bearing interest under a Term Rate Loan Option shall be converted immediately to the Base Rate Option and (ii) denominated in an Alternative Currency shall either (x) (A) in relation to Term Rate Loans, be converted immediately to the Base Rate Option denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period therefor; and (B) in relation to Daily Rate Loans, be converted immediately to the Base Rate Option or (y) in relation to Term Rate Loans, be prepaid at the end of the applicable Interest Period in full, subject in all cases to the obligation of the Borrowers to pay any indemnity under Section 5.10 [Indemnity] in connection with any such conversion. If at any time the designated rate applicable to any Loan made by any Lender exceeds such Lender's highest lawful rate, the rate of interest on such Lender's Loan shall be limited to such Lender's highest lawful rate. The applicable Base Rate, Eurocurrency Rate, BSBY Rate, Daily Simple RFR, or Term RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. Interest on the principal amount of each Loan denominated in an Alternative Currency shall be paid by the Borrowers in such Alternative Currency.

5.1.1 Revolving Credit Interest Rate Options. The Borrowing Agent shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans:

(i) Revolving Credit Loan Term Rate Loan Options:

(A) BSBY Rate Option. In the case of BSBY Rate Loans denominated in Dollars, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the BSBY Screen Rate as determined for each applicable Interest Period plus the Applicable Margin;

(B) Eurocurrency Rate Option. In the case of Eurocurrency Rate Loans denominated in Canadian Dollars, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Eurocurrency Rate Loans denominated in Canadian Dollars as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Eurocurrency Rate for such Currency as determined for each applicable Interest Period plus the Applicable Margin; or]

(C) Term RFR Option. On and after the Term RFR Transition Date with respect to any applicable Alternative Currency, in the case of Loans denominated in any Alternative Currency that bear interest based on Term RFR, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Loans denominated in Alternative Currencies as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Term RFR for such Alternative Currency as determined for each applicable Interest Period plus the RFR Adjustment plus the Applicable Margin.

(ii) Revolving Credit Loan Daily Rate Loan Options:

(A) Base Rate Option. In the case of Base Rate Loans denominated in Dollars, a fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate; or

(B) Daily Simple RFR Option. Prior to the Term RFR Transition Date with respect to Loans that bear interest at a rate based on Daily Simple RFR denominated in Sterling or Euro, a fluctuating rate per annum (computed on the basis of a year of 360 days and actual days elapsed, except that interest on Loans denominated in Sterling or Euro as to which market practice differs from the foregoing shall be computed in accordance with market practice for such Loans) equal to the Daily Simple RFR for such Currency plus the RFR Adjustment plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the applicable Daily Simple RFR.

5.1.2 Swingline Loan Interest Rate. Subject to Section 4.3 [Interest After Default], only the Base Rate Option applicable to Revolving Credit Loans shall apply to the Swingline Loans.

5.1.3 Term Loan Interest Rate Options. The Borrowing Agent shall have the right to select from the following Interest Rate Options applicable to the Term Loans:

(i) Term Loan Term Rate Loan Options:

(A) BSBY Rate Option. A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the BSBY Screen Rate as determined for each applicable Interest Period plus the Applicable Margin.

(ii) Term Loan Daily Rate Loan Options:

(A) Base Rate Option. A fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate.

5.1.4 Rate Quotations. The Borrowing Agent may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Lenders nor affect the rate of interest which thereafter is actually in effect when the election is made.

5.1.5 Interest Act (Canada). For purposes of the Interest Act (Canada): (i) whenever any interest or fee under this Agreement is calculated on the basis of a period other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

5.1.6 Canadian Usury Provision. If any provision of this Agreement would oblige a Canadian Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of “interest” at a “criminal rate” (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by that Lender of “interest” at a “criminal rate”, such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

5.2 Interest Periods. At any time when the Borrowers shall select, convert to or renew a Term Rate Loan Option, the Borrowing Agent shall notify the Administrative Agent thereof by delivering a Loan Request at least (i) for a BSBY Rate Option with respect to Revolving Credit Loans or Term Loans denominated in Dollars, three (3) Business Days prior to the effective date, (ii) for a Eurocurrency Rate Option with respect to Revolving Credit Loans denominated in Alternative Currencies, four (4) Business Days prior to the effective date, and (iii) for a Term RFR Option with respect to Revolving Credit Loans denominated in Alternative Currencies, four (4) Business Days prior to the effective date. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Term Rate Loan Option:

5.2.1 Amount of Borrowing Tranche. Each Borrowing Tranche of Loans under the Term Rate Loan Option shall be in integral multiples of, and not less than, the respective amounts specified in Section 2.5(a) [Revolving Credit Loan Requests; Conversions and Renewals]; and]

5.2.2 Renewals. In the case of the renewal of a Term Rate Loan Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

5.2.3 No Conversion of Alternative Currency Loans. No Loan denominated in any Currency may be converted into a Loan with a different Interest Rate Option, or a Loan denominated in a different Currency.

5.3 Interest After Default. To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived, at the discretion of the Administrative Agent or upon written demand by the Required Lenders to the Administrative Agent:

5.3.1 Letter of Credit Fees, Interest Rate. The rate of interest otherwise applicable to the outstanding principal amounts of the Loans (pursuant to Section 5.1 [Interest Rate Options]) and the Letter of Credit Fees (pursuant to Section 2.7.2 [Letter of Credit Fees]), respectively, shall be increased by two percent (2.0%) per annum;

5.3.2 Other Obligations. Each other Obligation hereunder if not paid when due (including overdue interest) shall bear interest at a rate per annum equal to the sum of the rate of interest applicable under the Base Rate Option plus an additional two percent (2.0%) per annum from the time such Obligation becomes due and payable and until it is paid in full; and

5.3.3 Acknowledgment. The Borrowers acknowledge that the increase in rates referred to in this Section 5.3 [Interest After Default] reflects, among other things, the fact that such Loans or other amounts have become a substantially greater risk given their default status and that the Lenders are entitled to additional compensation for such risk; and all such interest shall be payable by Borrowers upon demand by Administrative Agent.

5.4 Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting.

5.4.1 Unascertainable; Increased Costs; Deposits Not Available. If at any time:

(i) on or prior to the first day of an Interest Period, the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that (x) the Eurocurrency Rate, BSBY Rate, Daily Simple RFR or Term RFR applicable to a Loan (in each case whether in Dollars or an Alternative Currency) cannot be determined pursuant to the definition thereof, including, without limitation, because such rate for the corresponding applicable Currency is not available or published on a current basis or (y) a fundamental change has occurred in the foreign exchange or interbank markets with respect to such Currency or with respect to such rate (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls), or

(ii) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the BSBY Rate, Eurocurrency Rate, prior to the Term RFR Transition Date with respect to any Loans that bear interest based on Daily Simple RFR denominated in any Alternative Currency, or Daily Simple RFR with respect to such Currency, cannot be determined pursuant to the definition thereof or, on and after the Term RFR Transition Date with respect to any Loans that bear interest based Term RFR denominated in any Currency, Term RFR for such Currency cannot be determined pursuant to the definition thereof on or prior to the first day of any Interest Period, or

(iii) on or prior to the first day of an Interest Period, any Lender determines that for any reason in connection with any request for a Term Rate Loan (in each case whether denominated in Dollars or an Alternative Currency) or a conversion thereto or a continuation thereof that (A) deposits in the applicable Currency are not available to any Lender in connection with such Term Rate Loan, or are not being offered to banks in the market for the applicable Currency, amount, and Interest Period of such Term Rate Loan, or (B) the Term Rate Loan Option for any requested Currency or Interest Period with respect to a proposed Term Rate Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of funding, establishing or maintaining such Loan and, in each case, any Lender has provided notice of such determination to the Administrative Agent,

then the Administrative Agent shall have the rights specified in Section 5.4.4 [Administrative Agent's and Lender's Rights].

5.4.2 Illegality. If at any time any Lender shall have determined, or any Official Body shall have asserted, that the making, maintenance or funding of any Loan to which any Interest Rate Option applies, or the determination or charging of interest rates based upon any Interest Rate Option has been made impracticable or unlawful, by compliance by such Lender in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or any Official Body has imposed material restrictions on the authority of such Lender to purchase, sell, or take deposits of any Currency in the applicable interbank market for the applicable Currency,

then the Administrative Agent shall have the rights specified in Section 5.4.4 [Administrative Agent's and Lender's Rights].

5.4.3 Administrative Agent's and Lender's Rights. In the case of any event specified in Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] above, the Administrative Agent shall promptly so notify the Lenders and the Borrowing Agent thereof, and in the case of an event specified in Section 5.4.2 [Illegality] above, such Lender shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Lenders and the Borrowing Agent.

(A) Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (i) the Lenders, in the case of such notice given by the Administrative Agent, or (ii) such Lender, in the case of such notice given by such Lender, to allow the Borrowers to select, convert to or renew a Loan under the affected Interest Rate Option in each such Currency shall be suspended (to the extent of the affected Interest Rate Option, or the applicable Interest Periods) until the Administrative Agent shall have later notified the Borrowing Agent, or such Lender shall have later notified the Administrative Agent, of the Administrative Agent's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

(B) If at any time the Administrative Agent makes a determination under Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] (a) if the Borrowers have previously notified the Administrative Agent of its selection of, conversion to or renewal of a an affected Interest Rate Option, and such Interest Rate Option has not yet gone into effect, such notification shall (i) with regard to any such pending request for Loans denominated in Dollars, be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans in the amount specified therein and (ii) with regard to any such pending request for Loans denominated in an Alternative Currency, be deemed ineffective (in each case to the extent of the affected Interest Rate Option, or the applicable Interest Periods), (b) any outstanding affected Loans denominated in Dollars shall be deemed to have been converted into Base Rate Loans immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period, and (c) any outstanding affected Loans denominated in an Alternative Currency shall, at the Borrowers' election, either be converted into Base Rate Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period or prepaid in full immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period; provided, however that absent notice from the Borrowers of conversion or prepayment, such Loans shall automatically be converted to Base Rate Loans (in an amount equal to the Dollar Equivalent of such Alternative Currency).

(C) If any Lender notifies the Administrative Agent of a determination under Section 5.4.2 [Illegality], the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.10 [Indemnity], as to any Loan of the Lender to which an affected Interest Rate Option applies, on the date specified in such notice either convert such Loan to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Alternative Currency, in an amount equal to the Dollar Equivalent of such Alternative Currency) or prepay such Loan in accordance with Section 6.6 [Voluntary Prepayments]. Absent due notice from the Borrowers of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Alternative Currency, in an amount equal to the Dollar Equivalent of such Alternative Currency) upon such specified date.

#### 5.4.4 Benchmark Replacement Setting.

##### (i) Benchmark Replacement.

(A) Notwithstanding anything to the contrary herein or in any other Loan Document (and any agreement executed in connection with an Interest Rate Hedge shall be deemed not to be a "Loan Document" for purposes of this Section titled "Benchmark Replacement Setting"), if a Benchmark Transition Event has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark for any Currency, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a



Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(B) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term RFR Transition Date has occurred prior to the Reference Time in respect of any setting of the then-current Benchmark consisting of a Daily Simple RFR for the applicable Currency, then the applicable Benchmark Replacement will replace such Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark for the applicable Currency setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (B) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrowing Agent a Term RFR Notice with respect to the applicable Term RFR Transition Event. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term RFR Notice after a Term RFR Transition Event and may elect or not elect to do so in its sole discretion.

(ii) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, 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.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowing Agent and the Lenders of (A) any occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Conforming Changes, (D) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (E) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document except, in each case, as expressly required pursuant to this Section.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will no longer be compliant with, or the administration of such Benchmark fails to be aligned with, IOSCO Principals, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-compliant, or non-aligned or non-representative tenor and (ii) if a tenor was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be compliant with, or the administration of such Benchmark fails to be aligned with, IOSCO Principals, then Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrowing Agent’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrowing Agent may revoke any request for a Loan bearing interest based on the BSBY Rate, Eurocurrency Rate or RFR, conversion to or continuation of Loans bearing interest based on such Interest Rate Option to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Loan of or conversion to Loans bearing interest under the Base Rate Option. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(vi) Definitions. As used in this Section:

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Currency, as applicable, (x) if the then-current Benchmark for such Currency is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark for such Currency, as applicable, pursuant to this Agreement as of such date. For the avoidance of doubt, the Available Tenor for the Daily Simple RFR is one month.

“Benchmark” means, initially, with respect to any Obligations, interest, fees, commissions, or other amounts denominated in, or calculated with respect to (a) Dollars, the BSBY Rate, (b) Euros or Sterling, the Daily Simple RFR applicable for such Currency, or (c) Canadian Dollars, the Eurocurrency Rate applicable for such Currency; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, or upon the occurrence of a Term RFR Transition Event, then

“Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

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

Where the Benchmark is the Daily BSBY Floating Rate or the BSBY Rate,

(1) the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment;

(2) the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;

(3) the sum of (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowing Agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

Where the Benchmark is the Daily Simple RFR or Eurocurrency Rate, the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowing Agent as the replacement for the then-current Benchmark for the applicable Available Tenor giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time and the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided further that if the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; and provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion; and provided further, that with respect to a Term RFR Transition Event for any Alternative Currency, on the Term RFR Transition Date the “Benchmark Replacement” shall be the Term RFR for such Alternative Currency.

“**Benchmark Replacement Adjustment**” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the applicable amount(s) set forth below:

Available Tenor	Benchmark Replacement Adjustment*
One-Week	0.03839% (3.839 basis points)
One-Month	0.11448% (11.448 basis points)
Two-Months	0.18456% (18.456 basis points)
Three-Months	0.26161% (26.161 basis points)
Six-Months	0.42826% (42.826 basis points)

\* These values represent the ARRC/ISDA recommended spread adjustment values available here:  
[https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation-Announcement\\_20210305.pdf](https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation-Announcement_20210305.pdf)

(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowing Agent for the applicable Corresponding Tenor giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;

provided that, if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be the Available Tenor that has approximately the same length (disregarding business day adjustments) as the payment period for interest calculated with reference to such Unadjusted Benchmark Replacement.

“**Benchmark Replacement Date**” means a date and time determined by the Administrative Agent, which date shall be at the end of an Interest Period, if applicable, and no later than the earliest to occur of the following events with respect to the then-current Benchmark:

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

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date specified by the administrator of such Benchmark or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator on which the Benchmark is or will no longer be compliant with, or the administration of such Benchmark fails to be aligned with, IOSCO Principles; or

(3) in the case of clause (4) of the definition of “Benchmark Transition Event”, the first Business Day following the fifth (5<sup>th</sup>) consecutive Business Day that all Available Tenors of such Benchmark are not published.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1), (2)[, and (3)] with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information is provided to Administrative Agent by an Official Body having jurisdiction over the Administrative Agent or the administrator of such Benchmark for such Currency, the regulatory supervisor for the administrator of such Benchmark for such Currency (or the published component used in the calculation thereof), the Federal

Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark for such Currency (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark for such Currency (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark for such Currency (or such component), which states that the administrator of such Benchmark for such Currency (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark for such Currency (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark for such Currency (or such component thereof); or

(3) the administrator of the Benchmark for such Currency or a Governmental Authority having jurisdiction over the Administrative Agent or such administrator has made a public statement identifying a specific date after which all Available Tenors of the Benchmark are or will no longer be compliant with, or the administration of all Available Tenors of the Benchmark fails to be aligned with, IOSCO Principles; or

(4) all Available Tenors of the Benchmark are not published by the administrator of such Benchmark for five (5) consecutive Business Days and such failure is not the result of a temporary moratorium, embargo, or disruption declared by the administrator of such Benchmark or by the regulatory supervisor for the administrator of such Benchmark.

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

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Reference Time” means, with respect to any setting of the then-current Benchmark, the time determined by the Administrative Agent in its reasonable discretion.

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

5.5 Selection of Interest Rate Options. If the Borrowing Agent fails to select a new Interest Period to apply to any Borrowing Tranche of Loans in Dollars under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 5.2 [Interest Periods], the Borrowers shall be deemed to have converted such Borrowing Tranche to the Base Rate Option, as applicable to Revolving Credit Loans or Term Loans as the case may be, commencing upon the last day of the existing Interest Period. If the Borrowing Agent fails to select a new Interest Period to apply to any Borrowing Tranche of Loans in an Alternative Currency under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 5.2 [Interest Periods], then, unless such Borrowing Tranche is repaid as provided herein, the Borrowers shall be deemed to have selected that such Borrowing Tranche shall automatically be continued under the applicable Term Rate Loan Option in its original Currency with an Interest Period of one (1) month at the end of such Interest Period. If the Borrowing Agent provides any Loan Request related to a Loan at the Eurocurrency Rate Option, BSBY Rate Option, or on and after the Term RFR Transition Date with respect to any Alternative Currency, the Term RFR Option for such Alternative Currency, but fails to identify an Interest Period therefor, such Loan Request shall be deemed to request an Interest Period of one (1) month. Any Loan Request that fails to select an Interest Rate Option shall be deemed to be a request for the Base Rate Option. If no election as to Currency is specified in the applicable Loan Request, then the requested Loans shall be made in Dollars.

#### 5.6 Incremental Loans.

(a) At any time after the Fourth Amendment Effective Date, the applicable Borrowers may by written notice from the Borrowing Agent to the Administrative Agent elect to request the establishment of:

(i) one or more incremental term 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**”); or

(ii) one or more increases in the Revolving Credit Commitments (any such increase, an “**Incremental Revolving Credit Commitment**” and, together with the Incremental Term Loan Commitments, the “**Incremental Loan Commitments**”) to increase the maximum principal amount of revolving credit loans permitted hereunder (any such increase, an “**Incremental Revolving Credit Increase**” and, together with the Incremental Term Loans, the “**Incremental Loans**”);

provided that (1) the total aggregate principal amount for all such Incremental Loan Commitments shall not (as of any date of incurrence thereof) exceed Twenty Million and 00/100 Dollars (\$20,000,000.00) and (2) the total aggregate principal amount for each Incremental Loan Commitment (and the Incremental Loans made thereunder) shall not be less than a minimum principal amount of Five Million and 00/100 Dollars (\$5,000,000) 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 applicable Borrowers propose that any Incremental Loan Commitment shall be effective, which shall be a date not less than twenty (20) Business Days after the date on which such notice is delivered to Administrative Agent. The Borrowers shall invite existing Lenders and may invite any Affiliate of any Lender and/or any Approved Fund, and/or any other Person reasonably satisfactory to the Administrative Agent, to provide an Incremental Loan Commitment (any such Person, an “**Incremental Lender**”); provided that the Administrative Agent, the Swing Loan Lender and each Issuing Lender shall consent to each Incremental Lender (including any existing Lender) providing any portion of an Incremental Revolving Credit Commitment. Any proposed Incremental Lender offered or approached to provide all or a portion of any Incremental Loan Commitment may elect or decline, in its sole discretion, to provide such Incremental Loan Commitment. Any Incremental Loan Commitment shall become effective as of such Increased Amount Date; provided that:

(A) no Potential Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to (1) any Incremental Loan Commitment, (2) the making of any Incremental Loans pursuant thereto and (3) any Permitted Acquisition consummated in connection therewith;

(B) the Administrative Agent and the Lenders shall have received from the Borrowing Agent on behalf of the applicable Borrowers a Compliance Certificate demonstrating, in form and substance reasonably satisfactory to the Administrative Agent, that the Loan Parties are in compliance with the financial covenants specified in Sections 9.2.13 [Minimum Consolidated Fixed Charge Coverage Ratio] and 9.2.14 [Maximum Leverage Ratio] (subject to any additional conditions imposed by Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] in connection with any Permitted Acquisition), in each case based on the financial statements most recently delivered pursuant to Section 9.3.1 [Quarterly Financial Statements] or 9.3.2 [Annual Financial Statements], as applicable, both before and after giving effect (on a pro forma basis) to (x) any Incremental Loan Commitment, (y) the making of any Incremental Loans pursuant thereto (with any Incremental Loan Commitment being deemed to be fully drawn) and (z) any Permitted Acquisition consummated in connection therewith;

(C) each of the representations and warranties contained in Section 7 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, correct and complete 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);

(D) the proceeds of any Incremental Loans shall be used for general corporate purposes of the Loan Parties and their Subsidiaries (including Permitted Acquisitions);

(E) Any proposed Incremental Lender shall join this Agreement as a Lender pursuant to a Lender Joinder Agreement;



(F) each Incremental Loan Commitment (and the Incremental Loans made thereunder) shall constitute Obligations of the Loan Parties and shall be secured and guaranteed with the other Obligations on a pari passu basis;

(G) in the case of each Incremental Term Loan:

(I) such Incremental Term Loan will mature and amortize in a manner reasonably acceptable to the Administrative Agent, the Incremental Lenders making such Incremental Term Loan and the Loan Parties, but will not in any event have a maturity date beyond the Maturity Date;

(II) the Applicable Margin and pricing grid, if applicable, for such Incremental Term Loan shall be determined by the Administrative Agent, the applicable Incremental Lenders and the applicable Borrowers on the applicable Increased Amount Date; provided that if the Applicable Margin in respect of any Incremental Term Loan exceeds the Applicable Margin for the initial Term Loans by more than 0.75%, then the Applicable Margin for the initial Term Loans shall be increased (including at each tier of the pricing grid) so that the Applicable Margin in respect of such initial Term Loans is equal to the Applicable Margin for the Incremental Term Loan minus 0.75%;

(III) any Incremental Lender making any Incremental Term Loan shall be entitled to the same voting rights as the existing Lenders under the Term Loan Facility and (unless otherwise agreed by the applicable Incremental Lenders, provided that no such agreement shall allow the Incremental Term Loans to be prepaid prior to the initial Term Loans) each Incremental Term Loan shall receive proceeds of prepayments on the same basis as the initial Term Loans (such prepayments to be shared pro rata on the basis of the original aggregate funded amount thereof); and

(IV) except as provided above, all other terms and conditions applicable to such Incremental Term Loan shall, except to the extent otherwise provided in this Section 5.7, be identical to the terms and conditions applicable to the initial Term Loans;

(H) in the case of each Incremental Revolving Credit Increase:

(I) such Incremental Revolving Credit Increase shall be part of the Revolving Credit Commitments, shall mature on the Maturity Date, shall bear interest and be entitled to fees, in each case at the rate applicable to the existing Revolving Credit Loans, and shall otherwise be subject to the same terms and conditions as the existing Revolving Credit Loans;

(II) any Incremental Lender making any Incremental Revolving Credit Increase shall be entitled to the same voting rights as the existing Revolving Credit Lenders under the existing Revolving Credit Commitments and (unless otherwise agreed by the applicable Incremental Lenders, provided that no such agreement shall allow the Revolving Credit Commitments with respect to the Incremental Revolving Credit Increase to be terminated prior to termination of the existing Revolving Credit Commitments) each Revolving Credit Loan funded by an Incremental Revolving Credit Increase shall receive proceeds of prepayments on the same basis as the existing Revolving Credit Loans (such prepayments to be shared pro rata on the basis of the original aggregate funded amount thereof); and

(III) the outstanding Revolving Credit Loans and Ratable Shares of Swing Loans and Letter of Credit Obligations will be reallocated by the Administrative Agent on the applicable Increased Amount Date among the Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Increase) in accordance with their revised Ratable Shares of the Revolving Credit Commitments (and the Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Increase) agree to make all payments and adjustments necessary to effect such reallocation and the Borrowers shall pay any and all costs required pursuant to Section 6.10 [Indemnity] in connection with such reallocation as if such reallocation were a repayment).

(b) Incremental Loan Commitments shall be effected pursuant to 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 5.7, without the consent of any other Lenders.

(c) The Loan Parties 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 Loan Party authorizing such Incremental Loans and/or Incremental Loan Commitments) reasonably requested by Administrative Agent in connection with any such transaction.

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

(e) On any Increased Amount Date on which any Incremental Term Loan Commitment becomes effective, subject to the foregoing terms and conditions, each Incremental Lender with an Incremental Term Loan Commitment shall make, or be obligated to make, an Incremental Term Loan to the applicable Borrowers in an amount equal to its Incremental Term Loan Commitment and shall become a Lender hereunder with respect to such Incremental Term Loan Commitment and the Incremental Term Loan made pursuant thereto.

(f) 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 Lender under the Revolving Credit Facility hereunder with respect to such Incremental Revolving Credit Commitment.

## 6. PAYMENTS

6.1 Payments. All payments and prepayments to be made in respect of principal, interest, Commitment Fees, Letter of Credit Fees, Administrative Agent's Fee or other fees or amounts due from the Borrowers hereunder shall be payable prior to (i) except with respect to principal and interest on Loans denominated in an Alternative Currency, 1:00 p.m. and (ii) with respect to principal and interest on Loans denominated in an Alternative Currency, the Applicable Time specified by the Administrative Agent, on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without set-off, counterclaim or other deduction of any nature (subject to Section 6.9.2 [Payments Free of Taxes]), and an action therefor shall immediately accrue. Such payments shall be made to the Administrative Agent at the Principal Office for the account of PNC with respect to the Swing Loans and for the ratable accounts of the Lenders with respect to the Revolving Credit Loans or Term Loans in the same Currency in which such Loan was funded, in Same Day Funds, and the Administrative Agent shall promptly distribute such amounts to the Lenders in Same Day Funds; provided that in the event payments are received by the Administrative Agent by (i) except with respect to principal and interest on Loans denominated in an Alternative Currency, 11:00 a.m. Eastern Time and (ii) with respect to principal and interest on Loans denominated in an Alternative Currency, the Applicable Time specified by the Administrative Agent, and such payments are not distributed to the Lenders on the same day received by the Administrative Agent, the Administrative Agent shall pay the Lenders interest at the Overnight Bank Funding Rate with respect to the amount of such payments for each day held by the Administrative Agent and not distributed to the Lenders. The Administrative Agent's and each Lender's statement of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loans and other amounts owing under this Agreement. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. All fees hereunder, under the Administrative Agent's Letter, and any other Loan Document shall be payable in Dollars. The Administrative Agent may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of the applicable Borrower(s) with the Administrative Agent.

6.2 Pro Rata Treatment of Lenders. Each borrowing of Revolving Credit Loans shall be allocated to each Lender according to its Ratable Share, and each selection of, conversion to or renewal of any Interest Rate Option and each payment or prepayment by the Borrowers with respect to principal, interest, Commitment Fees and Letter of Credit Fees (but excluding the Administrative Agent's Fee and the Issuing Lender's fronting fee) shall (except as otherwise may be provided with respect to a Defaulting Lender and except as provided in Section 5.4.4 [Administrative Agent's and Lender's Rights] in the case of an event specified in Section 5.4 [Rate Unascertainable; Etc.], Section 6.6.2 [Replacement of a Lender] or Section 6.8 [Increased Costs]) be payable ratably among the Lenders entitled to such payment in accordance with the amount of principal, interest, Commitment Fees and Letter of Credit Fees, as set forth in this Agreement. Notwithstanding any of the foregoing, each borrowing or payment or prepayment by the Borrowers of principal, interest, fees or other amounts from the Borrowers with respect to Swing Loans shall be made by or to the Swing Loan Lender according to Section 2.5.5 [Borrowings to Repay Swing Loans].

6.3 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff, counterclaim or banker's lien, by receipt of voluntary payment, by realization upon security, or by any other non-pro rata source, 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 greater than the pro-rata share of the amount such Lender is entitled thereto, 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, together with interest or other amounts, if any, required by Law (including court order) to be paid by the Lender or the holder making such purchase; and

(ii) the provisions of this Section 6.3 [Sharing of Payments by Lenders] shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of the Loan Documents or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or Participation Advances to any assignee or participant, other than to the Borrowers or any Subsidiary of a Borrower (as to which the provisions of this Section 6.3 [Sharing of Payments of Lender] shall apply).

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

6.4 Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, 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 Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

6.5 Interest Payment Dates. As to any Loans to which the Base Rate Option or, prior to the Term RFR Transition Date with respect to any Currency, the Daily Simple RFR Option for the applicable Currency applies, interest shall be due and payable in arrears on each Payment Date. As to any Loans to which a Term Rate Loan Option applies (including on and after the Term RFR Transition Date with respect to any Currency, as to any RFR Loan denominated in such Currency), interest shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on mandatory prepayments of principal under Section 6.7 [Mandatory Prepayments] shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Maturity Date or Term Loan Maturity Date (as applicable), upon acceleration or otherwise).

#### 6.6 Voluntary Prepayments.

6.6.1 Right to Prepay. The Borrowers shall have the right at their option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in Section 6.6.2 [Replacement of a Lender], in Section 6.8 [Increased Costs] and Section 6.10 [Indemnity]). Whenever the Borrowers desire to prepay any part of the Loans, it shall provide a prepayment notice to the Administrative Agent by 1:00 p.m. Eastern Time (i) at least one (1) Business Day prior to the date of prepayment of the Revolving Credit Loans or Term Loans that bear interest at the Base Rate Option; (ii) at least three (3) Business Days prior to the date of prepayment of the Revolving Credit Loans or Term Loans denominated in Dollars that bear interest at the BSBY Rate Option; (iii) at least four (4) Business Days prior to the date of prepayment of the Revolving Credit Loans or Term Loans denominated in Alternative Currencies that bear interest at the Eurocurrency Rate Option; (iv) at least four (4) Business Days prior to the date of prepayment of the Revolving Credit Loans or Term Loans denominated in Alternative Currencies that bear interest at the Daily Simple RFR Option or Term RFR Option; or (v) no later than 1:00 p.m. Eastern Time on the date of prepayment of Swingline Loans, in each case of the foregoing option in this Section 5.2(a), setting forth the following information:

- (w) the date, which shall be a Business Day, on which the proposed prepayment is to be made;
- (x) a statement indicating the application of the prepayment between the Revolving Credit Loans, Term Loans and Swing Loans;
- (y) a statement indicating the application of the prepayment among Loans to which the Base Rate Option applies, BSBY Rate Option applies, the Daily Simple RFR Option applies, the Term RFR Option applies and the Eurocurrency Rate Option applies; and
- (z) the Currency of such Loan and total principal amount of such prepayment, which shall not be less than the lesser of (A) the Revolving Facility Usage or (B) \$100,000 for any Swingline Loan or \$1,000,000 for any Revolving Credit Loan or Term Loan.

All prepayment notices shall be irrevocable. The principal amount of the Loans for which a prepayment notice is given, together with interest on such principal amount, shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made. All Term Loan prepayments permitted pursuant to this Section 6.6.1 [Right to Prepay] shall be applied to the unpaid installments of principal of the Term Loans in the inverse order of scheduled maturities. Except as provided in Section 5.4.4 [Administrative Agent's and Lender's Rights] and subject to Section 12.13.4 [Bifurcation of Obligations], if any Borrower prepays a Loan but fails to specify the applicable Borrowing Tranche which such Borrower is prepaying, the prepayment shall be applied (i) first to Revolving Credit Loans and then to Term Loans; and (ii) after giving effect to the allocations in clause (i) above and in the preceding sentence, and subject to Section 12.13.4 [Bifurcation of Obligations], first to Loans to which the Base Rate Option applies, then to other Loans denominated in Dollars, then to Term RFR Loans denominated in an Alternative Currency, then to Eurocurrency Rate Loans. Any prepayment hereunder shall be subject to the Borrowers' obligation to indemnify the Lenders under Section 6.10 [Indemnity].

6.6.2 Replacement of a Lender. In the event any Lender (i) gives notice under Section 5.4 [Rate Unascertainable, Etc.], (ii) requests compensation under Section 6.8 [Increased Costs], or requires the Borrowers to pay any additional amount to any Lender or any Official Body for the account of any Lender pursuant to Section 6.9 [Taxes], (iii) is a Defaulting Lender, (iv) becomes subject to the control of an Official Body (other than normal and customary supervision), or (v) is a Non-Consenting Lender referred to in Section 12.1 [Modifications, Amendments or Waivers], then in any such event the Borrowers may, at their sole expense, 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 12.8 [Successors and Assigns]), all of its interests, rights (other than existing rights to payments pursuant to Sections 6.8 [Increased Costs] or 6.9 [Taxes]) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in Section 12.8 [Successors and Assigns];

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and Participation Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 6.10 [Indemnity]) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 6.8.1 [Increased Costs Generally] or payments required to be made pursuant to Section 6.9 [Taxes], such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Law.

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 Borrowers to require such assignment and delegation cease to apply.

6.6.3 Designation of a Different Lending Office. If any Lender requests compensation under Section 6.8 [Increased Costs], or a Borrower is or will be required to pay any Indemnified Taxes or additional amounts to any Lender or any Official Body for the account of any Lender pursuant to Section 6.9 [Taxes], then such Lender shall (at the request of the Borrowing Agent) 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 reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 6.8 [Increased Costs] or Section 6.9 [Taxes], as the case may be, in the future, and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

#### 6.7 Mandatory Prepayments

6.7.1 Alternate Currencies. If the Administrative Agent notifies the Borrowing Agent at any time that the Dollar Equivalent of the aggregate amount of all Loans and Letter of Credit Obligations denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit, then within two (2) Business Days after receipt of such notice, the Borrowers shall prepay Loans or Cash Collateralize Letters of Credit in an aggregate amount sufficient to reduce such amount as of such date of payment to an amount not to exceed 100% of the Alternative Currency Sublimit.

6.7.2 Borrowing Base Exceeded. Whenever the US Revolving Facility Usage exceeds the US Borrowing Base, or the Canadian Revolving Facility Usage exceeds the Canadian Borrowing Base, the applicable Borrowers shall make, within one (1) Business Day after any Borrower learns of such excess and whether or not the Administrative Agent has given notice to such effect, a mandatory prepayment of principal to be applied to the Revolving Credit Loans equal to the excess, together with accrued interest on such principal amount.

6.7.3 Sale of Assets. Within five (5) Business Days of any sale of assets authorized by Section 9.2.7(v) [Disposition of Assets or Subsidiaries] by any Loan Party or any of its Subsidiaries, the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such excess after-tax net proceeds of such sale (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount, unless (i) no Event of Default or Potential Default then exists, (ii) such proceeds or the aggregate amount of such proceeds in any fiscal year are less than One Hundred Thousand and 00/100 Dollars (\$100,000.00), and (iii) the Borrowing Agent provides written notice to the Administrative Agent that such Loan Party and/or such Subsidiary intends to reinvest the sale proceeds for the purchase of replacement assets within one hundred eighty (180) days after receipt of the sale proceeds. The Loan Parties shall evidence to the Administrative Agent's satisfaction the replacement of such assets. In the event that the Borrowing Agent does not give such notice or such replacement has not occurred within one hundred eighty (180) days after the receipt of such sale proceeds, the Acquisition Borrowers shall immediately make a mandatory prepayment of principal on the Loans as required above. The foregoing shall not be deemed to be implied consent to any such sale of assets otherwise prohibited by the terms and conditions hereof.

6.7.4 Additional Indebtedness. Within five (5) Business Days of any Loan Party's or any of its Subsidiaries' receipt of the proceeds of Indebtedness incurred by such Loan Party and/or such Subsidiary other than Indebtedness permitted under Section 9.2.1 [Indebtedness], the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such after-tax and expense (reasonably incurred in connection with the issuance of such Indebtedness) proceeds (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount. The foregoing shall not be deemed to be implied consent to any such incurrence of Indebtedness otherwise prohibited by the terms and conditions hereof.

6.7.5 Insurance or Condemnation Proceeds. Within five (5) Business Days of any receipt of insurance or condemnation proceeds by any Loan Party or any of its Subsidiaries, the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such excess after-tax proceeds (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount, unless (i) no Event of Default or Potential Default then exists, (ii) such proceeds or the aggregate amount of such proceeds in any fiscal year are less than One Hundred Thousand and 00/100 Dollars (\$100,000.00), and (iii) the Borrowing Agent provides written notice to the Administrative Agent that such Loan Party and/or such Subsidiary intends to reinvest the insurance or condemnation proceeds for the purchase or rebuilding of replacement assets within one hundred eighty (180) days after receipt of the insurance or condemnation proceeds. The Loan Parties shall evidence to the Administrative Agent's satisfaction the rebuilding or replacement of such assets. In the event that the Borrowing Agent does not give such notice or such rebuilding or replacement has not occurred within one hundred eighty (180) days after the receipt of such insurance or condemnation proceeds, the Acquisition Borrowers shall immediately make a mandatory prepayment of principal on the Loans as required above.

6.7.6 Excess Cash Flow. The Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] in an amount equal to seventy-five percent (75%) of Excess Cash Flow for each fiscal year commencing with the fiscal year ending December 31, 2019, payable upon delivery of the financial statements to Agent referred to in and required by Section 9.3.2 [Annual Financial Statements] for such fiscal year but in any event not later than one hundred twenty (120) days after the end of each such fiscal year. In the event that the financial statements are not so delivered, then a calculation based upon estimated amounts shall be made by the Administrative Agent upon which calculation the Acquisition Borrowers shall make the prepayment required by this Section 6.7.5, subject to adjustment when the financial statements are delivered to the Administrative Agent as required hereby. The calculation made by the Administrative Agent shall not be deemed a waiver of any rights Administrative Agent or Lenders may have as a result of the failure by the Loan Parties to deliver such financial statements. Notwithstanding the foregoing, (i) as of the Fourth Amendment Effective Date, no mandatory



prepayment of Excess Cash Flow shall be required in 2022 based on the fiscal year of the Loan Parties ending December 31, 2021; the mandatory prepayment of Excess Cash Flow (in accordance with the provisions of this Section 6.7.6) shall re-commence in 2023 based on the fiscal year of the Loan Parties ending December 31, 2022 and (ii) no mandatory prepayment shall be required pursuant to this Section 6.7.6 for any applicable fiscal year if the Leverage Ratio calculated as of the end of such fiscal year is less than or equal to 1.50 to 1.00.

**6.7.7 Application Among Loans and Interest Rate Options.** All prepayments required pursuant to Section 6.7.3 [Sale of Assets] through Section 6.7.6 [Excess Cash Flow] shall first be applied to the Term Loans by application to the unpaid installments of principal in the inverse order of scheduled maturities. After giving effect to the allocations in the immediately preceding sentence and Sections 6.7.1 and 6.7.2, all prepayments required pursuant to this Section 6.7 [Mandatory Prepayments] shall first be applied among the Interest Rate Options to the principal amount of the Loans subject to the Base Rate Option, then to other Loans denominated in Dollars, then to Loans subject to the Term RFR Option denominated in an Alternative Currency, then to Loans subject to a Eurocurrency Rate Option, then to Loans subject to Daily Simple RFR denominated in an Alternative Currency. In accordance with Section 5.10 [Indemnity], the Borrower shall indemnify the Lenders for any loss or expense, including loss of margin, incurred with respect to any such prepayments applied against Loans subject to a Eurocurrency Rate Option on any day other than the last day of the applicable Interest Period.

## 6.8 Increased Costs.

### 6.8.1 Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender [(except any reserve requirement reflected in the Eurocurrency Rate)] or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) 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, the Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or 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 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, the 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, the Issuing Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing Lender or other Recipient, the Borrowers will pay to such Lender, the Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

6.8.2 Capital Requirements. If any Lender or the Issuing Lender determines that any Change in Law affecting such Lender or the Issuing Lender or any Lending Office of such Lender or such Lender's or the 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 the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company for any such reduction suffered.

6.8.3 Certificates for Reimbursement; Repayment of Outstanding Loans; Borrowing of New Loans. A certificate of a Lender or the Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or the Issuing Lender or its holding company, as the case may be, as specified in Section 6.8.1 [Increased Costs Generally] or Section 6.8.2 [Capital Requirements] and delivered to the Borrowing Agent shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Issuing Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

6.8.4 Delay in Requests. Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrowing Agent of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender'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 (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

#### 6.9 Taxes.

6.9.1 Issuing Lender. For purposes of this Section 6.9, the term "Lender" includes the Issuing Lender and the term "applicable Law" includes FATCA.

6.9.2 Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be 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 Official Body in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 6.9 [Taxes]) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

6.9.3 Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Official Body in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

6.9.4 Indemnification by the Loan Parties. The Loan Parties shall jointly and severally 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 6.9 [Taxes]) 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 Official Body. A certificate as to the amount of such payment or liability delivered to the Borrowing Agent by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

6.9.5 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 any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.8.4 [Participations] 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 Official Body. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 6.9.5 [Indemnification by the Lenders].

6.9.6 Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to an Official Body pursuant to this Section 6.9 [Taxes], such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent

6.9.7 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 Borrowing Agent and the Administrative Agent, at the time or times reasonably requested by the Borrowing Agent or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowing Agent 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 Borrowing Agent or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowing Agent or the Administrative Agent as will enable the Borrowing Agent 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 6.9.7(ii)(A), 6.9.7(ii)(B) and 6.9.7(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Borrower,

(A) any Lender that is a US Person shall deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), whichever of the following is applicable:

(i) 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 originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) 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 6.9.7(A) to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “US Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a US Tax Compliance Certificate substantially in the form of Exhibit 6.9.7(B) or Exhibit 6.9.7(C), 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 US Tax Compliance Certificate substantially in the form of Exhibit 6.9.7(D) on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the applicable Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowing Agent and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowing Agent 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 Borrower or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowing Agent and the Administrative Agent in writing of its legal inability to do so.

6.9.8 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 6.9 [Taxes] (including by the payment of additional amounts pursuant to this Section 6.9 [Taxes]), 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 6.9 [Taxes] 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 Official Body with respect to such refund). Such indemnifying party, upon the request of such indemnified party incurred in connection with obtaining such refund, shall repay to such indemnified party the amount paid over pursuant to this Section 6.9.8 [Treatment of Certain Refunds] (plus any penalties, interest or other charges imposed by the relevant Official Body) in the event that such indemnified party is required to repay such refund to such Official Body. Notwithstanding anything to the contrary in this Section 6.9.8 [Treatment of Certain Refunds], in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 6.9.8 [Treatment of Certain Refunds] 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.

6.9.9 Survival. Each party's obligations under this Section 6.9 [Taxes] shall survive the resignation 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.

6.10 Indemnity. In addition to the compensation or payments required by Section 6.8 [Increased Costs] or Section 6.9 [Taxes], the Borrowers shall indemnify each Lender against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Lender sustains or incurs as a consequence of any:

(i) payment, prepayment, conversion or renewal of any Loan to which (i) a Term Rate Loan Option applies on a day other than the last day of the corresponding Interest Period or (ii) the Daily Simple RFR Option applies on a day other than the Payment Date therefor, in each case whether or not any such payment or prepayment is mandatory, voluntary, or automatic and whether or not any such payment or prepayment is then due; or

(ii) attempt by the Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.5 [Revolving Credit Loan Requests; Conversions and Renewals; Swingline Loan Requests] or Section 4.2 [Interest Periods] or notice relating to prepayments under Section 5.2 [Voluntary Prepayments] or failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Loan under the Base Rate Option on the date or in the amount notified by the Borrower, or

(iii) any assignment of a Loan under (i) a Term Rate Loan Option on a day other than the last day of the Interest Period therefor or (ii) the Daily Simple RFR Option on a day other than the Payment Date therefore, as a result of a request by the Borrower pursuant to Section 5.13 [Replacement of a Lender]; or

(iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency.

If any Lender sustains or incurs any such loss or expense, it shall from time to time notify the Borrowing Agent of the amount determined in good faith by such Lender (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Lender shall deem reasonable) to be necessary to indemnify such Lender for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Lender ten (10) Business Days after such notice is given.

6.11 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.3 [Commitment Fees];

(ii) the Commitment and outstanding Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 12.1 [Modifications, Amendments or Waivers]); provided, that this clause (ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender pursuant to the terms of this Agreement;

(iii) if any Swing Loans are outstanding or any Letter of Credit Obligations exist at the time such Lender becomes a Defaulting Lender, then:

(A) all or any part of the outstanding Swing Loans and Letter of Credit Obligations of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Ratable Shares but only to the extent that (x) the Revolving Facility Usage does not exceed the total of all non-Defaulting Lenders' Revolving Credit Commitments, and (y) no Potential Default or Event of Default has occurred and is continuing at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such outstanding Swing Loans, and (y) second, cash collateralize for the benefit of the Issuing Lender the Borrowers' obligations corresponding to such Defaulting Lender's Letter of Credit Obligations (after giving effect to any partial reallocation pursuant to clause (a) above) in a deposit account held at the Administrative Agent for so long as such Letter of Credit Obligations are outstanding;

(C) if the Borrowers cash collateralize any portion of such Defaulting Lender's Letter of Credit Obligations pursuant to clause (B) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.7.2 [Letter of Credit Fees] with respect to such Defaulting Lender's Letter of Credit Obligations during the period such Defaulting Lender's Letter of Credit Obligations are cash collateralized;

(D) if the Letter of Credit Obligations of the non-Defaulting Lenders are reallocated pursuant to clause (A) above, then the fees payable to the Lenders pursuant to Section 2.7.2 [Letter of Credit Fees] shall be adjusted in accordance with such non-Defaulting Lenders' Ratable Share; and

(E) if all or any portion of such Defaulting Lender's Letter of Credit Obligations are neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all Letter of Credit Fees payable under Section 2.7.2 [Letter of Credit Fees] with respect to such Defaulting Lender's Letter of Credit Obligations shall be payable to the Issuing Lender (and not to such Defaulting Lender) until and to the extent that such Letter of Credit Obligations are reallocated and/or cash collateralized; and

(iv) so long as such Lender is a Defaulting Lender, PNC shall not be required to fund any Swing Loans and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender is satisfied that the related exposure and the Defaulting Lender's then outstanding Letter of Credit Obligations will be one hundred percent (100%) covered by the Revolving Credit Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 6.13(iii), and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 6.13(iii)(A) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a parent company of any Lender shall occur following the date hereof and for so long as such event shall continue, or (ii) PNC or the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, PNC shall not be required to fund any Swing Loan and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless PNC or the Issuing Lender, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, satisfactory to PNC or the Issuing Lender, as the case may be, to defease any risk to it in respect of such Lender hereunder.



In the event that the Administrative Agent, the Borrowing Agent, PNC and the Issuing Lender agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Administrative Agent will so notify the parties hereto, and the Ratable Share of the Swing Loans and Letter of Credit Obligations of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment, and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swing Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Ratable Share.

6.12 Designated Lenders. Notwithstanding anything herein to the contrary, each of the Administrative Agent, the Issuing Lender and each other Lender at its option may make any Loan or otherwise perform its obligations hereunder through any Lending Office (as hereinafter defined) (each, a "**Designated Lender**"); provided that any exercise of such option shall not affect the obligation of the Borrowers to repay any Loan in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided that in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender.

6.13 Illegality. If, in any applicable jurisdiction, the Administrative Agent, the Issuing Lender, any other Lender or its applicable Designated Lender determines that any Law has made it unlawful, or that any Official Body has asserted that it is unlawful, for the Administrative Agent, the Issuing Lender, any other Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) fund or maintain its participation in any Loan, or (iii) issue, make, maintain, fund or charge interest with respect to any Loan or other extension of credit hereunder to any Canadian Borrower, such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Borrowing Agent, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest with respect to any such Loan or other extension of credit hereunder shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified the Borrowing Agent or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

## 7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties. The Loan Parties, jointly and severally, represent and warrant to the Administrative Agent and each of the Lenders as follows:

7.1.1 Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default. Each Loan Party and each Subsidiary of each Loan Party (i) is a corporation, partnership or limited liability company or unlimited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, (iii) is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary, (iv) has full power to enter

into, execute, deliver and carry out this Agreement and the other Loan Documents to which it is a party, to incur the Indebtedness contemplated by the Loan Documents and to perform its Obligations under the Loan Documents to which it is a party, and all such actions have been duly authorized by all necessary proceedings on its part, (v) is in compliance in all material respects with all applicable Laws (other than Environmental Laws which are specifically addressed in Section 7.1.15 [Environmental Matters]) in all jurisdictions in which any Loan Party or Subsidiary of any Loan Party is presently or will be doing business except where the failure to do so would not constitute a Material Adverse Change, and (vi) has good and marketable title to or valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances except Permitted Liens. No Event of Default or Potential Default exists or is continuing.

7.1.2 Capitalization; Subsidiaries; Investment Companies. Schedule 7.1.2 states (i) the name of each of MDI's Subsidiaries, its jurisdiction of organization and the amount, percentage and type of equity interests in such Subsidiary (the "**Subsidiary Equity Interests**"), and (ii) any options, warrants or other rights outstanding to purchase any such Subsidiary Equity Interests. MDI and each Subsidiary of MDI has good and marketable title to all of the Subsidiary Equity Interests it purports to own, free and clear in each case of any Lien and all such Subsidiary Equity Interests have been validly issued, fully paid and nonassessable. None of the Loan Parties or Subsidiaries of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940 or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940 and shall not become such an "investment company" or under such "control."

7.1.3 Validity and Binding Effect. This Agreement and each of the other Loan Documents (i) has been duly and validly executed and delivered by each Loan Party that is a party thereto, and (ii) constitutes, or will constitute, legal, valid and binding obligations of each Loan Party that is a party thereto, enforceable against such Loan Party in accordance with its terms, except to the extent that enforceability of this Agreement or any other Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance or by general principles of equity.

7.1.4 No Conflict; Material Agreements; Consents. Neither the execution and delivery of this Agreement or the other Loan Documents by any Loan Party nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them will conflict with, constitute a default under or result in any breach of (i) the terms and conditions of the certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party or (ii) any material Law or any material agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which it is subject, or result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party or any of its Subsidiaries (other than Liens granted under the Loan Documents). There is no default under such material agreement

(referred to above) and none of the Loan Parties or their Subsidiaries is bound by any contractual obligation, or subject to any restriction in any organization document, or any requirement of Law which could result in a Material Adverse Change. No consent, approval, exemption, order or authorization of, or a registration or filing with, any Official Body or any other Person is required by any Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Loan Documents other than those which have been obtained.

7.1.5 Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of any Loan Party, threatened against such Loan Party or any Subsidiary of such Loan Party at law or in equity before any Official Body which individually or in the aggregate may result in any Material Adverse Change. None of the Loan Parties or any Subsidiaries of any Loan Party is in violation of any order, writ, injunction or any decree of any Official Body which may result in any Material Adverse Change.

#### 7.1.6 Financial Statements.

(i) Historical Statements. The Loan Parties have delivered or caused to be delivered to the Administrative Agent copies of the audited consolidated year-end financial statements of MDI and its Subsidiaries for and as of the end of the fiscal year ended December 31, 2016. In addition, the Loan Parties have delivered or caused to be delivered to the Administrative Agent copies of the unaudited consolidated interim financial statements of MDI and its Subsidiaries for the fiscal year to date (all such annual and interim statements being collectively referred to as the “**Statements**”). The Statements were compiled from the books and records maintained by the Loan Parties’ management, are correct and complete in all material respects and fairly represent in all material respects the consolidated financial condition of MDI and its Subsidiaries as of the respective dates thereof and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied, subject (in the case of the interim statements) to normal year-end audit adjustments.

(ii) Financial Projections. The Loan Parties have delivered to the Administrative Agent summary projected financial statements (including, without limitation, statements of operations and cash flow together with a detailed explanation of the assumptions used in preparing such projected financial statements) of MDI and its Subsidiaries for the period from the Closing Date through December 31, 2021 derived from various assumptions of the Loan Parties’ management (the “**Projections**”). The Projections represent a reasonable range of possible results in light of the history of the business, present and foreseeable conditions and the intentions of the Loan Parties’ management, it being understood that such Projections are (a) as to future events and not to be viewed as facts, (b) are subject to significant uncertainties and contingencies, many of which are beyond the Loan Parties’ control, and (c) no assurance can be given that the Projections will be realized.

(iii) Accuracy of Financial Statements. No Loan Party nor any Subsidiary thereof has any liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the Statements or in the notes thereto, and except as disclosed therein there are no unrealized or anticipated losses from any commitments of any Loan Party or any Subsidiary thereof and, in each case, which could reasonably be expected to cause a Material Adverse Change. Since December 31, 2016, no Material Adverse Change has occurred.

7.1.7 Margin Stock. None of the Loan Parties or any Subsidiaries of any Loan Party engages or intends to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System). No part of the proceeds of any Loan has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or which is inconsistent with the provisions of the regulations of the Board of Governors of the Federal Reserve System. None of the Loan Parties or any Subsidiary of any Loan Party holds or intends to hold margin stock in such amounts that more than twenty-five (25%) of the reasonable value of the assets of any Loan Party or Subsidiary of any Loan Party are or will be represented by margin stock.

7.1.8 Full Disclosure. Neither this Agreement nor any other Loan Document, nor any certificate, statement, agreement or other documents furnished to the Administrative Agent or any Lender in connection herewith or therewith, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading. There is no fact known to any Loan Party which materially adversely affects the business, property, assets, financial condition, results of operations or prospects of any Loan Party or Subsidiary of any Loan Party which has not been set forth in this Agreement or in the certificates, statements, agreements or other documents furnished in writing to the Administrative Agent and the Lenders prior to or at the date hereof in connection with the transactions contemplated hereby.

7.1.9 Taxes. All federal, state, provincial, local and other material tax returns required to have been filed with respect to each Loan Party and each Subsidiary of each Loan Party have been filed, and payment or adequate provision has been made for the payment of all taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent that such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made.

7.1.10 Patents, Trademarks, Copyrights, Licenses, Etc. Each Loan Party and each Subsidiary of each Loan Party owns or possesses all the material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by such Loan Party or Subsidiary, without known possible, alleged or actual conflict with the rights of others.

7.1.11 Liens in the Collateral. The Liens in the Collateral granted to the Administrative Agent for the benefit of the Lenders pursuant to the Collateral Documents constitute and will continue to constitute Prior Security Interests. All filing fees and other expenses in connection with the perfection of such Liens have been or will be paid by the Borrowers.

7.1.12 Insurance. The properties of each Loan Party and each of its Subsidiaries are insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Loan Party and Subsidiary in accordance with prudent business practice in the industry of such Loan Parties and Subsidiaries.

7.1.13 ERISA Compliance.

(i) Each Pension Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws. Each Pension Plan that is intended to qualify under Section 401(a) of the Code has received from the IRS a favorable determination or opinion letter, which has not by its terms expired, that such Pension Plan is so qualified, or such Pension Plan is entitled to rely on an IRS advisory or opinion letter with respect to an IRS-approved master and prototype or volume submitter plan, or a timely application for such a determination or opinion letter is currently being processed by the IRS with respect thereto; and, to the best knowledge of MDI, nothing has occurred which would prevent, or cause the loss of, such qualification. MDI and each member of the ERISA Group have made all required contributions to each Pension Plan subject to Sections 412 or 430 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Sections 412 or 430 of the Code has been made with respect to any Pension Plan.

(ii) No ERISA Event has occurred or is reasonably expected to occur; (a) no Pension Plan has any unfunded pension liability (i.e., excess of benefit liabilities over the current value of that Pension Plan's assets, determined pursuant to the assumptions used for funding the Pension Plan for the applicable plan year in accordance with Section 430 of the Code); (b) neither MDI nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (c) neither MDI nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA, with respect to a Multiemployer Plan; (d) neither MDI nor any member of the ERISA Group has received notice pursuant to Section 4242(a)(1)(B) of ERISA that a Multiemployer Plan is in reorganization and that additional contributions are due to the Multiemployer Plan pursuant to Section 4243 of ERISA; and (e) neither MDI nor any member of the ERISA Group has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

7.1.14 Canadian Pension Plans.

(i) No Loan Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed or participated in any Specified Canadian Pension Plan.

(ii) The Canadian Pension Plans, if applicable, are duly registered under the Income Tax Act (Canada) and any other applicable Laws which require registration, have been administered in all material respects in accordance with the Income Tax Act (Canada) and such other applicable Law and no event has occurred which could reasonably be expected to cause the loss of such registered status.

(iii) All obligations of the applicable Loan Parties and their Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans, if applicable, and the funding agreements relating thereto have been performed in all material respects on a timely basis.

(iv) All contributions or premiums required to be made or paid by the applicable Loan Parties and their Subsidiaries to the Canadian Pension Plans, if applicable, have been made on a timely basis in accordance with the terms of such plans and all applicable Laws.

(v) As of the Closing Date, there are no Canadian Pension Plans.

7.1.15 Environmental Matters. Each Loan Party and each Subsidiary of each Loan Party is and has been in compliance with applicable Environmental Laws except to the extent that any non-compliance would not in the aggregate reasonably be expected to result in a Material Adverse Change.

7.1.16 Solvency. Before and after giving effect to the transactions contemplated by this Agreement, the other Loan Documents and the Acquisition Documents, including all Indebtedness incurred thereby, the Liens granted by the Loan Parties in connection therewith and the payment of all fees related thereto, the Loan Parties, taken as a whole are Solvent.

7.1.17 Sanctions and other Anti-Terrorism Laws. No: (a) Covered Entity: (i) is a Sanctioned Person, nor any employees, officers, directors, affiliates, consultants, brokers or agents acting on a Covered Entity's behalf in connection with this Agreement is a Sanctioned Person; (ii) directly, or indirectly through any third party, engages in any transactions or other dealings with any Sanctioned Person or Sanctioned Jurisdiction, or which otherwise are prohibited by any Laws of the United States or Laws of other applicable jurisdictions relating to economic sanctions and other Anti-Terrorism Laws; (b) Collateral is Embargoed Property.

7.1.18 Anti-Corruption Laws. Each Covered Entity has (a) conducted its business in compliance with all Anti-Corruption Laws and (b) has instituted and maintains policies and procedures designed to ensure compliance with such Laws.

7.1.19 Acquisition Documents. The Loan Parties have delivered to the Administrative Agent complete and correct copies of the Acquisition Documents, including all schedules and exhibits thereto, (ii) each of the Acquisition Documents sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral relating to the matters covered thereby, (iii) no Acquisition Document has been amended or otherwise modified without the prior written consent of the Administrative Agent; provided, however, that to the extent such amendment or modification is not or would not be materially adverse to the Lenders or the Administrative Agent, no such consent shall be necessary, and (iv) the execution, delivery and performance of the Acquisition Documents has been duly authorized by all necessary action on the part of the Loan Parties.

7.1.20 AmberLeaf Acquisition Documents. The Loan Parties have delivered to the Administrative Agent complete and correct copies of the AmberLeaf Acquisition Documents, including all schedules and exhibits thereto, (ii) each of the AmberLeaf Acquisition Documents sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral relating to the matters covered thereby, (iii) no AmberLeaf Acquisition Document has been amended or otherwise modified without the prior written consent of the Administrative Agent; provided, however, that to the extent such amendment or modification is not or would not be materially adverse to the Lenders or the Administrative Agent, no such consent shall be necessary, and (iv) the execution, delivery and performance of the AmberLeaf Acquisition Documents has been duly authorized by all necessary action on the part of the Loan Parties.

7.1.21 Location of Assets in the Province of Quebec. None of the Canadian Loan Parties has any Collateral or any office in the Province of Quebec, other than property which has been acquired in, or moved to, the Province of Quebec in compliance with Section 9.2.16 [Locations of Assets in the Province of Quebec].

7.2 Updates to Schedules. Should any of the information or disclosures provided on any of the Schedules attached hereto become outdated or incorrect in any material respect, the Borrowing Agent shall promptly provide the Administrative Agent in writing with such revisions or updates to such Schedule as may be necessary or appropriate to update or correct same. No Schedule shall be deemed to have been amended, modified or superseded by any such correction or update, nor shall any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule be deemed to have been cured thereby, unless and until the Required Lenders, in their sole and absolute discretion, shall have accepted in writing such revisions or updates to such Schedule; provided however, that the Borrowing Agent may update Schedule 7.1.2 without any Lender approval in connection with any transaction permitted under Sections 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions], 9.2.7 [Dispositions of Assets or Subsidiaries] and 9.2.9 [Subsidiaries and Joint Ventures].

## 8. CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT

The obligation of each Lender to make Loans and of the Issuing Lender to issue Letters of Credit hereunder is subject to the performance by each of the Loan Parties of its Obligations to be performed hereunder at or prior to the making of any such Loans or issuance of such Letters of Credit and to the satisfaction of the following further conditions:

### 8.1 Initial Loans and Letters of Credit.

8.1.1 Deliveries. On the Closing Date, the Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) A certificate of each Loan Party signed by an Authorized Officer of such Loan Party, dated the Closing Date stating that (a) all representations and warranties of the Loan Parties set forth in this Agreement and the other Loan Documents are true and correct, (b) no Event of Default or Potential Default exists and (c) no Material Adverse Change shall have occurred since December 31, 2016;

(ii) A certificate dated the Closing Date and signed by an Authorized Officer of each of the Loan Parties, certifying as appropriate as to: (a) all action taken by such Loan Party in connection with this Agreement and the other Loan Documents; (b) the names of the Authorized Officers of such Loan Party authorized to sign the Loan Documents and their true signatures; and (c) copies of its organizational documents of such Loan Party as in effect on the Closing Date certified by the appropriate state official where such documents are filed in a state office (other than in the case of any Canadian Loan Party) together with certificates from the appropriate state officials as to the continued existence and good standing of each Loan Party in its state of organization;

(iii) This Agreement and each of the other Loan Documents signed by an Authorized Officer;

(iv) Appropriate transfer powers and stock or other certificates evidencing the pledged Collateral;

(v) Written opinions of counsel for the Loan Parties, dated the Closing Date for the benefit of the Administrative Agent and each Lender;

(vi) Evidence that adequate insurance, including flood insurance, if applicable, required to be maintained under this Agreement is in full force and effect, with additional insured and lender loss payable special endorsements attached thereto in form and substance satisfactory to the Administrative Agent and its counsel naming the Administrative Agent as additional insured and lender loss payee;

(vii) Evidence that all Indebtedness not permitted under Section 9.2.1 [Indebtedness] shall have been paid in full (and all commitments in respect thereof terminated) and that all necessary termination statements, release statements and other releases in connection with all Liens (other than Permitted Liens) have been filed or satisfactory arrangements have been made for such filing (including payoff letters, if applicable, in form and substance reasonably satisfactory to the Administrative Agent);

(viii) The Statements and the Projections;

(ix) A duly completed Compliance Certificate signed by an Authorized Officer of MDI evidencing, after giving effect to the Loans to be made hereunder on the Closing Date and the consummation of the Acquisitions, a Leverage Ratio of less than 3.00 to 1.00, as of the end of the fiscal quarter most recently ended for which financial statements are available (the “**Closing Compliance Certificate**”);



(x) A Borrowing Base Certificate, evidencing a pro forma calculation of Undrawn Availability of at least Five Million and 00/100 Dollars (\$5,000,000.00) after giving effect to any Loans to be made and Letters of Credit to be issued on the Closing Date based on such certificate;

(xi) A certificate of an Authorized Officer of MDI as to the Solvency of each of the Loan Parties taken as a whole after giving effect to the transactions contemplated by this Agreement and the Acquisition Documents;

(xii) All material regulatory approvals and material consents and licenses necessary for the consummation of the transactions contemplated hereunder and the Acquisition shall have been completed and there shall be an absence of any legal or regulatory prohibitions or restrictions in respect of the transactions contemplated hereunder;

(xiii) Lien searches in acceptable scope and with acceptable results;

(xiv) An executed landlord's waiver or other lien waiver agreement from the lessor, warehouse operator or other applicable Person for each leased Collateral location to the extent requested and required to be received by Administrative Agent;

(xv) A true and correct copy of the Acquisition Documents, and any amendments, waivers and other documents executed in connection therewith; the transactions contemplated by the Acquisition Documents shall be consummated substantially concurrently with the closing of the Loans in accordance with terms and conditions thereof, as heretofore reviewed by the Administrative Agent without any amendment or waiver thereof by the Loan Parties not consented to by the Administrative Agent;

(xvi) Receipt of Target's Quality of Earnings report, in form and substance satisfactory to the Administrative Agent, supporting EBITDA in an amount not less than Eight Million Five Hundred Thousand and 00/100 Dollars (\$8,500,000.00) as of December 31, 2016 for the twelve (12) month period then ended;

(xvii) Receipt of Target's audited financial statements for the two (2) most recently ended fiscal years of Target, in each case in compliance with all SEC requirements;

(xviii) Receipt of third-party due diligence initiated by MDI and certain other Loan Parties as it relates to the Acquisitions;

(xix) Evidence that MDI shall have received equity contributions in cash of not less than Six Million and 00/100 Dollars (\$6,000,000);

(xx) All documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA Patriot Act; and

(xxi) Such other documents in connection with such transactions as the Administrative Agent or said counsel may reasonably request.

8.1.2 Payment of Fees. The Borrowers shall have paid all fees payable on or before the Closing Date as required by this Agreement, the Administrative Agent's Letter or any other Loan Document.

8.2 Each Loan or Letter of Credit. At the time of making any Loans or issuing, extending or increasing any Letters of Credit and after giving effect to the proposed extensions of credit: (i) the representations, warranties of the Loan Parties shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on such date (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the specific dates or times referred to therein), (ii) no Event of Default or Potential Default shall have occurred and be continuing, and (iii) the Borrowing Agent shall have delivered to the Administrative Agent a duly executed and completed Loan Request or to the Issuing Lender an application for a Letter of Credit, as the case may be.

## 9. COVENANTS

The Loan Parties, jointly and severally, covenant and agree that until Payment In Full, the Loan Parties shall comply at all times with the following covenants:

### 9.1 Affirmative Covenants.

9.1.1 Preservation of Existence, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain its legal existence as a corporation, limited partnership, limited liability company or unlimited limited liability company and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary, except as otherwise expressly permitted in Section 9.2.6 [Liquidations, Mergers, Etc.].

9.1.2 Payment of Liabilities, Including Taxes, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, duly pay and discharge all liabilities (including, without limitation, Priority Payables) to which it is subject or which are asserted against it, promptly as and when the same shall become due and payable, including all taxes, assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except to the extent that such liabilities, including taxes, assessments or charges, are being contested in good faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made.

9.1.3 Maintenance of Insurance. Each Loan Party shall, and shall cause each of its Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability and business interruption insurance) and against other risks (including errors and

omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with reputable and financially sound insurers, including self-insurance to the extent customary, all as reasonably determined by the Administrative Agent. At the request of the Administrative Agent, the Loan Parties shall deliver to the Administrative Agent and each of the Lenders (x) on the Closing Date and annually thereafter an original certificate of insurance signed by the Loan Parties' independent insurance broker describing and certifying as to the existence of the insurance on the Collateral required to be maintained by this Agreement and the other Loan Documents, together with a copy of the endorsement described in the next sentence attached to such certificate, and (y) from time to time a summary schedule indicating all insurance then in force with respect to each of the Loan Parties. Such policies of insurance shall contain special endorsements which include the provisions specified below or are otherwise in form acceptable to the Administrative Agent in its discretion. The applicable Loan Parties shall notify the Administrative Agent promptly of any occurrence causing a material loss or decline in value of the Collateral and the estimated (or actual, if available) amount of such loss or decline. Any monies received by the Administrative Agent constituting insurance proceeds may, at the option of the Administrative Agent, (i) in the case of property insurance proceeds received during the existence of an Event of Default, be applied by the Administrative Agent to the payment of the Obligations in accordance with the terms of the Credit Agreement, (ii) for losses of less than One Hundred Thousand and 00/100 Dollars (\$100,000.00) received at such time as no Event of Default or Potential Default exists, be disbursed by the Administrative Agent to the applicable Loan Parties, and (iii) for losses equal to or greater than One Hundred Thousand and 00/100 Dollars (\$100,000.00) received at such time as no Event of Default or Potential Default exists, be disbursed by the Administrative Agent to the applicable Loan Parties on such terms as are deemed appropriate by the Administrative Agent for the repair, restoration and/or replacement of Collateral and other property in respect of which such proceeds were received.

9.1.4 Maintenance of Properties and Leases. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and from time to time, such Loan Party will make or cause to be made all appropriate repairs, renewals or replacements thereof.

9.1.5 Visitation Rights. Each Loan Party shall, and shall cause each of its Subsidiaries to, permit any of the officers or authorized employees or representatives of the Administrative Agent or any of the Lenders to visit and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances and accounts with its officers, all in such detail and at such times and as often as any of the Lenders may reasonably request, provided that each Lender shall provide the Borrowing Agent and the Administrative Agent with reasonable notice prior to any visit or inspection and shall use commercially reasonable efforts to minimize interference with such Loan Party's or Subsidiary's normal business operations. In the event any Lender desires to conduct an audit of any Loan Party, such Lender shall make a reasonable effort to conduct such audit contemporaneously with any audit to be performed by the Administrative Agent. The foregoing obligations of the Loan Parties shall include Collateral audits and field examinations to audit the

Collateral. Such Collateral audits and such field examinations shall be conducted by an independent examiner selected by the Administrative Agent. Notwithstanding anything herein to the contrary, at the discretion of the Administrative Agent, one (1) field examination per annum will be conducted by or on behalf of the Administrative Agent at the Loan Parties' expense; provided, however, that (i) absent an Event of Default, up to one (1) additional field examination may be conducted at any time and from time to time at the Lenders' expense and (ii) each field examination initiated during the continuance of an Event of Default (the number of which shall not be limited) shall be conducted at the Loan Parties' expense.

9.1.6 Keeping of Records and Books of Account. Each Loan Party shall, and shall cause each Subsidiary of such Loan Party to, maintain and keep proper books of record and account which enable such Loan Party and its Subsidiaries to issue financial statements in accordance with GAAP and as otherwise required by applicable Laws of any Official Body having jurisdiction over such Loan Party or any Subsidiary of such Loan Party, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs.

9.1.7 Compliance with Laws; Use of Proceeds. Each Loan Party shall, and shall cause each of its Subsidiaries to, comply with all applicable Laws, including all Environmental Laws, in all respects; provided that it shall not be deemed to be a violation of this Section 9.1.7 if any failure to comply with any Law would not result in fines, penalties, remediation costs, other similar liabilities or injunctive relief which in the aggregate would constitute a Material Adverse Change. The Loan Parties will use the (i) Letters of Credit and the proceeds of the Revolving Credit Loans to (a) refinance existing Indebtedness on the Closing Date, (b) provide working capital to the Borrowers, and (c) for general corporate purposes of the Borrowers (including, without limitation, to pay a portion of the consideration due and payable to consummate the Acquisitions, the AmberLeaf Acquisition and Permitted Acquisitions and to pay fees and expenses associated therewith) and (ii) the proceeds of the Term Loan to refinance the outstanding principal balance of the existing term loan that was made to the Acquisition Borrowers on the Third Amendment Effective Date.

9.1.8 Further Assurances. Each Loan Party shall, from time to time at its expense, using commercially reasonable efforts faithfully preserve and protect the Administrative Agent's Lien on and Prior Security Interest in the Collateral and all other real and personal property of the Loan Parties whether now owned or hereafter acquired as a continuing Prior Security Interest, and shall do such other acts and things as the Administrative Agent in its Permitted Discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect the Liens granted under the Loan Documents and to exercise and enforce its rights and remedies thereunder with respect to the Collateral.

9.1.9 Sanctions and other Anti-Terrorism Laws; Anti-Corruption Laws.

(i) The Loan Parties covenant and agree that (A) they shall immediately notify the Administrative Agent, the Collateral Agent and each of the Lenders in writing upon the occurrence of a Reportable Compliance Event; and (B) if, at any time, any Collateral becomes Embargoed Property, in addition to all other rights and remedies available to the Administrative Agent and each of the Lenders, upon request by the Administrative Agent or any of the Lenders, the Loan Parties shall provide substitute Collateral acceptable to the Lenders that is not Embargoed Property.

(ii) Each Covered Entity shall conduct their business in compliance with all Anti-Corruption Laws and maintain policies and procedures designed to ensure compliance with such Laws.

9.1.10 Keepwell. Each Qualified ECP Loan Party jointly and severally (together with each other Qualified ECP Loan Party) hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any other Loan Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 9.1.10 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.1.10, or otherwise under this Agreement or any other Loan Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 9.1.10 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the other Loan Documents. Each Qualified ECP Loan Party intends that this Section 9.1.10 constitute, and this Section 9.1.10 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18(A)(v)(II) of the CEA.

## 9.2 Negative Covenants.

9.2.1 Indebtedness. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) Existing Indebtedness as set forth on Schedule 9.2.1 (including any extensions or renewals thereof; provided there is no increase in the amount thereof or other significant change in the terms thereof unless otherwise specified on Schedule 9.2.1);

(iii) Indebtedness incurred with respect to Purchase Money Security Interests and Capital Leases in an aggregate principal amount not to exceed One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) at any time outstanding;

(iv) Reserved;

(v) The Acquisition Earn-Out and earn-out payments incurred by the Loan Parties and their Subsidiaries in connection with the AmberLeaf Acquisition and any Permitted Acquisition, as applicable;

(vi) Indebtedness of (a) a US Loan Party to another US Loan Party or (b) a Canadian Loan Party to another Canadian Loan Party, in each case which is subordinated pursuant to the Intercompany Subordination Agreement;

(vii) Indebtedness of a US Loan Party to a Canadian Loan Party which is subordinated pursuant to the Intercompany Subordination Agreement;

(viii) Indebtedness of a Canadian Loan Party to a US Loan Party so long as such Indebtedness is incurred within the parameters of clause (viii) of Section 9.2.4 [Loans and Investments];

(ix) Indebtedness of an Excluded Subsidiary to another Excluded Subsidiary;

(x) Guaranties permitted by Section 9.2.3 [Guaranties];

(xi) Any (i) Lender Provided Interest Rate Hedge, (ii) Lender Provided Foreign Currency Hedge or (iii) Indebtedness under any Other Lender Provided Financial Services Product; provided however, the Loan Parties shall enter into an Interest Rate Hedge or Foreign Currency Hedge only for hedging (rather than speculative) purposes; and

(xii) Any unsecured Indebtedness not otherwise permitted in items (i) through (xi) above which does not exceed Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) in the aggregate at any time outstanding.

9.2.2 Liens; Lien Covenants. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens.

9.2.3 Guaranties. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time, directly or indirectly, become or be liable in respect of any Guaranty, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any other Person, except for (i) Guaranties of Indebtedness of the Loan Parties permitted hereunder, (ii) contingent liabilities arising from the endorsement of negotiable or other instruments for deposit or collection or similar transactions in the ordinary course of business and (iii) the obligations of MDI under that certain Parent Company Guarantee, dated on or around even date herewith, between MDI and Farmers Group, Inc. (the "**Farmers Guaranty**"), the form of which has been delivered by MDI to the Administrative Agent, pursuant to which MDI shall Guaranty the obligations of Mastech Canada under the Guaranteed Agreements (as such term is defined in the Farmers Guaranty); provided that there is no material change in the terms thereof without the prior written consent of the Administrative Agent.

9.2.4 Loans and Investments. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) or limited liability company interest in, or any other investment or interest in, or make any capital contribution to, any other Person, or agree, become or remain liable to do any of the foregoing, except:

(i) trade credit extended on usual and customary terms in the ordinary course of business;

(ii) loans and advances to employees, officers, managers, directors, members or shareholders of a Loan Party in the ordinary course of business to meet expenses incurred by such Persons in the ordinary course of business (including, without limitation, relocation expenses) which shall not exceed Two Hundred Twenty Thousand and 00/100 Dollars (\$220,000.00) in the aggregate for all such loans at any one time outstanding;

(iii) Permitted Investments;

(iv) transactions permitted by Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions];

(v) loans, advances and investments by US Loan Parties in other US Loan Parties;

(vi) loans, advances and investments by Canadian Loan Parties in US Loan Parties, subject to the provisions of Section 9.2.1(vii) [Indebtedness];

(vii) (a) loans, advances and investments by Excluded Subsidiaries in other Excluded Subsidiaries and (b) loans, advances and investments by MDT in Mastech Digital Private Limited, an Indian company, existing on the Closing Date; and

(viii) loans, advances and investments by US Loan Parties in Canadian Loan Parties in an amount, measured at the time any such loan, advance or investment is made, which shall not exceed Fifty Million and 00/100 Dollars (\$50,000,000.00) in the aggregate at any one time outstanding.

9.2.5 Dividends and Related Distributions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, make or pay, or agree to become or remain liable to make or pay, any dividend or other distribution of any nature (whether in cash, property, securities or otherwise) on account of or in respect of its shares of Capital Stock, on account of the purchase, redemption, retirement or acquisition of its shares of Capital Stock (or warrants, options or rights therefor), except (i) dividends or other distributions payable to a Loan Party, and (ii) Stock Repurchases so long as both immediately before and immediately after giving effect thereto (a) there exists no Event of Default or Potential Default, (b) MDI and its Subsidiaries are, and shall continue to be, in compliance with all financial covenants set forth in Section 9.2 hereof and (c) Undrawn Availability shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00).

9.2.6 Liquidations, Mergers, Consolidations, Acquisitions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger, amalgamation or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any other Person; provided that

(i) the Acquisitions and the AmberLeaf Acquisition may be consummated;

(ii) upon prior written notice by the Borrowing Agent, any Loan Party may consolidate, amalgamate or merge with or into another Loan Party so long as (a) the Administrative Agent shall have been provided with any and all documents, agreements, searches, filings or other items required by the Administrative Agent to maintain the Administrative Agent's Prior Security Interest in the assets and Lien on the property of such surviving entity and (b) such surviving entity shall have assumed all obligations of such merged or consolidated Loan Party;

(iii) upon prior written notice by the Borrowing Agent, any Excluded Subsidiary may consolidate, amalgamate or merge with or into a Loan Party so long as such Loan Party survives such consolidation, amalgamation or merger, and so long as (a) the Administrative Agent shall have been provided with any and all documents, agreements, searches, filings or other items required by the Administrative Agent to maintain the Administrative Agent's Prior Security Interest in the assets and Lien on the property of such surviving entity and (b) such surviving entity shall have assumed all obligations of such merged or consolidated Excluded Subsidiary;

(iv) upon prior written notice by the Borrowing Agent, any Loan Party may dispose of all or any of its assets (upon voluntary liquidation, dissolution winding up or otherwise) to any other Loan Party; provided that with respect to any such disposition, the consideration for such disposition shall not exceed the fair market value of such assets;

(v) any Excluded Subsidiary may (a) dispose of all or any of its assets (upon voluntary liquidation, dissolution winding up or otherwise) to any other Excluded Subsidiary or (b) consolidate or merge with or into any Excluded Subsidiary and such merged or consolidated Excluded Subsidiary may be liquidated or dissolved if the Borrowing Agent determines in good faith that such liquidation or dissolution is in the best interests of MDI and its Subsidiaries and is not materially adverse to the interests of the Administrative Agent and the Lenders; and

(vi) any Loan Party may acquire (by purchase or other acquisition) (x) all of the ownership interests of another Domestic Person or (y) all or substantially all of the assets of another Domestic Person or of a business or division of another Domestic Person (each, a "**Permitted Acquisition**"); provided that each of the following requirements is met:

(A) such Person shall join this Agreement as a Revolving Borrower and/or a Guarantor pursuant to Section 12.15 [Joinder] and the Administrative Agent shall have received all documents and other items required by Section 12.15 [Joinder];

(B) the board of directors or other equivalent governing body of such Person shall have approved such Permitted Acquisition and the Loan Parties also shall have delivered to the Administrative Agent and the Lenders written evidence of the approval of the board of directors (or equivalent body) of such Person for such Permitted Acquisition;



(C) each applicable Official Body shall have approved such Permitted Acquisition and the Loan Parties shall have delivered to the Administrative Agent and the Lenders written evidence of the approval of such Official Body or such Permitted Acquisition;

(D) the business acquired, or the business conducted by the Person whose ownership interests are being acquired, as applicable, shall be substantially the same as one or more line or lines of business conducted by the Loan Parties or reasonably related or complementary thereto and shall comply with Section 9.2.10 [Continuation of or Change in Business];

(E) the Borrowing Agent shall deliver to the Agent a compliance certificate in the form of Exhibit 9.2.6 (an “**Acquisition Compliance Certificate**”) at least five (5) days prior to such Permitted Acquisition, which shall demonstrate that (i) the Loan Parties shall be in pro forma compliance with all financial covenants contained in Section 9.2 [Negative Covenants] after giving effect to such Permitted Acquisition (including in such computation Indebtedness or other liabilities assumed or incurred in connection with such Permitted Acquisition); provided that for purposes of this clause (E), the maximum Leverage Ratio required by Section 9.2.14 [Maximum Leverage Ratio] for such pro forma calculation shall be reduced to 2.00 to 1.00 and (ii) Undrawn Availability shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00) after giving effect to such Permitted Acquisition;

(F) the Loan Parties shall deliver to the Administrative Agent at least ten (10) Business Days before (or such shorter timeframe as may be agreed to by the Administrative Agent in its sole discretion) such Permitted Acquisition copies of (x) any agreements entered into or proposed to be entered into by such Loan Parties in connection with such Permitted Acquisition, (y) such other information about such Person or its assets as the Administrative Agent or any Lender may reasonably require; and

(G) no Event of Default or Potential Default shall exist immediately prior to or after giving effect to such Permitted Acquisition.

9.2.7 Dispositions of Assets. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, sell, convey, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily, any of its properties or assets, tangible or intangible (including sale, assignment, discount or other disposition of accounts, contract rights, chattel paper, equipment or general intangibles with or without recourse, except:

(i) transactions involving (a) the sale of inventory in the ordinary course of business and (b) the transfer, license or other conveyance of intellectual property and other intangible assets in the ordinary course of business;

(ii) any sale, transfer or lease of assets in the ordinary course of business which are no longer necessary or required in the conduct of such Loan Party’s or such Subsidiary’s business;

(iii) any sale, transfer or lease of assets by any Loan Party or any wholly owned Subsidiary of such Loan Party to another Loan Party;

(iv) any sale, transfer or lease of assets in the ordinary course of business which are replaced by substitute assets acquired or leased within the parameters of this Agreement; provided that such substitute assets are subject to the Agent's Prior Security Interest; and

(v) any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (i) through (iv) above; provided that (a) the aggregate value of all assets sold by MDI and its Subsidiaries shall not exceed Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) during the term of this Agreement and (b) the proceeds of any such sale, transfer or lease are applied in accordance with Section 6.7.3 [Sale of Assets].

9.2.8 Affiliate Transactions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, enter into or carry out any transaction with any Affiliate of any Loan Party (including purchasing property or services from or selling property or services to any Affiliate of any Loan Party or other Person) unless such transaction is not otherwise prohibited by this Agreement, is entered into in the ordinary course of business upon fair and reasonable arm's-length terms and conditions which are fully disclosed to the Administrative Agent and is in accordance with all applicable Law.

9.2.9 Subsidiaries and Joint Ventures. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to own or create directly or indirectly any Subsidiaries other than:

(i) any Domestic Subsidiary which has joined this Agreement as a Revolving Borrower or a Guarantor on the Closing Date;

(ii) any Domestic Subsidiary created, acquired or otherwise formed after the Closing Date in compliance with this Agreement, so long as such Domestic Subsidiary joins this Agreement as a Revolving Borrower or Guarantor pursuant to Section 12.15 [Joinder];

(iii) any Excluded Subsidiary (a) existing as of the Closing Date or (b) formed by MDI or a Subsidiary of MDI after the Closing Date in compliance with this Agreement.

No Loan Party shall not become or agree to become a party to a Joint Venture.

9.2.10 Continuation of or Change in Business. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, engage in any business other than (i) those businesses conducted and operated by such Loan Party or Subsidiary during the fiscal year ended December 31, 2016, substantially as conducted and operated by such Loan Party or Subsidiary during the present fiscal year, and (ii) businesses reasonably related or complementary thereto, and such Loan Party or Subsidiary shall not permit any fundamental change in such business.

9.2.11 Fiscal Year. Each Loan Party shall not, and shall not permit any of its Subsidiaries to, change its fiscal year from the twelve (12) month period beginning January 1 and ending December 31.

9.2.12 Changes in Organizational Documents or Acquisition Documents. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, (i) amend in any respect its certificate of incorporation (including any provisions or resolutions relating to Capital Stock), by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents without providing at least thirty (30) calendar days' prior written notice to the Administrative Agent and the Lenders and, in the event such change would be adverse to the Lenders as determined by the Administrative Agent in its sole discretion, obtaining the prior written consent of the Required Lenders or (ii) amend, waive or modify (x) the Canadian Acquisition Agreement if the effect thereof is to increase the Deferred Amount (as defined therein) or any calculation of any Deferred Amount Payment (as defined therein), or otherwise increase the amount of any deferred consideration due thereunder, or (y) any Acquisition Document or AmberLeaf Acquisition Document to the extent any such amendment, waiver or modification would be adverse to the Lenders in any material respect, as determined by the Administrative Agent in its reasonable discretion, in each case without obtaining the prior written consent of the Required Lenders.

9.2.13 Minimum Fixed Charge Coverage Ratio. The Loan Parties shall not permit the Fixed Charge Coverage Ratio to be less than 1.25 to 1.00, calculated as of September 30, 2020 and as of the end of each fiscal quarter thereafter, in each case for the four (4) fiscal quarters then ended.

9.2.14 Maximum Leverage Ratio. The Loan Parties shall not permit the Leverage Ratio to exceed 3.00 to 1.00, calculated as of September 30, 2020 and as of the end of each fiscal quarter thereafter, in each case for the four (4) fiscal quarters then ended.

9.2.15 Limitation on Negative Pledges. Each of the Loan Parties shall not, and shall not permit any Subsidiary, to enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of such Loan Party or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure the Obligations, other than (a) this Agreement and the other Loan Documents (b) with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a disposition of assets permitted under this Agreement of all or substantially all of the equity interests or assets of such Subsidiary, (c) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (d) customary provisions restricting assignment of any licensing agreement (in which a Loan Party or its Subsidiaries are the licensee) with respect to a contract entered into by a Loan Party or its Subsidiaries in the ordinary course of business and (e) customary provisions restricting subletting, sublicensing or assignment of any intellectual property license or any lease governing any leasehold interests of a Loan Party and its Subsidiaries.

9.2.16 Location of Assets in the Province of Quebec. Except for Collateral that is tangible personal property in transit in the ordinary course of business, the Canadian Revolving Borrowers shall not acquire, or permit any other Canadian Loan Party to acquire any Collateral with an aggregate value in excess of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) in the Province of Quebec or move any Collateral with an aggregate value in excess of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to the Province of Quebec, or acquire or create any location or office in the Province of Quebec, unless in each case the applicable Canadian Revolving

Borrower or the applicable Canadian Loan Party has (i) first given thirty (30) days' prior written notice thereof to the Administrative Agent, and (ii) executed and delivered to the Administrative Agent all Collateral Documents and all applications for registration in form and substance satisfactory to the Administrative Agent which the Administrative Agent or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that that security interest/hypothec in favor of the Administrative Agent constitutes a perfected first priority Lien/hypothec (subject only to Permitted Liens) in the Province of Quebec together with such supporting certificates, resolutions, opinions, amendments to this credit agreement and other documents as the Administrative Agent may deem necessary or desirable in connection with such security/hypothecs and registrations, acting reasonably.

9.2.17 Sanctions and other Anti-Terrorism Laws. Each Loan Party will not, and will not permit any of its Subsidiaries to (a) become a Sanctioned Person or allow its employees, officers, directors, affiliates, consultants, brokers, and agents acting on its behalf in connection with this Agreement to become a Sanctioned Person; (b) directly, or indirectly through a third party, engage in any transactions or other dealings with any Sanctioned Person or Sanctioned Jurisdiction, including any use of the proceeds of the Facilities to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Person or Sanctioned Jurisdiction; (c) repay the Facilities with funds derived from any unlawful activity; (d) permit any Collateral to become Embargoed Property; (e) engage in any transactions or other dealings with any Sanctioned Person or Sanctioned Jurisdiction prohibited by any Laws of the United States or other applicable jurisdictions relating to economic sanctions and any Anti-Terrorism Laws; or (f) cause any Lender, Administrative Agent or Collateral Agent to violate any sanctions administered by OFAC.

9.2.18 Anti-Corruption Laws. Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly use the Loans or any proceeds thereof for any purpose which would breach any Anti-Corruption Laws in any jurisdiction in which any Covered Entity conducts business.

9.3 Reporting Requirements. The Loan Parties will furnish or cause to be furnished to the Administrative Agent and each of the Lenders:

9.3.1 Quarterly Financial Statements. As soon as practicable and in any event not later than the earlier to occur of (x) the date by which MDI is required to file its quarterly report on form 10-Q with the SEC after the close of each of the first (1st) three (3) fiscal quarters of each fiscal year of MDI (commencing with the fiscal quarter ending June 30, 2017) and (y) the sixtieth (60<sup>th</sup>) day after the close of any such fiscal quarter, financial statements of MDI and its Subsidiaries, consisting of a consolidated and consolidating balance sheet as of the end of such fiscal quarter and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal quarter then ended and the fiscal year through that date, all in reasonable detail and certified (subject to normal year-end audit adjustments) by the Chief Executive Officer, President or Chief Financial Officer of MDI as having been prepared in accordance with GAAP, consistently applied, and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year.

9.3.2 Annual Financial Statements. As soon as practicable and in any event not later than the earlier to occur of (x) the date by which MDI is required to file its annual report on Form 10-K with the SEC after the close of each fiscal year of MDI (commencing with the fiscal year ending December 31, 2017) and (y) the one hundred twentieth (120<sup>th</sup>) day after the close of any such fiscal year of MDI, financial statements of MDI and its Subsidiaries consisting of an audited consolidated and consolidating balance sheet as of the end of such fiscal year, and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year, and certified by independent certified public accountants of nationally recognized standing satisfactory to the Administrative Agent. The certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur) and shall not indicate the occurrence or existence of any event, condition or contingency which would materially impair the prospect of payment or performance of any covenant, agreement or duty of any Loan Party under any of the Loan Documents.

9.3.3 Certificate of MDI. Concurrently with the financial statements of MDI and its Subsidiaries furnished to the Administrative Agent and to the Lenders pursuant to Sections 9.3.1 [Quarterly Financial Statements] and 9.3.2 [Annual Financial Statements], a certificate (each a "**Compliance Certificate**") of MDI signed by the Chief Executive Officer, President or Chief Financial Officer of MDI, in the form of Exhibit 9.3.3.

9.3.4 Borrowing Base Certificate; Schedule of Receivables; Schedule of Payables. As soon as available and in any event within thirty (30) calendar days after the end of each calendar month, in each case calculated as of the last day of the immediately preceding calendar month, (i) a Borrowing Base Certificate in the form of Exhibit 9.3.4 hereto, appropriately completed, executed and delivered by an Authorized Officer of the Borrowing Agent, together with a detailed sales register, a cash receipts journal and a purchase journal showing sales, receipts and purchases for the preceding week, (ii) a Schedule of Accounts, and (iii) a Schedule of Payables.

#### 9.3.5 Notices.

9.3.5.1 Default. Promptly after any Authorized Officer of any Loan Party has learned of the occurrence of an Event of Default or Potential Default, a certificate signed by an Authorized Officer setting forth the details of such Event of Default or Potential Default and the action which such Loan Party proposes to take with respect thereto.

9.3.5.2 Litigation. Promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Official Body or any other Person against any Loan Party or Subsidiary of any Loan Party which involve a claim or series of claims in excess of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) or which would reasonably be expected to have a Material Adverse Change.

9.3.5.3 Erroneous Financial Information. Immediately in the event that any Loan Party or its accountants conclude or advise that any previously issued financial statement, audit report or interim review should no longer be relied upon or that disclosure should be made or action should be taken to prevent future reliance.

9.3.5.4 ERISA Event. Immediately upon the occurrence of any ERISA Event.

9.3.5.5 Canadian Pension Plans. (A) Prompt written notice if any Loan Party establishes, maintains or contributes to a Canadian Pension Plan after the Closing Date, along with such additional information with respect to any such Canadian Pension Plan reasonably requested by the Administrative Agent, and (B) promptly after any Loan Party or any Subsidiary or any Affiliate knows or has reason to know of the occurrence of (i) any violation or FSCO asserted violation of any applicable Law (including any applicable provincial pension standards legislation) in any material respect with respect to any Canadian Pension Plan or; (ii) any Canadian Pension Termination Event, the Borrowing Agent will deliver to the Administrative Agent a certificate of a senior officer of the Borrowing Agent setting forth details as to such occurrence and the action, if any, that the Borrowing Agent, such Subsidiary or Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrowing Agent, such Subsidiary, such Affiliate, FSCO) or the Canadian Pension Plan administrator with respect thereto.

9.3.5.6 Other Reports. Promptly upon their becoming available to the Loan Parties:

(i) Annual Budget. As soon as practicable and in any event not later than the forty-fifth (45<sup>th</sup>) day after the commencement of the fiscal year to which any of the foregoing may be applicable, the annual budget of MDI and its Subsidiaries;

(ii) Management Letters. Any reports including management letters submitted to any Loan Party by independent accountants in connection with any annual or interim audit of financial statements;

(iii) SEC Reports; Shareholder Communications. Reports, including Forms 10-K, 10-Q and 8-K, registration statements and prospectuses and other shareholder communications, filed by any Loan Party with the SEC; and

(iv) Other Information. Such other reports and information as any of the Lenders may from time to time reasonably request.

Documents required to be delivered pursuant Section 9.3.1 [Quarterly Financial Statements], Section 9.3.2 [Annual Financial Statements] and Section 9.3.5.6 [Other Reports] may be delivered electronically and, if so delivered (to the extent that any Loan Party is required to file Annual Reports or Quarterly Reports with the SEC), shall be deemed to have been delivered on the date on which such documents are filed for public availability on the EDGAR website; provided that the Borrowing Agent shall (i) notify (which may be by facsimile or electronic mail) the Administrative Agent of the filing of any such documents, and (2) provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything to the contrary contained herein, in every instance the Borrowing Agent shall be required to provide paper copies of the compliance certificate required by Section 9.3.3 [Certificate of MDI] to the Administrative Agent.

## 10. DEFAULT

10.1 Events of Default. An Event of Default means the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

10.1.1 Payments Under Loan Documents. Any Borrower shall fail to pay, in the Currency required hereunder (i) any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity), Reimbursement Obligation or Letter of Credit or Obligation on the date on which such principal amount becomes due in accordance with the terms hereof, or (ii) any interest on any Loan, Reimbursement Obligation or Letter of Credit Obligation or any other amount owing hereunder or under the other Loan Documents within three (3) days after the date on which such interest or other amount becomes due in accordance with the terms hereof or thereof;

10.1.2 Breach of Warranty. Any representation or warranty made at any time by any of the Loan Parties herein or by any of the Loan Parties in any other Loan Document, or in any certificate, other instrument or statement furnished pursuant to the provisions hereof or thereof, shall prove to have been false or misleading in any material respect as of the time it was made or furnished;

10.1.3 Anti-Terrorism Laws. Any representation or warranty contained in Section 7.1.17 [Sanctions and other Anti-Terrorism Laws] or Section 7.1.18 [Anti-Corruption Laws] is or becomes false or misleading at any time;

10.1.4 Breach of Certain Covenants. Any of the Loan Parties shall default in the observance or performance of any covenant contained in Section 9.1.2 [Payment of Liabilities, Etc.] with respect to the payment of Priority Payables, Section 9.1.5 [Visitation Rights], Section 9.1.9 [Sanctions and other Anti-Terrorism Laws; Anti-Corruption Laws] or Section 9.2 [Negative Covenants];

10.1.5 Breach of Other Covenants. Any of the Loan Parties shall default in the observance or performance of any other covenant, condition or provision hereof or of any other Loan Document and such default shall continue unremedied for a period of twenty (20) days from the earlier of (x) written notice thereof from Administrative Agent or any Lender to the Borrowing Agent, and (y) any Loan Party obtaining knowledge of the occurrence of such default;

10.1.6 Defaults in Other Agreements or Indebtedness. A default or event of default shall occur at any time under the terms of any other agreement involving borrowed money or the extension of credit or any other Indebtedness under which any Loan Party or Subsidiary of any Loan Party may be obligated as a borrower or guarantor in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00) in the aggregate, and such breach, default or event of default consists of the failure to pay (beyond any period of grace permitted with respect thereto, whether waived or not) any Indebtedness when due (whether at stated maturity, by acceleration or otherwise) or if such breach or default permits or causes the acceleration of any Indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend;

10.1.7 Final Judgments or Orders. Any final judgments or orders for the payment of money in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00) in the aggregate shall be entered against any Loan Party by a court having jurisdiction in the premises, which judgment is not discharged, vacated, bonded or stayed pending appeal within a period of thirty (30) days from the date of entry;

10.1.8 Loan Document Unenforceable. Any of the Loan Documents shall cease to be legal, valid and binding agreements enforceable against the party executing the same or such party's successors and assigns (as permitted under the Loan Documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested or cease to give or provide the respective Liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby;

10.1.9 Uninsured Losses; Proceedings Against Assets. There shall occur any material uninsured damage to or loss, theft or destruction of any of the Collateral in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00), or the Collateral or any other of the Loan Parties' or any of their Subsidiaries' assets are attached, seized, levied upon or subjected to a writ or distress warrant; or such come within the possession of any receiver, manager, receiver and manager, trustee, custodian or assignee for the benefit of creditors and the same is not cured within thirty (30) days thereafter; or

10.1.10 Events Relating to Pension Plans and Multiemployer Plans. (i) An ERISA Event occurs with respect to a Pension Plan which constitutes a Material Adverse Change, or MDI or any member of the ERISA Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, where the aggregate amount of unamortized withdrawal liability has resulted in a Material Adverse Change, or (ii) an event or condition shall occur or exist with respect to any Canadian Pension Plan and, as a result of such event or condition, together with all other such events or conditions, any Loan Party incurs a liability to a Canadian Pension Plan that could reasonably be expected to result in a Material Adverse Change or the occurrence of a Canadian Pension Termination Event which constitutes a Material Adverse Change;

10.1.11 Change of Control. A Change of Control shall occur;

10.1.12 Relief Proceedings. A Relief Proceeding shall have been instituted against any Loan Party or Subsidiary of a Loan Party and such Relief Proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such Relief Proceeding, (ii) any Loan Party or Subsidiary of a Loan Party institutes, or takes any action in furtherance of, a Relief Proceeding, or (iii) any Loan Party or any Subsidiary of a Loan Party ceases to be Solvent or admits in writing its inability to pay its debts as they mature.



## 10.2 Consequences of Event of Default.

10.2.1 Events of Default Other Than Bankruptcy, Insolvency or Reorganization Proceedings. If an Event of Default specified under Section 10.1.1 [Payments Under Loan Documents] through 10.1.11 [Change of Control] shall occur and be continuing, the Lenders and the Administrative Agent shall be under no further obligation to make Loans and the Issuing Lender shall be under no obligation to issue Letters of Credit and the Administrative Agent may, and upon the request of the Required Lenders, shall (i) by written notice to the Borrowing Agent, declare the unpaid principal amount of the Notes then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable to the Administrative Agent for the benefit of each Lender without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, and (ii) require the Borrowers to, and the Borrowers shall thereupon, deposit in a non-interest-bearing account with the Administrative Agent, as cash collateral for its Obligations under the Loan Documents, an amount equal to the maximum amount currently or at any time thereafter available to be drawn on all outstanding Letters of Credit, and the Borrowers hereby pledge to the Administrative Agent and the Lenders, and grant to the Administrative Agent and the Lenders a security interest in, all such cash as security for such Obligations; and

10.2.2 Bankruptcy, Insolvency or Reorganization Proceedings. If an Event of Default specified under Section 10.1.12 [Relief Proceedings] shall occur, the Lenders shall be under no further obligations to make Loans hereunder and the Issuing Lender shall be under no obligation to issue Letters of Credit and the unpaid principal amount of the Loans then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and

10.2.3 Set-off. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Lender, and each of their respective Affiliates and any participant of such Lender or Affiliate which has agreed in writing to be bound by the provisions of Section 6.3 [Sharing of Payments by Lenders] is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off 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, the Issuing Lender or any such Affiliate or participant to or for the credit or the account of any Loan Party against any and all of the Obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, the Issuing Lender, Affiliate or participant, irrespective of whether or not such Lender, Issuing Lender, Affiliate or participant shall have made any demand under this Agreement or any other Loan Document and although such Obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the Issuing Lender different from the branch or office holding such deposit or obligated on such Indebtedness. The rights of each Lender, the Issuing Lender and their respective Affiliates and participants under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Lender or their respective Affiliates and participants may have. Each Lender and the Issuing Lender agrees to notify the Borrowing Agent 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; and

10.2.4 Application of Proceeds. From and after the date on which the Administrative Agent has taken any action pursuant to this Section 10.2.4 and until Payment In Full, and subject to the provisions of Section 12.13.4 [Bifurcation of Obligations], any and all proceeds received by the Administrative Agent from any sale or other disposition of the Collateral, or any part thereof, or the exercise of any other remedy by the Administrative Agent, shall be applied as follows:

(A) First, to payment of that portion of the Obligations constituting fees (other than Letter of Credit Fees), indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, the Issuing Lender in its capacity as such and the Swing Loan Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Lender and Swing Loan Lender in proportion to the respective amounts described in this clause First payable to them;

(B) Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

(C) Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and Reimbursement Obligations, ratably among the Lenders and the Issuing Lenders in proportion to the respective amounts described in this clause Third payable to them;

(D) Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Lender Provided Interest Rate Hedge, Lender Provided Foreign Currency Hedge and Other Lender Provided Financial Service Products, ratably among the Lenders, the Issuing Lender, and the Lenders or Affiliates of Lenders which provide Lender Provided Interest Rate Hedges, Lender Provided Foreign Currency Hedges and Other Lender Provided Financial Service Products, in proportion to the respective amounts described in this clause Fourth held by them;

(E) Fifth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize any undrawn amounts under outstanding Letters of Credit (to the extent not otherwise cash collateralized pursuant to this Agreement); and

(F) Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full to the Borrowers or as otherwise required by Law.

Notwithstanding anything to the contrary in this Section 10.2.4, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty Agreement (including sums received as a result of the exercise of remedies with respect to such Guaranty Agreement) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities; provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Loan Parties that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 10.2.4.

## 11. THE ADMINISTRATIVE AGENT

11.1 Appointment and Authority. Each of the Lenders and the Issuing Lender hereby irrevocably appoints PNC 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. The provisions of this Section 11.1 are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender, and no Loan Party shall have rights as a third party beneficiary of any of such provisions.

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, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party 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.

11.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated 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; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 12.1 [Modifications, Amendments or Waivers] and 10.2 [Consequences of Event of Default]) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Potential Default or Event of Default unless and until notice describing such Potential Default or Event of Default is given to the Administrative Agent by the Borrowing Agent, a Lender or the Issuing Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Potential Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 8 [Conditions of Lending and Issuance of Letters of Credit] or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

11.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The 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 not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the 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 Loan Parties), 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.

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 Section 11 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

**11.6 Resignation of Administrative Agent.** The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrowing Agent. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with approval from the Borrowing Agent (so long as no Event of Default has occurred and is continuing), to appoint a successor, such approval not to be unreasonably withheld or delayed. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent; provided that if the Administrative Agent shall notify the Borrowing Agent and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring 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 Lender under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) 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 the Issuing Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section 11.6. 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 retired) Administrative Agent, and the retiring 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 Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 11.6 and Section 12.3 [Expenses; Indemnity; Damage Waiver] shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

If PNC resigns as Administrative Agent under this Section 11.6, PNC shall also resign as an Issuing Lender. Upon the appointment of a successor Administrative Agent hereunder, such successor shall (i) succeed to all of the rights, powers, privileges and duties of PNC as the retiring Issuing Lender and Administrative Agent and PNC shall be discharged from all of its respective duties and obligations as Issuing Lender and Administrative Agent under the Loan Documents, and (ii) issue letters of credit in substitution for the Letters of Credit issued by PNC, if any, outstanding at the time of such succession or make other arrangement satisfactory to PNC to effectively assume the obligations of PNC with respect to such Letters of Credit.

**11.7 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

11.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, to the extent applicable, no syndication agent, documentation agent, lead arranger or bookrunner, whether acting individually or jointly, 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 the Issuing Lender hereunder.

11.9 Administrative Agent's Fee. The Borrowers shall pay to the Administrative Agent a nonrefundable fee (the "**Administrative Agent's Fee**") under the terms of a letter (the "**Administrative Agent's Letter**") among certain of the Borrowers and Administrative Agent, as amended from time to time.

11.10 Authorization to Release Collateral and Guarantors. The Lenders and Issuing Lenders authorize the Administrative Agent to release (i) any Collateral consisting of assets or equity interests sold or otherwise disposed of in a sale or other disposition or transfer permitted under the terms of this Agreement or any other Loan Document (including pursuant to a valid waiver or consent), and (ii) any Guarantor from its obligations under the Guaranty Agreement if the ownership interests in such Guarantor are sold or otherwise disposed of or transferred to persons other than Loan Parties or Subsidiaries of the Loan Parties in a transaction permitted under Section 9.2.7 [Dispositions of Assets or Subsidiaries] or Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions].

11.11. No Reliance on Administrative Agent's Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "**CIP Regulations**"), or any other Anti-Terrorism Law or Anti-Corruption Law, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such other Laws.

11.11 ERISA Matters.

(i) 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, Administrative Agent and the Lead Arranger and their respective Affiliates, and not for the benefit of Borrower or any other Loan Party, that at least one of the following is and will be true:

(A) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Plans in connection with the Loans or the Commitments,

(B) the transaction exemption set forth in one or more Prohibited Transaction Exemptions (“PTEs”), such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(C) (a) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (b) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (c) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (d) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(D) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(ii) In addition, unless sub-clause (i) in the immediately preceding Section 11.14(a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding Section 11.14(a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Borrower, that:

(A) none of the Administrative Agent or the Lead Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by Administrative Agent under this Agreement, any Loan Document or any other documents related to hereto or thereto),

(B) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Loans),

(C) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(D) no fee or other compensation is being paid directly to the Administrative Agent or Lead Arrangers or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.

The Administrative Agent and the Lead Arranger hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

#### 11.12 Erroneous Payments.

(i) If the Administrative Agent notifies a Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender (any such Lender, Issuing Lender or other recipient, a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (ii)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative



Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (i) shall be conclusive, absent manifest error.

(ii) Without limiting immediately preceding clause (i), each Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Issuing Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(A) (a) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (b) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(B) such Lender or Issuing Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.12(ii).

(iii) Each Lender or Issuing Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Issuing Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (i) or under the indemnification provisions of this Agreement.

(iv) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (i), from any Lender or Issuing Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Administrative Agent’s notice to such Lender or Issuing Lender at any time, (a) such Lender or Issuing Lender shall be deemed

to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “**Erroneous Payment Impacted Class**”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrowers) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Lender shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (b) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (c) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Lender shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Lender and (d) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Issuing Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

(v) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers or any other Loan Party for the purpose of making such Erroneous Payment.

(vi) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(vii) Each party's obligations, agreements and waivers under this Section 11.12 shall survive the resignation or replacement of the Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

## 12. MISCELLANEOUS

12.1 Modifications, Amendments or Waivers. With the written consent of the Required Lenders (or as expressly contemplated by Section 5.7 [Incremental Loans]), the Administrative Agent, acting on behalf of all the Lenders, and the Borrowing Agent, on behalf of the Loan Parties, may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Lenders or the Loan Parties hereunder or thereunder, or may grant written waivers or consents hereunder or thereunder. Any such agreement, waiver or consent made with such written consent shall be effective to bind all the Lenders and the Loan Parties; provided, that no such agreement, waiver or consent may be made which will:

12.1.1 Increase of Commitment. Increase the amount of the Revolving Credit Commitment or Term Loan Commitment of any Lender hereunder without the consent of such Lender;

12.1.2 Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment. Whether or not any Loans are outstanding, extend the Maturity Date, the Term Loan Maturity Date or the time for payment of principal or interest of any Loan (excluding the due date of any mandatory prepayment of a Loan), the Commitment Fee or any other fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Loan (other than as a result of waiving the applicability of any post-default increase in interest rates) or reduce the Commitment Fee or any other fee payable to any Lender, without the consent of each Lender directly affected thereby;

12.1.3 Release of Collateral or Guarantor. Except for sales of assets permitted by Section 9.2.7 [Dispositions of Assets or Subsidiaries], release all or substantially all of the Collateral or any Guarantor from its Obligations under the Guaranty Agreement without the consent of all Lenders (other than Defaulting Lenders); or

12.1.4 Miscellaneous. Amend Section 6.2 [Pro Rata Treatment of Lenders], Section 11.3 [Exculpatory Provisions] or Section 6.3 [Sharing of Payments by Lenders] or this Section 12.1, alter any provision regarding the pro rata treatment of the Lenders or requiring all Lenders to authorize the taking of any action or reduce any percentage specified in the definition of Required Lenders, in each case without the consent of all of the Lenders; provided that no agreement, waiver or consent which would modify the interests, rights or obligations of the Administrative Agent, the Issuing Lender, or the Swing Loan Lender may be made without the written consent of the Administrative Agent, the Issuing Lender or the Swing Loan Lender, as

applicable, and provided, further that, if in connection with any proposed waiver, amendment or modification referred to in Sections 12.1.1 through 12.1.4 above, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained (each a “**Non-Consenting Lender**”), then the Borrowing Agent shall have the right to replace any such Non-Consenting Lender with one or more replacement Lenders pursuant to Section 6.6.2 [Replacement of a Lender]. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender, and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding the foregoing, the Administrative Agent, with the consent of the Borrowing Agent, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct or cure any ambiguity, inconsistency or defect or correct any typographical or ministerial error in any Loan Document (provided that any such amendment, modification or supplement shall not be materially adverse to the interests of the Lenders taken as a whole).

12.2 No Implied Waivers; Cumulative Remedies. No course of dealing and no delay or failure of the Administrative Agent or any Lender in exercising any right, power, remedy or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or of any other right, power, remedy or privilege. The enumeration of the rights and remedies of the Administrative Agent and the Lenders specified 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 reasonable 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.

### 12.3 Expenses; Indemnity; Damage Waiver.

12.3.1 Costs and Expenses. The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of one (1) primary counsel and one (1) additional local counsel per additional jurisdiction for the Administrative Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, 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 out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Lender (including the fees, charges and disbursements of any one (1) primary counsel and one (1) additional local counsel per additional jurisdiction for the Administrative Agent, any Lender or the Issuing Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the 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 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, and (iv) all reasonable out-of-pocket expenses of the Administrative Agent to the extent provided in Section 9.1.5 [Visitation Rights].

12.3.2 Indemnification by the Loan Parties. The Loan Parties shall, jointly and severally, indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan 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, the performance or nonperformance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the 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) breach of representations, warranties or covenants of the Loan Parties under the Loan Documents, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, including any such items or losses relating to or arising under Environmental Laws or pertaining to environmental matters, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee, (y) arise out of a material breach of the obligations of such Indemnitee or any of its respective affiliates or each of their respective officers, directors, employees, advisors and agents under this Agreement or the other Loan Documents as determined by a final and non-appealable judgment by a court of competent jurisdiction or (iii) arises out of, or in connection with, any other Indemnitee.

12.3.3 Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under Section 12.3.1 [Costs and Expenses] or Section 12.3.2 [Indemnification by the Loan Parties] to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing 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), the Issuing Lender or such Related Party, as the case may be, such Lender's Ratable Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing 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) or Issuing Lender in connection with such capacity.

12.3.4 Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in Section 12.3.2 [Indemnification by Loan Parties] 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.

12.3.5 Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

12.3.6 Survival. Each party's obligations under this Section 12.3 shall survive the termination of the Loan Documents and payment of the obligations hereunder.

12.4 Holidays. Whenever payment of a Loan to be made or taken hereunder shall be due on a day which is not a Business Day such payment shall be due on the next Business Day (except as provided in Section 5.2 [Interest Periods]) and such extension of time shall be included in computing interest and fees, except that all (i) Revolving Credit Loans shall be due on the Business Day preceding the Maturity Date if the Maturity Date is not a Business Day and (ii) Term Loans shall be due on the Business Day preceding the Term Loan Maturity Date if the Term Loan Maturity Date is not a Business Day. Whenever any payment or action to be made or taken hereunder (other than payment of the Loans) shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall not be included in computing interest or fees, if any, in connection with such payment or action.

## 12.5 Notices; Effectiveness; Electronic Communication.

12.5.1 Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 12.5.2 [Electronic Communications]), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier (i) if to a Lender, to it at its address set forth in its administrative questionnaire, or (ii) if to any other Person, to it at its address set forth on Schedule 1.1(B).

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 telecopier 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 Section 12.5.2 [Electronic Communications], shall be effective as provided in such Section.

12.5.2 Electronic Communications. Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Lender if such Lender or the Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or any Loan Party 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); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

12.5.3 Change of Address, Etc. Any party hereto may change its address, e-mail address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

12.6 Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

12.7 Duration; Survival. All representations and warranties of the Loan Parties contained herein or made in connection herewith shall survive the execution and delivery of this Agreement, the completion of the transactions hereunder and Payment In Full. All covenants and agreements of the Loan Parties contained herein relating to the payment of principal, interest, premiums, additional compensation or expenses and indemnification, including those set forth in the Notes, Section 6 [Payments] and Section 12.3 [Expenses; Indemnity; Damage Waiver], shall survive Payment In Full. All other covenants and agreements of the Loan Parties shall continue in full force and effect from and after the date hereof and until Payment In Full.

#### 12.8 Successors and Assigns.

12.8.1 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may 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 Section 12.8.2 [Assignments by Lenders], (ii) by way of participation in accordance with the provisions of Section 12.8.4 [Participations], or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 12.8.5 [Certain Pledges; Successors and Assigns Generally] (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 Section 12.8.4 [Participations] and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

12.8.2 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 (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and



(B) in any case not described in clause (i)(A) of this Section 12.8.2, the aggregate amount of (x) the Commitments (which for this purpose includes Loans outstanding thereunder) or, (y) if any applicable Commitment is not then in effect, the principal outstanding balance of the Loans made under such Commitment plus the aggregate amount of any other Commitments (which for this purpose includes Loans outstanding thereunder), in each case of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if “Trade Date” is specified in the Assignment and Assumption Agreement, as of the Trade Date) shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00), unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowing Agent otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except for the consent of the Administrative Agent (which shall not be unreasonably withheld or delayed) and:

(A) the consent of the Borrowing Agent (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrowing Agent shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Issuing Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding).

(iv) Assignment and Assumption Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), and 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) any Loan Party or any of such Loan Party’s Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(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) No Assignment to Disqualified Lender. No such assignment shall be made to a Disqualified Lender.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to 12.8.3 [Register], from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, 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 Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement 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 5.4 [Rate Unascertainable; Etc.], 6.8 [Increased Costs], and 12.3 [Expenses, Indemnity; Damage Waiver] with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.8.2 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.8.4 [Participations].

12.8.3 Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a record of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (such record, the "**Register**"). Such Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is in such Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

12.8.4 Participations. Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than (a) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (b) any Loan Party or any of such Loan Party's Affiliates or Subsidiaries, (c) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof or (d) a Disqualified Lender) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders, and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree (other than as is already provided for herein) to any amendment, modification or waiver with respect to Sections 12.1.1 [Increase of Commitment], 12.1.2 [Extension of

Payment, Etc.], or 12.1.3 [Release of Collateral or Guarantor]) that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 5.4 [Rate Unascertainable, Etc.], 6.8 [Increased Costs], 6.10 [Indemnity] and 6.9 [Taxes] (subject to the requirements and limitations therein, including the requirements under Section 6.9.7 [Status of Lenders] (it being understood that the documentation required under Section 6.9.7 [Status of Lenders] shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.8.2 [Assignments by Lenders]; provided that such Participant (A) agrees to be subject to the provisions of Section 6.6.2 [Replacement of a Lender] and Section 6.6.3 [Designation of a Different Lending Office] as if it were an assignee under Section 12.8.2 [Assignments by Lenders]; and (B) shall not be entitled to receive any greater payment under Sections 6.8 [Increased Costs] or 6.9 [Taxes], with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowing Agent's request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 6.6.2 [Replacement of a Lender] and Section 6.6.3 [Designation of Different Lending Office] with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.2.3 [Set-off] as though it were a Lender; provided that such Participant agrees to be subject to Section 6.3 [Sharing of Payments by Lenders] as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (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.

12.8.5 Certain Pledges; Successors and Assigns Generally. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; 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.

## 12.9 Confidentiality.

12.9.1 General. Each of the Administrative Agent, the Lenders and the Issuing Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed (i) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (vii) with the consent of the Borrowing Agent or (viii) to the extent such Information (Y) becomes publicly available other than as a result of a breach of this Section or (Z) becomes available to the Administrative Agent, any Lender, the Issuing Lender or any of their respective Affiliates on a nonconfidential basis from a source other than a Borrower or the other Loan Parties. 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.

12.9.2 Sharing Information With Affiliates of the Lenders. Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to a Loan Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each of the Loan Parties hereby authorizes each Lender to share any information delivered to such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement to any such Subsidiary or Affiliate subject to the provisions of Section 12.9.1 [General].

## 12.10 Counterparts; Integration; Effectiveness.

12.10.1 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof including any prior confidentiality agreements and commitments. Except as provided in Section 8 [Conditions Of Lending And Issuance Of Letters Of Credit], 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 telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

12.10.2 Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act.

12.11 CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

12.11.1 Governing Law. This Agreement shall be deemed to be a contract under the Laws of the State of New York without regard to its conflict of laws principles. Each standby Letter of Credit issued under this Agreement shall be subject either to the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International Chamber of Commerce (the “**ICC**”) at the time of issuance (“**UCP**”) or the rules of the International Standby Practices (ICC Publication Number 590) (“**ISP98**”), as determined by the Issuing Lender, and each trade Letter of Credit shall be subject to UCP, and in each case to the extent not inconsistent therewith, the Laws of the State of New York without regard to its conflict of laws principles.

12.11.2 SUBMISSION TO JURISDICTION. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE 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 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 OR THE ISSUING LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

12.11.3 WAIVER OF VENUE. EACH BORROWER AND EACH OTHER LOAN 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 THIS SECTION 12.11.1 [GOVERNING LAW]. 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 AND AGREES NOT ASSERT ANY SUCH DEFENSE.

12.11.4 SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.5 [NOTICES; EFFECTIVENESS; ELECTRONIC COMMUNICATION]. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

12.11.5 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.

12.12 USA Patriot Act Notice. Each Lender that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Loan Parties that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Loan Parties in accordance with the USA Patriot Act.

12.13 Payment of Debt; Joint and Several Obligations; Borrowing Agency; Bifurcation of Obligations.

12.13.1 US Revolving Borrowers. The US Revolving Borrowers shall be jointly and severally liable for the Obligations under this Agreement and each of the other Loan Documents. Without limiting the generality of the foregoing, each of the US Revolving Borrowers hereby acknowledges and agrees that any and all actions, inactions or omissions by any one or more, or all, of the US Revolving Borrowers in connection with, related to or otherwise affecting this Agreement or any of the other Loan Documents are the obligations of, and inure to and are binding upon, each and all of the US Revolving Borrowers, jointly and severally.

12.13.2 Canadian Revolving Borrowers. The Canadian Revolving Borrowers shall be jointly and severally liable solely for the Canadian Obligations under this Agreement and each of the other Loan Documents. Without limiting the generality of the foregoing, each of the Canadian Revolving Borrowers hereby acknowledges and agrees that any and all actions, inactions or omissions by any one or more, or all, of the Canadian Revolving Borrowers in connection with, related to or otherwise affecting this Agreement or any of the other Loan Documents are the obligations of, and inure to and are binding upon, each and all of the Canadian Revolving Borrowers, jointly and severally.

12.13.3 Designation of Borrowing Agent; Nature of Borrowing Agency. Each Loan Party hereby irrevocably designates the Borrowing Agent to be its attorney and agent and in such capacity to borrow, sign and endorse notes, and execute and deliver all instruments, documents, writings and further assurances now or hereafter required hereunder, on behalf of such Loan Party, and hereby authorizes the Administrative Agent, the Lenders and the Issuing Lender to pay over or credit all loan proceeds hereunder in accordance with the request of the Borrowing Agent. The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to the Loan Parties and at their request. The Administrative Agent, the Lenders and the Issuing Lender shall incur no liability to any Loan Party as a result thereof. To induce the Administrative Agent, the Lenders and the Issuing Lender to do so and in consideration thereof, each Loan Party hereby indemnifies the Administrative Agent, the Lenders and the Issuing Lender and holds each of them harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against the Administrative Agent, the Lenders or the Issuing Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of the Loan Parties as provided herein, reliance by Administrative Agent, the Lenders or the Issuing Lender on any request or instruction from the Borrowing Agent or any other action taken by the Administrative Agent, the Lenders or the Issuing Lender with respect to this Section 12.13.3 [Designation of Borrowing Agent, Etc.] except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

12.13.4 Bifurcation of Obligations. The parties hereto acknowledge and agree that, notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, and notwithstanding that certain Loan Parties which are US Persons (“**US Loan Parties**”) are Guarantors or are liable with respect to the Obligations of Loan Parties which are not US Persons (including, without limitation, the Canadian Loan Parties) (“**Non-US Loan Parties**”), the Obligations of the Non-US Loan Parties under this Agreement or any of the other Loan Documents shall be separate and distinct from the Obligations of any US Loan Party and shall be expressly limited to the Obligations of the Non-US Loan Parties. In furtherance of the foregoing, each of the parties hereto acknowledges and agrees that (a) the liability of any Non-US Loan Party for the payment and performance of its covenants, representations and warranties set forth in this Agreement and the other Loan Documents shall be several from but not joint with the Obligations of the US Loan Parties, (b) the Non-US Loan Parties shall not guarantee any Obligations of any US Loan Party and (c) the present and future assets of the Non-US Loan Parties shall not be subject to any Lien, claim or action by the Administrative Agent to satisfy any Obligations of any US Loan Party. No amount paid by any Non-US Loan Party or value derived from its assets shall be applied to the Obligations of any US Loan Party.

12.14 **Additional Waivers of Borrowers.** Each Revolving Borrower hereby waives to the full extent permitted by Law any defense it may otherwise have to the payment and performance of the Obligations based on any contention that its liability hereunder and under the other Loan Documents is limited and not joint and several to the extent set forth herein. Each Revolving Borrower acknowledges and agrees that the foregoing waivers and those set forth below serve as a material inducement to the agreement of the Administrative Agent and the Lenders to make the Loans, and that the Administrative Agent and the Lenders are relying on each specific waiver and all such waivers in entering into this Agreement. The undertakings of each Borrower hereunder secure the Obligations of itself and the other Borrowers. Each Borrower further agrees that:

(i) the Administrative Agent and the Lenders may do any of the following with notice to such Borrower and without adversely affecting the validity or enforceability of this Agreement or the Obligations (or any portion thereof): (i) release, surrender, exchange, compromise or settle the Obligations or any portion thereof, with respect to any other Borrower; (ii) change, renew or waive the terms of the Obligations, or any part thereof with respect to any other Borrower; (iii) change, renew or waive the terms of any of the Loan Documents or any other agreements relating to the Obligations, or any portion thereof, with respect to any other Borrower; (iv) grant any extension or indulgence with respect to the payment or performance of the Obligations, or any portion thereof, with respect to any other Borrower; (v) enter into any agreement of forbearance with respect to the Obligations, or any portion thereof, with respect to any other Borrower; and (vi) release, surrender, exchange, impair or compromise any security of any other Borrower held by the Administrative Agent or any Lender for the Obligations or any portion thereof. Each Borrower agrees that the Administrative Agent and the Lenders may do any of the above as the Administrative Agent and the Lenders deem necessary or advisable, in the Administrative Agent's and the Lenders' sole discretion, without giving notice to any other Borrower, and that such Borrower will remain liable for full payment and performance of the Obligations; and

(ii) each Borrower waives and agrees not to enforce any of the rights of the Administrative Agent or the Lenders against any other Borrower or any other obligor of the Obligations, or any portion thereof, unless and until all of the Obligations shall have been indefeasibly paid in full and the Borrowers' rights to borrow hereunder have terminated, including but not limited to any right of such Borrower to be subrogated in whole or in part to any right or claim of the Administrative Agent and the Lenders with respect to the Obligations or any portion thereof. Each Borrower hereby irrevocably agrees that following the occurrence of any Event of Default which has not been waived by the Administrative Agent or the Lenders, such Borrower shall not enforce any rights of contribution, indemnity or reimbursement from any other Borrower on account of such Borrower's payment of the Obligations, or any portion thereof, unless and until all of the Obligations shall have been indefeasibly paid in full and the Borrowers' rights to borrow hereunder have terminated. Each of the Borrowers hereby waives any defenses based on suretyship or the like.



12.15 Joinder. Any Person which is required to join this Agreement pursuant to Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] or Section 9.2.9 [Subsidiaries and Joint Ventures] shall execute and deliver to the Administrative Agent (i) a Borrower Joinder or a Guarantor Joinder, as determined by the Administrative Agent, and (ii) documents in the forms described in Section 8.1 [Initial Loans and Letters of Credit] that the Administrative Agent may reasonably require, modified as appropriate to relate to such Subsidiary, including, without limitation, organizational documents, legal opinions and documents necessary to grant and perfect Prior Security Interests to the Administrative Agent (for its benefit and for the benefit of the Lenders) in all Collateral held by such Subsidiary; provided, however, to the extent such Subsidiary becomes a Revolving Borrower, none of such assets which become Collateral shall be included in the applicable Borrowing Base in accordance with the terms of this Agreement until such time as the Administrative Agent makes such a determination in its sole discretion. Notwithstanding the foregoing provisions of this Section 12.15, no more than sixty-five percent (65%) of the total voting power of the Capital Stock of each first tier Subsidiary of any US Loan Party that is not a US Person shall be required to be pledged to secure, or to directly or indirectly provide security for, any Obligation owed by a US Loan Party. The Loan Parties shall deliver such Borrower Joinder or Guarantor Joinder, as applicable, and all related documents required by this Section 12.15 [Joinder] to the Administrative Agent (a) with respect to any Subsidiary incorporated or otherwise formed pursuant to Section 9.2.9 [Subsidiaries and Joint Ventures], within ten (10) Business Days after the date of the filing of such Subsidiary's articles of incorporation if the Subsidiary is a corporation, the date of the filing of its certificate of limited partnership if it is a limited partnership or the date of its organization if it is an entity other than a limited partnership or corporation, and (2) the contemporaneously with the joinder of Holdco pursuant to subsection (c), (b) with respect to any Subsidiary acquired pursuant to Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions], within ten (10) days after the date of consummation of the applicable acquisition.

#### 12.16 Canadian Anti-Money Laundering Legislation.

(i) Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c.17 and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Administrative Agent and the Lenders may be required to obtain, verify and record information regarding the Loan Parties and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent, any Lender, any Issuer or any of their respective prospective assignees or participants, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(ii) If the Administrative Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Administrative Agent:

(A) shall be deemed to have done so as an agent for itself, each Lender and each Issuer, and this Agreement shall constitute a “written agreement” in such regard between each Lender, each Issuer and the Administrative Agent within the meaning of the applicable AML Legislation; and

(B) shall provide to each Lender and each Issuer copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders and each of the Issuers agrees that the Administrative Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any of the Lenders or any of the Issuers, or to confirm the completeness or accuracy of any information it obtains from any Loan Party or any such authorized signatory in doing so.

12.17 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) 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.

12.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrowers acknowledge and agree that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm’s-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Lenders, on the other hand, (B) the Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Borrowers are

capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower or any of its Affiliates, or any other Person and (B) no Lender has any obligation to any Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and no Lender has any obligation to disclose any of such interests to the Borrowers or their Affiliates. To the fullest extent permitted by law, the Borrowers hereby waive and release any claims that they may have against each of the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

12.19 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the appropriate Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the appropriate Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such Currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under Applicable law).

[INTENTIONALLY LEFT BLANK]

ANNEX 2

SCHEDULE 1.1(A)

PRICING GRID—  
VARIABLE PRICING AND LETTER OF CREDIT FEES BASED ON LEVERAGE  
RATIO (ALL PRICING AND FEES EXPRESSED IN BASIS POINTS)

<u>Level</u>	<u>Leverage Ratio</u>	<u>Letter of Credit Fee</u>	<u>Revolving Credit Base Rate Spread</u>	<u>Term Facility Base Rate Spread</u>	<u>Revolving Credit Spread (Non- Base Rate)</u>	<u>Term Facility Spread (Non- Base Rate)</u>	<u>Commitment Fees</u>
I	Less than 2.25 to 1.0	150	50	150	150	250	20
II	Greater than or equal to 2.25 to 1.0 but less than 2.75 to 1.0	175	75	175	175	275	25
III	Greater than or equal to 2.75 to 1.0	225	125	225	225	325	30

For purposes of determining the Applicable Margin, the Applicable Letter of Credit Fee Rate and the Applicable Commitment Fee Rate:

(a) As of the Fourth Amendment Effective Date, the Applicable Margin, the Applicable Letter of Credit Fee Rate and the Applicable Commitment Fee Rate shall be set at Level I.

(b) The Applicable Margin, the Applicable Letter of Credit Fee Rate and the Applicable Commitment Fee Rate shall be recomputed as of December 31, 2021 and the end of each fiscal quarter ending thereafter based on the Leverage Ratio as of such quarter end. Any increase or decrease in the Applicable Margin, the Applicable Letter of Credit Fee Rate or the Applicable Commitment Fee Rate computed as of a quarter end shall be effective on the date on which the Compliance Certificate evidencing such computation is due to be delivered under Section 9.3.3 [Certificate of MDI]. If a Compliance Certificate is not delivered when due in accordance with such Section 9.3.3, then the rates in Level III shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered.

(c) If, as a result of any restatement of or other adjustment to the financial statements of the Loan Parties or for any other reason, the Loan Parties or the Lenders determine that (i) the Leverage Ratio as calculated by the Loan Parties as of any applicable date was inaccurate and (ii) a proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the Issuing Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the Issuing Lender, as the case may be, under Section 2.7 [Letter of Credit Subfacility] or Section 5.3 [Interest After Default] or Section 10 [Default]. The Borrowers' obligations under this paragraph shall survive the termination of the Commitments and the repayment of all other Obligations hereunder.

**SCHEDULE 1.1(B)**

**COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES**

**Part 1 - Commitments of Lenders and Addresses for Notices to Lenders**

<u>Lender</u>	<u>Amount of Commitment for Revolving Credit Loans</u>	<u>Amount of Commitment for Term Loans<sup>1</sup></u>	<u>Commitment</u>	<u>Ratable Share</u>
Name: PNC Bank, National Association Address: The Tower at PNC Plaza 300 Fifth Avenue, 13 <sup>th</sup> Floor Pittsburgh, PA 15222 Attention: Scott Colcombe Telephone: (412) 762-2149 Email: scott.colcombe@pnc.com	\$21,920,903.96	\$7,179,096.04	\$29,100,000.00	54.80226%
Name: First National Bank of Pennsylvania Address: One North Shore Center, Suite 500 12 Federal Street Pittsburgh, PA 15212 Attention: J. Maxwell Khuri Telephone: (412) 395-2036 Email: KhuriJ@fnb-corp.com	\$9,039,548.02	\$2,960,451.98	\$12,000,000.00	22.59887%
Name: Northwest Bank Address: 535 Smithfield St., Suite 501 Pittsburgh, PA 15222 Attention: C. Forrest Tefft Telephone: (412) 325-6216 ext. 3 Email: forrest.tefft@northwest.com	\$9,039,548.02	\$2,960,451.98	\$12,000,000.00	22.59887%
<b>Total</b>	<b>\$40,000,000.00</b>	<b>\$13,100,000.00</b>	<b>\$53,100,000.00</b>	<b>100.000000000%</b>

<sup>1</sup> For the avoidance of doubt, the Term Loan was advanced in full on the Third Amendment Effective Date and the Term Loan Commitment expired; this column evidences the allocation of the existing balance of the Term Loan after giving effect to Section 2(B) of the Fourth Amendment

**SCHEDULE 1.1(B)**

**COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES**

**Part 2 - Addresses for Notices to Borrowers and Guarantors:**

**ADMINISTRATIVE AGENT**

Name: PNC Bank, National Association  
Address: The Tower at PNC Plaza  
300 Fifth Avenue, 13<sup>th</sup> Floor  
Pittsburgh, Pennsylvania 15222  
Attention: Scott Colcombe  
Telephone: (412) 762-2149  
Facsimile: (412) 762-4718

With a Copy To:

Name: Agency Services, PNC Bank, National Association  
Mail Stop: P7-PFSC-05-W  
Address: 500 First Avenue  
Pittsburgh, PA 15219  
Attention: Agency Services  
Telephone: (412) 768-0423  
Facsimile: (412) 705-2006

With a Copy To:

Name: Clark Hill PLC  
Address: One Oxford Centre  
310 Grant Street, 14<sup>th</sup> Floor  
Pittsburgh, PA 15219-1425  
Attention: Jeffrey J. Conn, Esq.  
Telephone: (412) 394-2324  
Facsimile: (412) 394-2555

---

**BORROWERS:**

Name: c/o Mastech Digital, Inc.  
1305 Cherrington Parkway #400  
Building 210  
Coraopolis, Pennsylvania 15108-4355  
Attention: Jack Cronin, Vice President and Chief Financial Officer  
Telephone: (412) 490-7981  
Facsimile: (412) 494-9272

**With a Copy To:**

Name: Blank Rome LLP  
Address: 501 Grant Street, Suite 850  
Pittsburgh, Pennsylvania 15219  
Attention: James J. Barnes, Esq.  
Telephone: (412) 932-2731  
Facsimile: (412) 592-0921

**GUARANTOR:**

Name: c/o Mastech Digital, Inc.  
1305 Cherrington Parkway #400  
Building 210  
Coraopolis, Pennsylvania 15108-4355  
Attention: Jack Cronin, Vice President and Chief Financial Officer  
Telephone: (412) 490-7981  
Facsimile: (412) 494-9272



---

**ANNEX 3**

*[See Attached]*

---

**ANNEX 4**

*[See Attached]*

**FIFTH AMENDMENT TO CREDIT AGREEMENT**

This Fifth Amendment to Credit Agreement is dated as of December 28, 2023, by and among Mastech Digital, Inc., a Pennsylvania corporation (“**MDI**”), each of the other Loan Parties party hereto, PNC Bank, National Association (“**PNC Bank**”) and the other Lenders party hereto, and PNC Bank, in its capacity as administrative agent for the Lenders (hereinafter referred to in such capacity as the “**Administrative Agent**”) (the “**Fifth Amendment**”).

**W I T N E S S E T H:**

WHEREAS, MDI and the other Borrowers party thereto, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent entered into that certain Credit Agreement, dated as of July 13, 2017, as amended by that certain (i) First Amendment to Credit Agreement, dated as of November 14, 2017, by and among MDI, as Borrowing Agent, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent, (ii) Second Amendment to Credit Agreement, dated as of April 20, 2018, by and among MDI, as Borrowing Agent, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent, (iii) Third Amendment to Credit Agreement, dated as of October 1, 2020, by and among MDI and the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent and (iv) Fourth Amendment to Credit Agreement, dated as of December 29, 2021, by and among MDI and the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent (as may be further amended, restated, modified or supplemented from time to time, the “**Credit Agreement**”); and

WHEREAS, the Loan Parties desire to amend certain provisions of the Credit Agreement and the Lenders and the Administrative Agent shall permit such amendments pursuant to the terms and conditions set forth herein.

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

1. All capitalized terms used herein which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement unless the context clearly indicates otherwise.

2. Amendments to Credit Agreement. Effective as of the Effective Date (as defined below):

(A) The Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached hereto as **Annex 1**.

(B) The Credit Agreement is hereby amended by deleting Schedule 7.1.2 to the Credit Agreement in their entirety and replacing such schedules, respectively, with Schedule 7.1.2 attached hereto as **Annex 2**.

(C) The Credit Agreement is hereby amended and modified by deleting Exhibit 2.4.1 [Loan Request] to the Credit Agreement in its entirety and replacing such exhibit with Exhibit 2.4.1 attached hereto as **Annex 3**.

(D) The Credit Agreement is hereby amended and modified by deleting Exhibit 9.2.6 [Acquisition Compliance Certificate] to the Credit Agreement in its entirety and replacing such exhibit with Exhibit 9.2.6 attached hereto as **Annex 4**.

(E) The Credit Agreement is hereby amended and modified by deleting Exhibit 9.3.3 [Compliance Certificate] to the Credit Agreement in its entirety and replacing such exhibit with Exhibit 9.3.3 attached hereto as **Annex 5**.

(F) The Pledge Agreement is hereby amended and modified by deleting Exhibit B [Foreign Pledged Interests] to the Pledge Agreement in its entirety and replacing such exhibit with Exhibit B attached hereto as **Annex 6**.

3. The provisions of Section 2 of this Fifth Amendment shall become effective on the date that the Administrative Agent has determined that it has received, or the Lenders have otherwise waived the requirement for the Administrative Agent to receive, each of the following, in each case in form and substance satisfactory to the Administrative Agent (the date of such effectiveness, the "**Effective Date**"):

(a) this Fifth Amendment, duly executed by MDI and each other Loan Party, the Administrative Agent and the Lenders;

(b) payment of all fees and expenses owed to the Administrative Agent and its counsel and the Lenders in connection with this Fifth Amendment and the Credit Agreement (including, without limitation, any such fees and expenses payable pursuant to any separate fee letter executed and delivered by the Administrative Agent and acknowledged and agreed to by the Loan Parties in connection herewith); and

(c) such other documents, deliverables and/or evidence reasonably required by the Administrative Agent in connection with the transactions contemplated hereby.

4. Notwithstanding anything to contrary in the Credit Agreement (as amended by this Fifth Amendment), any Loans existing prior to the Fifth Amendment Effective Date bearing interest based on BSBY shall continue in full force and effect, and the interest rate provisions applicable to BSBY Loans set forth in the Credit Agreement shall continue to apply to each such Loan with an Interest Period that commenced prior to the Fifth Amendment Effective Date until the expiration of the then-current Interest Period for such Loan.

5. Each Loan Party hereby reconfirms and reaffirms, as of the Effective Date, all representations and warranties, agreements and covenants made by it pursuant to the terms and conditions of the Credit Agreement and the other Loan Documents, except as such representations and warranties, agreements and covenants may have heretofore been amended, modified or waived in writing in accordance with the Credit Agreement.

6. Each Loan Party hereby represents and warrants to the Lenders and the Administrative Agent as of the Effective Date that (i) such Loan Party has the legal power and authority to execute and deliver this Fifth Amendment, (ii) the officers of such Loan Party executing this Fifth Amendment have been duly authorized to execute and deliver the same and bind such Loan Party with respect to the provisions hereof, (iii) the execution and delivery hereof by such Loan Party and the performance and observance by such Loan Party of the provisions hereof and of the Credit Agreement and all documents executed or to be executed herewith or therewith, do not violate or conflict with the organizational agreements of such Loan Party or any Law applicable to such Loan Party or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against such Loan Party, and (iv) this Fifth Amendment, the Credit Agreement and the documents executed or to be executed by such Loan Party in connection herewith or therewith constitute valid and binding obligations of such Loan Party in every respect, enforceable in accordance with their respective terms, except to the extent that enforceability of this Agreement or any other Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance or by general principles of equity.

7. Each Loan Party represents and warrants that as of the Effective Date, after giving effect to the amendments set forth in this Fifth Amendment (i) no Event of Default exists under the Credit Agreement, nor will any occur as a result of the execution and delivery of this Fifth Amendment or the performance or observance of any provision hereof and (ii) the schedules attached to and made a part of the Credit Agreement, are true and correct in all material respects as of the date hereof, except as such schedules may have heretofore been amended or modified in writing in accordance with the Credit Agreement.

8. This Fifth Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents. Except as expressly set forth herein, this Fifth Amendment (i) shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document. Except as modified by this Fifth Amendment and each Annex attached hereto, each and every term, condition, obligation, covenant and agreement contained in the Credit Agreement or any other Loan Document is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. Each Loan Party reaffirms its Obligations, including obligations (whether direct, as a guarantor or otherwise), liabilities and indebtedness, under the Loan Documents to which it is party and its grant and the validity of the Liens granted by it in the Collateral under the applicable Loan Documents, and all financing statements and all other recordings and filings previously made, recorded or filed are intended to and do secure all of its Obligations and perfect all Liens granted by it in the Collateral, in each case to the extent provided

in such Loan Documents, with all such Liens continuing in full force and effect after giving effect to this Fifth Amendment. This Fifth Amendment shall constitute a Loan Document for purposes of the Credit Agreement, and from and after the Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement shall, unless expressly provided otherwise, refer to the Credit Agreement as amended by this Fifth Amendment.

9. To induce the Administrative Agent and the Lenders to enter into this Fifth Amendment, each Loan Party hereby releases, acquits and forever discharges the Administrative Agent and the Lenders, and all officers, directors, agents, employees, successors and assigns of the Administrative Agent and the Lenders, from any and all liabilities, claims, demands, actions or causes of action of any kind or nature (if there be any), whether absolute or contingent, disputed or undisputed, at law or in equity, or known or unknown, that such Loan Party now has or ever had against the Administrative Agent or any Lender arising under or in connection with any of the Loan Documents or otherwise, in each case arising prior to the Effective Date. Each Loan Party represents and warrants to the Administrative Agent and the Lenders that such Loan Party has not transferred or assigned to any Person any such claim that such Loan Party ever had or claimed to have against the Administrative Agent or any Lender.

10. This Fifth Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which, when so executed, shall be deemed to be an original, but all such counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Fifth Amendment by e-mail or telecopy shall be effective as delivery of a manually executed counterpart of this Fifth Amendment.

11. This Fifth Amendment shall be deemed to be a contract under the Laws of the State of New York without regard to its conflict of laws principles. Each Loan Party hereby consents to the nonexclusive jurisdiction of the courts of the State of New York sitting in New York County, New York and of the United States District Court for the Southern District of New York, and any appellate court from any thereof, with respect to any suit arising out of or mentioning this Fifth Amendment.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have caused this Fifth Amendment to be duly executed by their duly authorized officers the day and year first above written.

**LOAN PARTIES:**

Mastech Digital, Inc., a Pennsylvania corporation  
Mastech Digital Technologies, Inc., a Pennsylvania corporation  
Mastech Digital Alliances, Inc., a Pennsylvania corporation  
Mastech Digital Resourcing, Inc., a Pennsylvania corporation  
Mastech Digital Data, Inc., a Delaware corporation  
Mastech InfoTrellis, Inc., a Delaware corporation  
Mastech InfoTrellis Digital, Ltd., a British Columbia corporation  
Mastech Digital Services, Inc., a Pennsylvania corporation  
Mastech Digital Consulting, Inc., a Pennsylvania corporation  
Mastech Digital Solutions, Inc., a Pennsylvania corporation  
Mastech Digital InfoTech, Inc., a Pennsylvania corporation  
AmberLeaf Partners, Inc., an Illinois corporation  
Mastech Digital Systems, Inc., a Pennsylvania corporation  
Mastech Cloud Holdings, Inc., a Delaware corporation  
Mastech Cloud Services, Inc., a Delaware corporation

By: \_\_\_\_\_  
Name: John J. Cronin  
Title: CFO of each of the entities listed above

*[Lender Signature Pages Follow]*

---

**ADMINISTRATIVE AGENT AND LENDERS:**

**PNC Bank, National Association,**  
as a Lender and as Administrative Agent

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



---

**First National Bank of Pennsylvania,**  
as a Lender

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

Name:

Title:

---

**Northwest Bank,**  
as a Lender

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

Name:

Title:

---

**ANNEX 1**

See attached.

Published CUSIP Number: 57633AAA0  
Revolving Credit CUSIP Number: 57633AAC6  
Term Loan CUSIP Number: 57633AAC6

\$40,000,000 REVOLVING CREDIT FACILITY  
\$13,100,000 TERM LOAN FACILITY

CREDIT AGREEMENT

by and among

MASTECH DIGITAL, INC.,

THE OTHER BORROWERS PARTY HERETO,

THE GUARANTORS PARTY HERETO,

THE LENDERS PARTY HERETO,

PNC BANK, NATIONAL ASSOCIATION,  
as Administrative Agent, Swing Loan Lender and Issuing Lender,

and

PNC CAPITAL MARKETS LLC, as Sole Lead Arranger and Sole Bookrunner,

Originally dated as of July 13, 2017

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
1. CERTAIN DEFINITIONS	1
1.1 Certain Definitions	1
1.2 Construction	47
1.3 Accounting Principles; Changes in GAAP	48
1.4 Currency Calculations	48
1.5 Exchange Rates; Currency Equivalents	49
1.6 Conforming Changes Relating to Term SOFR, Daily Simple SOFR	49
1.7 Divisions	50
2. REVOLVING CREDIT AND SWING LOAN FACILITIES	50
2.1 Revolving Credit Commitments	50
2.1.1 Revolving Credit Loans	50
2.1.2 Swing Loan Commitment	50
2.2 Nature of Lenders' Obligations with Respect to Revolving Credit Loans	51
2.3 Commitment Fee	51
2.4 Loan Requests; Swing Loan Requests	51
2.4.1 Loan Requests	51
2.4.2 Swing Loan Requests	52
2.5 Making Revolving Credit Loans and Swing Loans; Presumptions by the Administrative Agent; Repayment of Revolving Credit Loans; Borrowings to Repay Swing Loans	52
2.5.1 Making Revolving Credit Loans	52
2.5.2 Presumptions by the Administrative Agent	53
2.5.3 Making Swing Loans	53
2.5.4 Repayment of Revolving Credit Loans	53
2.5.5 Borrowings to Repay Swing Loans	53
2.5.6 Swing Loans Under Cash Management Agreements	54
2.6 Revolving Credit Notes and Swing Notes	54
2.7 Letter of Credit Subfacility	55
2.7.1 Issuance of Letters of Credit	55
2.7.2 Letter of Credit Fees	56
2.7.3 Disbursements, Reimbursement	56
2.7.4 Repayment of Participation Advances	58
2.7.5 Documentation	58
2.7.6 Determinations to Honor Drawing Requests	58
2.7.7 Nature of Participation and Reimbursement Obligations	59
2.7.8 Indemnity	60
2.7.9 Liability for Acts and Omissions	61
2.7.10 Issuing Lender Reporting Requirements	62
2.7.11 Cash Collateral	62

2.8	Termination or Reduction of Revolving Credit Commitments	62
2.9	[Reserved]	63
2.10	[Reserved]	63
2.11	Settlement Date Procedures	63
3.	TERM LOANS	63
3.1	Term Loan Commitments	63
3.2	Nature of Lenders' Obligations with Respect to Term Loans	63
3.2.1	Repayment of Term Loans	64
3.3	Term Notes	64
4.	[RESERVED]	64
5.	INTEREST RATES AND INCREMENTAL LOANS	64
5.1	Interest Rate Options	64
5.1.1	Revolving Credit Interest Rate Options; Swing Line Interest Rate	65
5.1.2	Term Loan Interest Rate Options	65
5.1.3	Rate Calculations; Rate Quotations	65
5.1.4	Interest Act (Canada)	66
5.1.5	Canadian Usury Provision	66
5.2	Interest Periods	67
5.2.1	Amount of Borrowing Tranche	67
5.2.2	Renewals	67
5.2.3	No Conversion of Canadian Dollar Loans	67
5.3	Interest After Default	67
5.3.1	Letter of Credit Fees, Interest Rate	67
5.3.2	Other Obligations	67
5.3.3	Acknowledgment	67
5.4	Euro-Rate Unascertainable; Illegality; Increased Costs; Deposits Not Available	68
5.4.1	Unascertainable; Increased Costs; Deposits Not Available. If at any time	68
5.4.2	Illegality	68
5.4.3	Administrative Agent's and Lender's Rights	69
5.4.4	Benchmark Replacement Setting	70
5.5	Selection of Interest Rate Options	75
5.6	Incremental Loans	75
6.	PAYMENTS	79
6.1	Payments	79
6.2	Pro Rata Treatment of Lenders	79
6.3	Sharing of Payments by Lenders	80
6.4	Presumptions by Administrative Agent	80
6.5	Interest Payment Dates	81
6.6	Voluntary Prepayments	81
6.6.1	Right to Prepay	81

6.6.2	Replacement of a Lender	82
6.6.3	Designation of a Different Lending Office	83
6.7	Mandatory Prepayments	83
6.7.1	Currency Fluctuations	83
6.7.2	Borrowing Base Exceeded	83
6.7.3	Sale of Assets	83
6.7.4	Additional Indebtedness	84
6.7.5	Insurance or Condemnation Proceeds	84
6.7.6	Excess Cash Flow	84
6.7.7	Application Among Loans and Interest Rate Options	85
6.8	Increased Costs	85
6.8.1	Increased Costs Generally	85
6.8.2	Capital Requirements	86
6.8.3	Certificates for Reimbursement; Repayment of Outstanding Loans; Borrowing of New Loans	86
6.8.4	Delay in Requests	86
6.9	Taxes	87
6.9.1	Issuing Lender	87
6.9.2	Payments Free of Taxes	87
6.9.3	Payment of Other Taxes by the Loan Parties	87
6.9.4	Indemnification by the Loan Parties	87
6.9.5	Indemnification by the Lenders	87
6.9.6	Evidence of Payments	88
6.9.7	Status of Lenders	88
6.9.8	Treatment of Certain Refunds	90
6.9.9	Survival	90
6.10	Indemnity	90
6.11	Defaulting Lenders	91
6.12	Designated Lenders	93
6.13	Illegality	93
7.	REPRESENTATIONS AND WARRANTIES	94
7.1	Representations and Warranties	94
7.1.1	Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default	94
7.1.2	Capitalization; Subsidiaries; Investment Companies	94
7.1.3	Validity and Binding Effect	94
7.1.4	No Conflict; Material Agreements; Consents	94
7.1.5	Litigation	95
7.1.6	Financial Statements	95
7.1.7	Margin Stock	96
7.1.8	Full Disclosure	96
7.1.9	Taxes	96
7.1.10	Patents, Trademarks, Copyrights, Licenses, Etc.	96
7.1.11	Liens in the Collateral	97
7.1.12	Insurance	97

7.1.13	ERISA Compliance	97
7.1.14	Canadian Pension Plans	98
7.1.15	Environmental Matters	98
7.1.16	Solvency	98
7.1.17	Anti-Terrorism Laws	98
7.1.18	Acquisition Documents	99
7.1.19	Location of Assets in the Province of Quebec.	99
7.2	Updates to Schedules	100
8.	CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT	100
8.1	Initial Loans and Letters of Credit	100
8.1.1	Deliveries	100
8.1.2	Payment of Fees	102
8.2	Each Loan or Letter of Credit	102
9.	COVENANTS	103
9.1	Affirmative Covenants	103
9.1.1	Preservation of Existence, Etc	103
9.1.2	Payment of Liabilities, Including Taxes, Etc.	103
9.1.3	Maintenance of Insurance	103
9.1.4	Maintenance of Properties and Leases	104
9.1.5	Visitation Rights	104
9.1.6	Keeping of Records and Books of Account	104
9.1.7	Compliance with Laws; Use of Proceeds	105
9.1.8	Further Assurances	105
9.1.9	Anti-Money Laundering	105
9.1.10	Keepwell	105
9.2	Negative Covenants	106
9.2.1	Indebtedness	106
9.2.2	Liens; Lien Covenants	107
9.2.3	Guaranties	107
9.2.4	Loans and Investments	107
9.2.5	Dividends and Related Distributions	108
9.2.6	Liquidations, Mergers, Consolidations, Acquisitions	108
9.2.7	Dispositions of Assets	110
9.2.8	Affiliate Transactions	110
9.2.9	Subsidiaries and Joint Ventures	111
9.2.10	Continuation of or Change in Business	111
9.2.11	Fiscal Year	111
9.2.12	Changes in Organizational Documents or Acquisition Documents	111
9.2.13	Minimum Fixed Charge Coverage Ratio	111
9.2.14	Maximum Leverage Ratio	112
9.2.15	Limitation on Negative Pledges	112
9.2.16	Location of Assets in the Province of Quebec.	112
9.2.17	Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws.	112



9.3	Reporting Requirements	113
9.3.1	Quarterly Financial Statements	113
9.3.2	Annual Financial Statements	113
9.3.3	Certificate of the MDI	114
9.3.4	Borrowing Base Certificate; Schedule of Receivables; Schedule of Payables	114
9.3.5	Notices	114
10.	DEFAULT	115
10.1	Events of Default	115
10.1.1	Payments Under Loan Documents	115
10.1.2	Breach of Warranty	116
10.1.3	Anti-Terrorism Laws	116
10.1.4	Breach of Negative Covenants, Visitation Rights or Anti-Terrorism Laws	116
10.1.5	Breach of Other Covenants	116
10.1.6	Defaults in Other Agreements or Indebtedness	116
10.1.7	Final Judgments or Orders	116
10.1.8	Loan Document Unenforceable	116
10.1.9	Uninsured Losses Proceedings Against Assets	117
10.1.10	Events Relating to Pension Plans and Multiemployer Plans	117
10.1.11	Change of Control	117
10.1.12	Relief Proceedings	117
10.2	Consequences of Event of Default	117
10.2.1	Events of Default Other Than Bankruptcy, Insolvency or Reorganization Proceedings	117
10.2.2	Bankruptcy, Insolvency or Reorganization Proceedings	118
10.2.3	Set-off	118
10.2.4	Application of Proceeds	118
11.	THE ADMINISTRATIVE AGENT	119
11.1	Appointment and Authority	119
11.2	Rights as a Lender	120
11.3	Exculpatory Provisions	120
11.4	Reliance by Administrative Agent	121
11.5	Delegation of Duties	121
11.6	Resignation of Administrative Agent	121
11.7	Non-Reliance on Administrative Agent and Other Lenders	122
11.8	No Other Duties, etc.	122
11.9	Administrative Agent's Fee	122
11.10	Authorization to Release Collateral and Guarantors	123
11.11	No Reliance on Administrative Agent's Customer Identification Program	123

12.	MISCELLANEOUS	128
12.1	Modifications, Amendments or Waivers	128
12.1.1	Increase of Commitment	128
12.1.2	Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment	128
12.1.3	Release of Collateral or Guarantor	128
12.1.4	Miscellaneous	128
12.2	No Implied Waivers; Cumulative Remedies	129
12.3	Expenses; Indemnity; Damage Waiver	129
12.3.1	Costs and Expenses	129
12.3.2	Indemnification by the Loan Parties	130
12.3.3	Reimbursement by Lenders	130
12.3.4	Waiver of Consequential Damages, Etc.	131
12.3.5	Payments	131
12.3.6	Survival	131
12.4	Holidays	131
12.5	Notices; Effectiveness; Electronic Communication	131
12.5.1	Notices Generally	131
12.5.2	Electronic Communications	132
12.5.3	Change of Address, Etc.	132
12.6	Severability	132
12.7	Duration; Survival	132
12.8	Successors and Assigns	133
12.8.1	Successors and Assigns Generally	133
12.8.2	Assignments by Lenders	133
12.8.3	Register	135
12.8.4	Participations	135
12.8.5	Certain Pledges; Successors and Assigns Generally	136
12.9	Confidentiality	136
12.9.1	General	136
12.9.2	Sharing Information With Affiliates of the Lenders	137
12.10	Counterparts; Integration; Effectiveness	137
12.10.1	Counterparts; Integration; Effectiveness	137
12.10.2	Electronic Execution of Assignments	137
12.11	CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL	137
12.11.1	Governing Law	137
12.11.2	SUBMISSION TO JURISDICTION	138
12.11.3	WAIVER OF VENUE	138
12.11.4	SERVICE OF PROCESS	138
12.11.5	WAIVER OF JURY TRIAL	139
12.12	USA Patriot Act Notice	139
12.13	Payment of Debt; Joint and Several Obligations; Borrowing Agency; Bifurcation of Obligations	139
12.13.1	US Revolving Borrowers	139
12.13.2	Canadian Revolving Borrowers	139

12.13.3 Designation of Borrowing Agent; Nature of Borrowing Agency	140
12.13.4 Bifurcation of Obligations	140
12.14 Additional Waivers of Borrowers	140
12.15 Joinder	141
12.16 Canadian Anti-Money Laundering Legislation	142
12.17 Acknowledgment and Consent to Bail-In of EEA Financial Institutions	143
12.18 No Advisory or Fiduciary Responsibility	143
12.19 Judgment Currency	144

**LIST OF SCHEDULES AND EXHIBITS**

**SCHEDULES**

- SCHEDULE 1.1(A) — PRICING GRID
- SCHEDULE 1.1(B) — COMMITMENTS OF LENDERS AND ADDRESSES FOR NOTICES
- SCHEDULE 1.1(E) — EXISTING LETTERS OF CREDIT
- SCHEDULE 1.1(P) — PERMITTED LIENS
- SCHEDULE 7.1.2 — CAPITALIZATION; SUBSIDIARIES
- SCHEDULE 9.2.1 — PERMITTED INDEBTEDNESS

**EXHIBITS**

- EXHIBIT 1.1(A) — ASSIGNMENT AND ASSUMPTION AGREEMENT
- EXHIBIT 1.1(B) — BORROWER JOINDER
- EXHIBIT 1.1(G) — GUARANTOR JOINDER
- EXHIBIT 1.1(L) — LENDER JOINDER
- EXHIBIT 1.1(N)(1) — REVOLVING CREDIT NOTE
- EXHIBIT 1.1(N)(2) — SWING LOAN NOTE
- EXHIBIT 1.1(N)(3) — TERM NOTE
- EXHIBIT 2.4.1 — LOAN REQUEST
- EXHIBIT 2.4.2 — SWING LOAN REQUEST
- EXHIBIT 6.9.7(A) — U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(B) — U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(C) — U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 6.9.7(D) — U.S. TAX COMPLIANCE CERTIFICATE (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
- EXHIBIT 9.2.6 — ACQUISITION COMPLIANCE CERTIFICATE
- EXHIBIT 9.3.3 — QUARTERLY COMPLIANCE CERTIFICATE
- EXHIBIT 9.3.4 — BORROWING BASE CERTIFICATE

## CREDIT AGREEMENT

THIS CREDIT AGREEMENT is originally dated as of July 13, 2017, and is made by and among MASTECH DIGITAL, INC., a Pennsylvania corporation (“**MDI**”), each of the other BORROWERS (as hereinafter defined), each of the GUARANTORS (as hereinafter defined), the LENDERS (as hereinafter defined), and PNC BANK, NATIONAL ASSOCIATION, in its capacity as the Administrative Agent (as hereinafter defined).

The Borrowers have requested the Lenders to provide (i) a revolving credit facility to the Revolving Borrowers (as hereinafter defined) in an aggregate principal amount not to exceed Forty Million and 00/100 Dollars (\$40,000,000.00), including therein a Swing Loan (as hereinafter defined) subfacility to the US Revolving Borrowers (as hereinafter defined) and a Letter of Credit (as hereinafter defined) subfacility to the US Revolving Borrowers, and (ii) a Thirteen Million One Hundred Thousand and 00/100 Dollar (\$13,100,000.00) term loan facility to the Acquisition Borrowers, in each case subject to Section 5.7 [Incremental Loans]. In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

### 1. CERTAIN DEFINITIONS

1.1 Certain Definitions. In addition to words and terms defined elsewhere in this Agreement, the following words and terms have the following meanings, respectively, unless the context hereof clearly requires otherwise:

Account Debtor means any Person who is or who may become obligated to a Loan Party under, with respect to, or on account of, a Receivable.

Acquisitions means the purchases by Purchasers consummated pursuant to the Acquisition Documents.

Acquisition Agreements means the US Acquisition Agreement, the Canadian Acquisition Agreement and the Indian Acquisition Agreement.

Acquisition Borrowers means, singularly or collectively as the context may require, MDDI and MII.

Acquisition Documents means the US Acquisition Documents, the Canadian Acquisition Documents and the Indian Acquisition Documents.

Acquisition Earn-Out means the Deferred Amount (as such term is defined in the Canadian Acquisition Agreement) due and payable in accordance with the terms of the Canadian Acquisition Agreement.

Administrative Agent means PNC Bank, National Association, and its successors and assigns, in its capacity as administrative agent hereunder.

Administrative Agent's Fee has the meaning specified in Section 11.9 [Administrative Agent's Fee].

Administrative Agent's Letter has the meaning specified in Section 11.9 [Administrative Agent's Fee].

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

Affiliate as to any Person means any other Person (i) which directly or indirectly controls, is controlled by, or is under common control with such Person, (ii) which beneficially owns or holds ten (10%) or more of any class of the voting or other equity interests of such Person, or (iii) ten percent (10%) or more of any class of voting interests or other equity interests of which is beneficially owned or held, directly or indirectly, by such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

Agreement means this Credit Agreement, as the same may be amended, supplemented, modified or restated from time to time, including all schedules and exhibits.

Alternative Currency means Euros, Sterling and Canadian Dollars, in each case as long as there is a published Daily Simple RFR or Term RFR, as applicable, or a Benchmark Replacement effected pursuant to Section 5.4.4 with respect thereto.

Alternative Currency Equivalent means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent or the Issuing Lender, as the case may be, in its sole discretion by reference to the applicable Bloomberg page (or such other publicly available service for displaying exchange rates as determined by the Administrative Agent from time to time), to be the exchange rate for the purchase of such Alternative Currency with Dollars on the date that is (i) with respect to Daily RFR Loans and Letters of Credit to which a Daily Simple RFR would apply, the applicable Daily Simple RFR Lookback Day, and (ii) with respect to Term RFR Loans and Letters of Credit to which a Term RFR would apply, the applicable Term RFR Lookback Day, and (iii) otherwise, on the date which is two (2) Business Days immediately preceding the date of determination, or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto, in each case, prior to the date as of which the foreign exchange computation is made; provided, however, that if no such rate is available, the "Alternative Currency Equivalent" shall be determined by the Administrative Agent or the Issuing Lender, as the case may be, using any reasonable method of determination it deems appropriate in its sole discretion (and such determination shall be conclusive absent manifest error).

Alternative Currency Sublimit means an amount in Dollars equal to the lesser of (a) \$10,000,000.00 and (b) the total amount of the Revolving Credit Commitment. The Alternative Currency Sublimit is part of, and not in addition to, the Revolving Credit Facility.

AmberLeaf means AmberLeaf Partners, Inc., an Illinois corporation.

AmberLeaf Acquisition means the acquisition by MDDI of one hundred percent (100%) of the equity of AmberLeaf consummated pursuant to the AmberLeaf Acquisition Documents.

AmberLeaf Acquisition Agreement means the Share Purchase Agreement, dated October 1, 2020, by and among MDDI, AmberLeaf, the shareholders of AmberLeaf party thereto and Lawrence F. Goldman, as the sellers' representative thereunder, as such agreement exists on the Third Amendment Effective Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

AmberLeaf Acquisition Documents means the AmberLeaf Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the AmberLeaf Acquisition Agreement, as such documents, agreements and instruments exist on the Third Amendment Effective Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Anti-Corruption Laws means (a) the U.S. Foreign Corrupt Practices Act of 1977, as amended; (b) the U.K. Bribery Act 2010, as amended; and (c) any other applicable Law relating to anti-bribery or anti-corruption in any jurisdiction in which any Loan Party is located or doing business.

Anti-Money Laundering Laws means (a) the Bank Secrecy Act and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001; (b) the U.K. Proceeds of Crime Act 2002, the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Loan Party is located or doing business.

Applicable Commitment Fee Rate means the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Commitment Fees."

Applicable Letter of Credit Fee Rate means the percentage rate per annum based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Letter of Credit Fee."

Applicable Margin means, as applicable:

(A) the percentage spread to be added to the Base Rate applicable to Revolving Credit Loans under the Base Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Revolving Credit Base Rate Spread",

(B) the percentage spread to be added to the Base Rate applicable to Term Loans under the Base Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading "Term Facility Base Rate Spread",

(C) the percentage spread to be added to (i) the Term SOFR Rate applicable to Revolving Credit Loans under the Term SOFR Rate Option, (ii) the Daily Simple RFR applicable to Revolving Credit Loans under the Daily Simple RFR Option, and (iii) the Term RFR applicable to Revolving Credit Loans under the Term RFR Option, in each case based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading “Revolving Credit Spread (Non-Base Rate)”, or

(D) the percentage spread to be added to the Term SOFR Rate applicable to Term Loans under the Term SOFR Rate Option based on the Leverage Ratio then in effect according to the pricing grid on Schedule 1.1(A) below the heading “Term Facility Non-Base Rate Spread”.

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

Approved Fund means any fund that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

Assignment and Assumption Agreement means an assignment and assumption agreement entered into by a Lender and an assignee permitted under Section 12.8 [Successors and Assigns], in substantially the form of Exhibit 1.1(A).

Authorized Officer means, with respect to any Loan Party, the Chief Executive Officer, President, Chief Financial Officer, Treasurer or Assistant Treasurer of such Loan Party, any other executive officer, including any Executive Vice President or Senior Vice President of such Loan Party, any Vice President of any Subsidiary of such Loan Party, any manager or the members (as applicable) in the case of any Loan Party which is a limited liability company, or such other individuals, designated by written notice to the Administrative Agent from the Borrowing Agent, authorized to execute notices, reports and other documents on behalf of such Loan Party required hereunder. The Borrowing Agent may amend such list of individuals from time to time by giving written notice of such amendment to the Administrative Agent.

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

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



Bankruptcy Event has the meaning specified in the definition of Defaulting Lender.

Base Rate means, for any day, a fluctuating per annum rate of interest equal to the highest of (i) the Overnight Bank Funding Rate, plus 0.5%, (ii) the Prime Rate, and (iii) the Daily Simple SOFR, plus 1.00%, so long as the Daily Simple SOFR is offered, ascertainable and not unlawful; provided, however, if the Base Rate as determined above would be less than zero, then such rate shall be deemed to be zero. Any change in the Base Rate (or any component thereof) shall take effect at the opening of business on the day such change occurs. Notwithstanding anything to the contrary contained herein, in the case of any event specified in Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] or Section 5.4.2 [Illegality], to the extent any such determination affects the calculation of Base Rate, the definition hereof shall be calculated without reference to clause (iii) until the circumstances giving rise to such event no longer exist.

Base Rate Loan means a Loan denominated in Dollars that bears interest based on the Base Rate.

Base Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms set forth in either Section 5.1.1(i) [Revolving Credit Base Rate Option] or Section 5.1.3 [Term Facility Base Rate Option], as applicable.

Blocked Property means any property: (a) owned, directly or indirectly, by a Sanctioned Person; (b) due to or from a Sanctioned Person; (c) in which a Sanctioned Person otherwise holds any interest; (d) located in a Sanctioned Jurisdiction; or (e) that otherwise could cause any actual or possible violation by the Lenders or the Administrative Agent of any applicable International Trade Law if the Lenders or the Administrative Agent were to obtain an encumbrance on, lien on, pledge of, or security interest in such property, or provide services in consideration of such property.

Bloomberg means Bloomberg Index Services Limited (or a successor administrator).

Borrower or Borrowers means, singularly or collectively as the context may require, the US Revolving Borrowers, the Canadian Revolving Borrowers and the Acquisition Borrowers.

Borrower Joinder means a joinder by a Person as a US Revolving Borrower or Canadian Revolving Borrower under this Agreement, the Notes and the other Loan Documents in substantially the form of Exhibit 1.1(B).

Borrowing Agent means MDI.

Borrowing Base means the sum of the US Borrowing Base and the Canadian Borrowing Base.

Borrowing Base Certificate means a certificate in substantially the form of Exhibit 9.3.4 pursuant to which the Borrowing Agent shall compute the US Borrowing Base and the Canadian Borrowing Base. The Borrowing Agent shall deliver the Borrowing Base Certificate at the time specified in Section 9.3.4 [Borrowing Base Certificate, Etc.].

Borrowing Date means, with respect to any Loan, the date for the making thereof or the renewal or conversion thereof at or to the same or a different Interest Rate Option, which shall be a Business Day.

Borrowing Tranche means specified portions of Term Loans, Revolving Credit Loans, or Swingline Loans, as the context may require, consisting of simultaneous loans of the same Interest Rate Option and in the same Currency, and in the case of Term Rate Loans, having the same Interest Period. For the avoidance of doubt, Daily Rate Loans of the same Interest Period and Currency shall be considered one Borrowing Tranche.

Business Day means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed, or are in fact closed, for business in Pittsburgh, Pennsylvania (or, if otherwise, the Lending Office of the Administrative Agent); provided that for purposes of any direct or indirect calculation or determination of, or when used in connection with any interest rate settings, fundings, disbursements, settlements, payments, or other dealings with respect to any (i) Term SOFR Rate Loan, the term "Business Day" means any such day that is also a U.S. Government Securities Business Day; (ii) Daily RFR Loan, the term "Business Day" means any such day that is also a Daily RFR Business Day; and (iii) Term RFR Loan, the term "Business Day" means any such day that is also a Term RFR Business Day.

Canadian Acquisition means the purchase by Canadian Purchaser from InfoTrellis consummated pursuant to the Canadian Acquisition Documents.

Canadian Acquisition Agreement means that certain Asset Purchase Agreement, dated July 7, 2017, by and among Canadian Purchaser, InfoTrellis and Mr. Mahmood Abbas, Mr. Zahid Naeem and Mr. Sachin Wadhwa, as principals, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Canadian Acquisition Documents means the Canadian Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the Canadian Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Canadian Anti-Money Laundering & Anti-Terrorism Legislation means the Criminal Code, R.S.C. 1985, c. C-46, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17 and the United Nations Act, R.S.C. 1985, c.U-2 or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations al-Qaida and Taliban Regulations promulgated under the United Nations Act.

Canadian Borrowing Base means the Dollar Equivalent of the difference between (i) the sum of (a) up to eighty-five percent (85%) of Eligible Receivables of Canadian Revolving Borrowers *plus* (b) up to sixty percent (60%) of Eligible Unbilled Receivables of Canadian Revolving Borrowers, *minus* (ii) such reserves as Administrative Agent may reasonably deem proper and necessary from time to time in its Permitted Discretion (including, without limitation, in respect of Priority Payables). Notwithstanding anything to the contrary herein, the Administrative Agent may, in its sole but reasonable discretion, at any time hereafter, decrease the advance percentage for Eligible Receivables and Eligible Unbilled Receivables or increase the level of reserves or ineligibles, or define or maintain such other reserves or ineligibles, as the Administrative Agent may deem necessary or appropriate. Any such change shall become effective three (3) Business Days from the date of written notice from the Administrative Agent to the Borrowing Agent for the purpose of calculating the Canadian Borrowing Base hereunder; provided, however, upon the occurrence of an Event of Default hereunder, such change shall become effective immediately for the purpose of calculating the Canadian Borrowing Base hereunder.

Canadian Collateral Documents means, individually or collectively as the context may require, (i) the General Security Agreement, dated the Closing Date, executed and delivered by each Canadian Loan Party to the Administrative Agent for the benefit of the Lenders, and (ii) any other document, instrument or agreement executed and delivered by a Canadian Loan Party in favor of the Administrative Agent for the benefit of the Lenders pursuant to which a Lien is granted by such Canadian Loan Party in its Collateral as security for the Obligations.

Canadian Dollars means the official currency of Canada.

Canadian Guaranty Agreement or Canadian Guaranty Agreements means, singularly or collectively, as the context may require, any Guaranty and Suretyship Agreement executed and delivered by any Canadian Person to the Administrative Agent for the benefit of the Lenders on or after the date hereof, in form and substance satisfactory to the Administrative Agent.

Canadian Loan Parties means each Loan Party that is a Canadian Person.

Canadian Obligations means all Obligations of the Canadian Loan Parties.

Canadian Pension Plan means each pension plan required to be registered under Canadian federal or provincial pension standards legislation that is maintained or contributed to by a Loan Party for its employees or former employees, but does not include the Canada Pension Plan as maintained by the Government of Canada.

Canadian Pension Termination Event means (a) the voluntary full or partial wind up of a Specified Canadian Pension Plan by a Loan Party; (b) the institution of proceedings by FSCO to wind up in whole or in part, or have a trustee appointed to administer, a Specified Canadian Pension Plan; (c) any other event or condition which could reasonably be expected to

constitute grounds for the full or partial wind up of, or the appointment of trustee to administer, a Specified Canadian Pension Plan; or (d) the failure to remit contributions when due under applicable pension standards legislation to a Canadian Pension Plan which provides benefits on a defined contribution basis.

Canadian Person means an entity organized under the laws of Canada or any province or territory thereof.

Canadian Purchaser means Mastech Canada.

Canadian Revolving Borrowers means, singularly or collectively as the context may require, Mastech Canada and each other Person which joins this Agreement as a Canadian Revolving Borrower after the date hereof pursuant to Section 12.15 [Joinder].

Canadian Revolving Facility Usage means at any time the sum of the Dollar Equivalent amount of the outstanding Revolving Credit Loans to the Canadian Revolving Borrowers.

Canadian Sublimit Amount means Ten Million and 00/100 Dollars (\$10,000,000.00).

Capital Expenditures means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements (or of any replacements or substitutions thereof or additions thereto) which have a useful life of more than one year and which, in accordance with GAAP, would be classified as capital expenditures.

Capital Lease means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of such Person.

Capital Lease Obligations means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

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

Cash Collateralize means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Lender or the Lenders, as collateral for Letter of Credit Obligations or obligations of Lenders to fund participations in respect of Letter of Credit Obligations, cash or deposit account balances or, if the Administrative Agent and each applicable Issuing Lender shall agree in their sole discretion, other credit support, in each case in the aggregate amount of not less than one hundred five percent (105%) of the Letter of Credit Obligations, and in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable Issuing Lender.

Cash Management Agreements has the meaning specified in Section 2.5.6 [Swing Loans Under Cash Management Agreements].

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

CFTC means the Commodity Futures Trading Commission.

Change in Law means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any Law, (ii) any change in any Law or in the administration, interpretation, implementation or application thereof by any Official Body or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Official Body; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations 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 (whether or not having the force of Law), in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

Change of Control means that any “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of an amount of Voting Power that equals or exceeds the aggregate amount of Voting Power owned by Ashok K. Trivedi and Sunil Wadhvani. For purposes of calculating the amount of Voting Power owned by Ashok K. Trivedi and Sunil Wadhvani, shares beneficially owned by members of their immediate family in trust or family partnerships for the benefit of Messrs. Trivedi and Wadhvani or members of their immediate family shall be deemed to be beneficially owned by Messrs. Trivedi and Wadhvani, respectively.

CIP Regulations has the meaning specified in Section 11.11 [No Reliance Etc.].

Class, when used in reference to any Loan, refers to whether such Loan, or the advances comprising such Loans, are Term Loans, Revolving Credit Loans or Swingline Loans and, when used in reference to any Lender, refers to whether such Lender has any (a) outstanding Revolving Credit Loans or Revolving Commitments, (b) Term Loan Commitments or Term Loans or (c) Incremental Term Loan Commitment or Incremental Term Loans.

Closing Compliance Certificate has the meaning assigned to that term in Section 8.1.1 [Deliveries].

Closing Date means the Business Day on which the first Loan shall be made, which shall be July 13, 2017.

Code means the Internal Revenue Code of 1986, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect, and to the extent this defined term is applicable to any Canadian Loan Party, the *Income Tax Act (Canada)*.

Collateral means the personal and/or real property of any Person granted as collateral to secure the Obligations or any portion thereof.

Collateral Assignment means the Collateral Assignment of Representations, Warranties, Covenants, Indemnity, Escrow and Purchase Price Adjustment Rights, dated the Closing Date, made by MDI for the benefit of the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

Collateral Assignment (AmberLeaf) means the Collateral Assignment of Representations, Warranties, Covenants, Indemnity, Escrow and Purchase Price Adjustment Rights, dated the Third Amendment Effective Date, made by MDDI for the benefit of the Administrative Agent, in form and substance satisfactory to the Administrative Agent.

Collateral Documents means the Security Agreement, the Pledge Agreement, the Collateral Assignment, the Collateral Assignment (AmberLeaf), the IP Security Agreement, the Canadian Collateral Documents and any other agreement, document or instrument granting a Lien in Collateral.

Commercial Letter of Credit means any letter of credit which is a commercial letter of credit issued in respect of the purchase of goods or services by one or more of the Loan Parties or their Subsidiaries in the ordinary course of business.

Commitment means as to any Lender the aggregate of its Revolving Credit Commitment (and in the case of PNC, including its Swing Loan Commitment) and Term Loan Commitment, and Commitments means the aggregate of the Revolving Credit Commitments and Term Loan Commitments.

Commitment Fee has the meaning specified in Section 2.3 [Commitment Fee].

Compliance Authority means (a) the United States government or any agency or political subdivision thereof, including, without limitation, the U.S. Department of State, the U.S. Department of Commerce, the U.S. Department of the Treasury and its Office of Foreign Assets Control, and the U.S. Customs and Border Protection agency; (b) the government of Canada or any agency thereof; (c) the European Union or any agency thereof; (d) the government of the United Kingdom or any agency thereof; (e) the United Nations Security Council; and (f) any other Official Body with jurisdiction to administer Anti-Corruption Laws, Anti-Money Laundering Laws or International Trade Laws with respect to the conduct of a Covered Entity.

Compliance Certificate has the meaning specified in Section 9.3.3 [Certificate of MDI].

Conforming Changes means, with respect to the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR, or any Benchmark Replacement in relation thereto, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR, or such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR, Term RFR or the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

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.

Contras has the meaning specified in the definition of Eligible Receivables.

CORRA means a rate equal to the Canadian Overnight Repo Rate Average as administered by the CORRA Administrator.

CORRA Administrator means the Bank of Canada (or any successor administrator of the Canadian Overnight Repo Rate Average).

CORRA Administrator’s Website means the Bank of Canada’s website, at <https://www.bankofcanada.ca>, or any successor source for the Canadian Overnight Repo Rate Average identified as such by the CORRA Administrator from time to time.

Covered Entity means (a) the Borrower and each of the Borrower’s Subsidiaries; (b) each Guarantor and any Person who has pledged (or will pledge) Collateral under any Loan Document; and (c) each Person that, directly or indirectly, controls a Person described in clause (a) or (b) above..

Currency means Dollars or any Alternative Currency and Currencies means, collectively, Dollars and each Alternative Currency.

Daily Rate Loan means a Loan that bears interest at a rate based on the (i) Base Rate or (ii) Daily Simple RFR.

Daily Rate Loan Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(ii) [Revolving Credit Daily Rate Loan Option] or Section 5.1.3(ii) [Term Loan Daily Rate Loan Option], as applicable.

Daily RFR Adjustment means with respect to Daily RFR Loans, the applicable adjustment set forth in the table below:

<u>RFR</u>	<u>Daily RFR Adjustment</u>
€STR	0.0456%
SONIA	0.0326%
CORRA	0.29547%

Daily RFR Administrator means the €STR Administrator, the SONIA Administrator or the CORRA Administrator, as applicable.

Daily RFR Business Day means as applicable, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to (i) Euro, a TARGET Day, (ii) Sterling, a day on which banks are open for general business in London and (iii) Canadian Dollars, a day on which banks are open for general business in Toronto.

Daily RFR Day has the meaning specified in the definition of “Daily Simple RFR”.

Daily RFR Loan means a Loan that bears interest at a rate based on a Daily Simple RFR.

Daily Simple RFR means, for any day (a “Daily RFR Day”), a rate per annum determined by the Administrative Agent (rounded upwards, at the Administrative Agent’s discretion, to the nearest 1/100 of 1%) equal to, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to:

(a) Sterling, SONIA for the day (such day, adjusted as applicable as set forth herein, the “SONIA Lookback Day”) that is two (2) Business Days prior to (A) if such Daily RFR Day is a Business Day, such Daily RFR Day or (B) if such Daily RFR Day is not a Business Day, the Business Day immediately preceding such Daily RFR Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator’s Website;

(b) Euro, €STR for the day (such day, adjusted as applicable as set forth herein, the “€STR Lookback Day”) that is two (2) Business Days prior to (A) if such Daily RFR Day is a Business Day, such Daily RFR Day or (B) if such Daily RFR Day is not a Business Day, the Business Day immediately preceding such Daily RFR Day, in each case, as such €STR is published by the €STR Administrator on the €STR Administrator’s Website; and



(c) Canadian Dollars, CORRA for the day (such day, adjusted as applicable as set forth herein, the “CORRA Lookback Day”) that is two (2) Business Days prior to (A) if such Daily RFR Day is a Business Day, such Daily RFR Day or (B) if such Daily RFR Day is not a Business Day, the Business Day immediately preceding such Daily RFR Day, in each case, as such CORRA is published by the CORRA Administrator on the CORRA Administrator’s Website;

If by 5:00 pm (local time for the applicable Daily Simple RFR) on the second (2<sup>nd</sup>) Business Day immediately following any Daily Simple RFR Lookback Day, the RFR in respect of such Daily Simple RFR Lookback Day has not been published on the applicable RFR Administrator’s Website and a Benchmark Replacement Date with respect to the applicable Daily Simple RFR has not occurred, then the RFR for such Daily Simple RFR Lookback Day will be the RFR as published in respect of the first preceding Business Day for which such RFR was published on the RFR Administrator’s Website; provided that any RFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple RFR for no more than three (3) consecutive Daily RFR Days. Any change in Daily Simple RFR as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The Daily Simple RFR for each outstanding Daily RFR Loan shall be adjusted automatically as of the effective date of such change in the Daily Simple RFR without notice to any Borrower and shall be deemed conclusive absent manifest error.

Daily Simple RFR Lookback Days means, collectively, SONIA Lookback Day and €STR Lookback Day, CORRA Lookback Day, and each individually is a Daily Simple RFR Lookback Day.

Daily Simple RFR Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(ii)(B) [Revolving Credit Daily Rate Loan Option].

Daily Simple SOFR means, for any day (a “**SOFR Rate Day**”), the interest rate per annum determined by the Administrative Agent rounded upwards, at the Administrative Agent’s discretion, to the nearest 1/100th of 1%) equal to SOFR for the day (the “**SOFR Determination Date**”) that is 2 Business Days prior to (i) such SOFR Rate Day if such SOFR Rate Day is a Business Day or (ii) the Business Day immediately preceding such SOFR Rate Day if such SOFR Rate Day is not a Business Day, in each case, as such SOFR is published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source identified by the Federal Reserve Bank of New York or its successor administrator for the secured overnight financing rate from time to time. If Daily Simple SOFR as determined above would be less than the Floor, then Daily Simple SOFR shall be deemed to be the Floor. If SOFR for any SOFR Determination Date has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the second Business Day immediately following such SOFR Determination Date, then SOFR for such SOFR Determination Date will be SOFR for the first Business Day preceding such SOFR Determination

Date for which SOFR was published in accordance with the definition of “SOFR”; provided that SOFR determined pursuant to this sentence shall be used for purposes of calculating Daily Simple SOFR for no more than 3 consecutive SOFR Rate Days. If and when Daily Simple SOFR as determined above changes, any applicable rate of interest based on Daily Simple SOFR will change automatically without notice to any Borrower, effective on the date of any such change.

Defaulting Lender means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swing Loans or (iii) pay over to the Administrative Agent, the Issuing Lender, PNC (as the Swing Loan Lender) or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrowing Agent or the Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within two Business Days after request by the Administrative Agent or the Borrowing Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swing Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent’s or the Borrowing Agent’s receipt of such certification in form and substance satisfactory to the Administrative Agent or the Borrowing Agent, as the case may be, (d) has become the subject of a Bankruptcy Event or a Bail-In Action or (e) has failed at any time to comply with the provisions of Section 6.3 [Sharing of Payments by Lenders] with respect to purchasing participations from the other Lenders, whereby such Lender’s share of any payment received, whether by setoff or otherwise, is in excess of its Ratable Share of such payments due and payable to all of the Lenders.

As used in this definition and in Section 6.11 [Defaulting Lenders], the term “Bankruptcy Event” means, with respect to any Person, such Person or such Person’s direct or indirect parent company becoming the subject of a bankruptcy or insolvency proceeding, or having had a receiver, manager, receiver and manager, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person’s direct or indirect parent company by an Official Body or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Official Body or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

Designated Lender has the meaning specified in Section 6.12 [Designated Lenders].

Disqualified Lender means any Person who is identified to the Administrative Agent in writing prior to the date hereof that is engaged in a Mastech competitive business; provided that, Borrowing Agent shall be permitted to supplement such list in writing to the Administrative Agent from time to time after the Closing Date to the extent that such supplemented Person (a) is an Affiliate of any Person identified as a Disqualified Lender prior to the Closing Date or (b) is or becomes, or Borrowing Agent hereafter learns that such Person is, engaged in a Mastech competitive business (or is an Affiliate of any such Person). Any supplement to the list of Disqualified Lenders shall become effective five (5) Business Days after delivery to the Administrative Agent. As used herein, "Mastech competitive business" means, as at any date of determination, the sale or attempted sale of any products or services which are the same as or similar to the products and services sold by any Loan Party or any of its Subsidiaries.

Dollar, Dollars, U.S. Dollars and the symbol \$ means lawful money of the United States of America.

Dollar Equivalent means, for any amount, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in an Alternative Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with the Alternative Currency last provided (either by publication or otherwise provided to the Administrative Agent or the Issuing Lender, as applicable) by the applicable Bloomberg source (or such other publicly available source for displaying exchange rates as determined by the Administrative Agent or the Issuing Lender, as applicable, from time to time) on the date that is the applicable Daily Simple RFR Lookback Day (for amounts relating to Daily RFR Loans and Letters of Credit denominated in an Alternative Currency to which a Daily Simple RFR would apply), the applicable Term RFR Lookback Day (for amounts relating to Term RFR Loans and Letters of Credit denominated in an Alternative Currency to which a Term RFR would apply), immediately preceding the date of determination, or otherwise on the date which is two (2) Business Days immediately preceding the date of determination or otherwise with respect to Loans to which any other Interest Rate Option applies, the lookback date applicable thereto (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable using any method of determination it deems appropriate in its sole discretion) and (c) if such amount is denominated in any other currency, the equivalent of such amount in Dollars as determined by the Administrative Agent or the Issuing Lender, as applicable, using any method of determination it deems appropriate in its sole discretion. Any determination by the Administrative Agent or the Issuing Lender pursuant to clauses (b) or (c) above shall be conclusive absent manifest error.

Domestic Person means the US Persons and the Canadian Persons.

Domestic Subsidiary means any Subsidiary of any Loan Party that is a Domestic Person.

Drawing Date has the meaning specified in Section 2.7.3.1 [Disbursements, Reimbursement].

EBITDA means, for any period of determination, the sum of (i) net income (or loss) (excluding extraordinary gains or losses including, without limitation, those items created by mandated changes in accounting treatment), plus (ii) interest expense, plus (iii) all charges against or minus credits to income for federal, state and local income tax expenses, plus (iv) non-cash share issuance and share option related compensation expense items (SFAS 123, 148 and APB 25 and each of their respective successors), plus (v) depreciation, plus (vi) amortization, plus (vii) non-cash stock based compensation, plus or minus (as applicable) (viii) any non-cash charges related to the AmberLeaf Acquisition or Permitted Acquisitions, including goodwill impairment or other expenses or credits in connection with the consummation of the AmberLeaf Acquisition or Permitted Acquisitions or adjustments to the contingent purchase price component of the AmberLeaf Acquisition or a Permitted Acquisition, plus (ix) non-recurring costs and expenses in connection with (A) the AmberLeaf Acquisition in an aggregate amount not to exceed \$600,000 and (B) Permitted Acquisitions occurring after the Third Amendment Effective Date, in an amount not to exceed \$900,000 in the aggregate for all such Permitted Acquisitions, plus (x) costs and expenses related to employee settlement costs incurred during fiscal quarter ended June 30, 2023 in an aggregate amount not to exceed Three Million One Hundred Thousand and 00/100 Dollars (\$3,100,000.00), plus (xi) any additional costs and expenses related to severance incurred during the term of this Agreement (excluding the costs and expenses set forth in clause (x) above) in an aggregate amount not to exceed Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00), in each case of MDI on a Consolidated Basis. For purposes of calculating EBITDA, (a) with respect to a business acquired by the Loan Parties pursuant to the AmberLeaf Acquisition or a Permitted Acquisition, EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if the AmberLeaf Acquisition or the Permitted Acquisition had been consummated at the beginning of such period, and (b) with respect to a business liquidated, sold or disposed of by the Loan Parties pursuant to Section 9.2.7 [Dispositions of Assets or Subsidiaries], EBITDA shall be calculated on a pro forma basis, using historical numbers, in accordance with GAAP as if such liquidation, sale or disposition had been consummated at the beginning of such period.

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 member state of the European Union, Iceland, Liechtenstein and Norway.

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

Eligible Contract Participant means an “eligible contract participant” as defined in the CEA and the regulations thereunder.

Eligible Receivables means and include with respect to each Revolving Borrower, an account receivable of any Revolving Borrower arising in the ordinary course of such Revolving Borrower’s business and which the Administrative Agent, in its Permitted Discretion, shall deem to be an Eligible Receivable, based on such considerations as the Administrative Agent may from time to time deem appropriate. A Receivable shall not be deemed eligible unless such Receivable is subject to a first priority perfected security interest in favor of the Administrative Agent, and is evidenced by an invoice or other documentary evidence satisfactory to the Administrative Agent. In addition, a Receivable of a Revolving Borrower shall be an Eligible Receivable only if:

(a) It is not more than ninety (90) days from the date of the invoice therefore;

(b) It arose from the performance of services or an outright sale of goods by a Revolving Borrower in the ordinary course of such Revolving Borrower’s business and such goods have been shipped, or services provided or will be provided, to the Account Debtor and such Revolving Borrower has possession of, or has delivered to the Administrative Agent, in the case of goods, shipping and delivery receipts evidencing such shipment and, in the case of services, receipts or other evidence satisfactory to the Administrative Agent that such services have been provided or will be provided;

(c) It is not subject to any prior assignment, claim or Lien, and the Revolving Borrowers will not make any further assignment of the Receivable or create any further Lien on the Receivable (in each case other than (i) a Lien in favor of the Administrative Agent, (ii) a Permitted Lien which does not have priority over the Lien in favor of the Administrative Agent and (iii) unregistered Liens in respect of Priority Payables that are not yet due and payable and which are not being enforced or Permitted Liens subject to reserves under the Borrowing Base and which are not being enforced), or permit its rights in the Receivable to be reached by attachment, levy, garnishment or other judicial process;

(d) It is not subject to set-off, credit allowance or adjustment by the Account Debtor, except discounts allowed for prompt payment, and the Account Debtor has not complained as to its liability on the Receivable and has not returned, or retained the right to return, any of the goods from the sale of which the Receivable arose;

(e) It does not arise from a sale of goods that are delivered or to be delivered outside the United States of America or a province or territory of Canada that has adopted the PPSA or from a sale of goods to an Account Debtor domiciled outside of the United States of America or a province or territory of Canada that has adopted the PPSA, unless the sale is (i) on a letter of credit, which is in form and substance and issued by a financial institution satisfactory to the Administrative Agent and which has been issued or confirmed by a bank that is organized under the Laws of the United States of America or a state thereof and which has been transferred or assigned to the Administrative Agent as additional security or (ii) insured by credit insurance, with an insurance company reasonably acceptable to the Administrative Agent that names the Administrative Agent as an additional insured and lender/loss payee with respect thereto;

(f) It arose in the ordinary course of a Revolving Borrower's business and did not arise from the performance of services or a sale of goods to a supplier, an employee, member, officer, relative of an officer or any other Affiliate of a Revolving Borrower;

(g) It does not arise with respect to an Account Debtor from whom fifty percent (50%) or more of the total amount owed by such Account Debtor to any Revolving Borrower (i) is more than ninety (90) days from the date of the invoice therefore or (ii) is otherwise ineligible under this definition;

(h) It does not arise with respect to an Account Debtor whose Receivables constitute twenty percent (20%) or more of the aggregate amount of all outstanding Receivables of any Revolving Borrower; provided, however, that to the extent that any one Account Debtor's Receivables exceed the percentage set forth above in this paragraph (h), such Receivables shall be ineligible solely to the extent that such Receivables exceed the percentage set forth above in this Paragraph (h), unless otherwise ineligible under this definition;

(i) It does not arise out of contracts with (i) the United States, any state or any department, agency, or instrumentality thereof, unless the applicable Revolving Borrower has executed all instruments and taken all steps required by the Administrative Agent including but not limited to, steps to ensure that all monies due and to become due under such contracts shall be assigned to the Administrative Agent and notice thereof given to the government under the Federal Assignment of Claims Act or other applicable Law and an agreement by such Account Debtor to make payment directly to the Administrative Agent or (ii) Her Majesty in right of Canada or any Provincial or local Official Body, or any ministry, unless the applicable Revolving Borrower assigns its right to payment of such Receivable to the Administrative Agent in compliance with the particular provisions of the Financial Administration Act, R.S.C. 185, c.F 11, as amended, or any similar applicable federal, provincial or local law, regulation or requirement; and such assignment is enforceable against such Official Body;

(j) It does not constitute a finance charge;

(k) No notice of bankruptcy, insolvency or material adverse change of the Account Debtor has been received by or is known to the Revolving Borrowers;

(l) It is not a Receivable with respect to which there is an unresolved dispute with respect to the Account Debtor's obligation thereunder; provided, however, that to the extent that there is an unresolved dispute with respect to the Account Debtor's obligations under such Receivable, such Receivable shall be ineligible solely to the extent of the disputed amount thereof, unless otherwise ineligible under this definition;

(m) It is not a Receivable evidenced by an "instrument" or "chattel paper" (each as defined in the UCC) not in the possession of the Administrative Agent;

(n) The Administrative Agent has not notified the Revolving Borrowers that, despite the fact that the Account Debtor meets other specifications established by the Administrative Agent in accordance with this Agreement, the Administrative Agent has determined, in its Permitted Discretion, that the Receivable or Account Debtor is unsatisfactory; and

(o) It is payable in freely transferable Dollars or Canadian Dollars.

In addition to the foregoing requirements, Receivables of any Account Debtor that are otherwise Eligible Receivables shall be reduced to the extent of any accounts payable (including, without limitation, the Administrative Agent's reasonable estimate of any contingent or accrued liabilities) by the applicable Revolving Borrower to such Account Debtor (collectively, "**Contras**"); provided that the Administrative Agent, in its Permitted Discretion, may determine that none of the accounts with respect to such Account Debtor shall be Eligible Receivables in the event that there exists an unreasonably large amount of payables owing to such Account Debtor.

Eligible Unbilled Receivables means and refer to those certain Receivables relating to which a Revolving Borrower has not yet billed for the completed service or the completed sale giving rise thereto, and that otherwise would be deemed Eligible Receivables in accordance with the provisions of the definition thereof (other than for their unbilled status as described above); provided, that for determining if such Receivables satisfy clause (a) of the definition of Eligible Receivables, such Receivables shall be deemed to have been invoiced on the date that such Receivables are first included in the US Borrowing Base or Canadian Borrowing Base, as applicable.

Eligibility Date means, with respect to each Loan Party and each Swap, the date on which this Agreement or any other Loan Document becomes effective with respect to such Swap (for the avoidance of doubt, the Eligibility Date shall be the Effective Date of such Swap if this Agreement or any other Loan Document is then in effect with respect to such Loan Party, and otherwise it shall be the Effective Date of this Agreement and/or such other Loan Document(s) to which such Loan Party is a party).

Environmental Laws means all applicable federal, state, provincial, local, tribal, territorial and foreign Laws (including common law), constitutions, statutes, treaties, regulations, rules, ordinances and codes and any consent decrees, settlement agreements, judgments, orders, directives, policies or programs issued by or entered into with an Official Body pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health from exposure to regulated substances; (iii) protection of the environment and/or natural resources; (iv) employee safety in the workplace; (v) the presence, use, management, generation, manufacture, processing, extraction, treatment, recycling, refining, reclamation, labeling, packaging, sale, transport, storage, collection, distribution, disposal or release or threat of release of regulated substances; (vi) the presence of contamination; (vii) the protection of endangered or threatened species; and (viii) the protection of environmentally sensitive areas.

ERISA means the Employee Retirement Income Security Act of 1974, as the same may be amended or supplemented from time to time, and any successor statute of similar import, and the rules and regulations thereunder, as from time to time in effect.

ERISA Event means (a) with respect to a Pension Plan, a reportable event under Section 4043 of ERISA as to which event (after taking into account notice waivers provided for in the regulations) there is a duty to give notice to the PBGC; (b) a withdrawal by MDI or any member of the ERISA Group from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by MDI or any member of the ERISA Group from a Multiemployer Plan, notification that a Multiemployer Plan is in reorganization, or occurrence of an event described in Section 4041A(a) of ERISA that results in the termination of a Multiemployer Plan; (d) the filing of a notice of intent to terminate a Pension Plan, the treatment of a Pension Plan amendment as a termination under Section 4041(e) of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (f) 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 MDI or any member of the ERISA Group.

ERISA Group means, at any time, MDI and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control and all other entities which, together with MDI, are treated as a single employer under Section 414 of the Code or Section 4001(b)(1) of ERISA.

Erroneous Payment has the meaning assigned to it in Section 11.12(i).

Erroneous Payment Deficiency Assignment has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Impacted Class has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Return Deficiency has the meaning assigned to it in Section 11.12(iv).

Erroneous Payment Subrogation Rights has the meaning assigned to it in Section 11.12(iv).

€STR means a rate equal to the Euro Short Term Rate as administered by the €STR Administrator.

€STR Administrator means the European Central Bank (or any successor administrator of the Euro Short Term Rate).

€STR Administrator's Website means the European Central Bank's website, currently at <http://www.ecb.europa.eu>, or any successor source for the Euro Short Term Rate identified as such by the €STR Administrator from time to time.



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

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

Event of Default means any of the events described in Section 10.1 [Events of Default] and referred to therein as an “Event of Default.”

Excess Cash Flow means as for any fiscal period of MDI and its Subsidiaries, (i) EBITDA *minus* (ii) Fixed Charges.

Excluded Hedge Liability or Liabilities means, with respect to each Loan Party, each of its Swap Obligations if, and only to the extent that, all or any portion of this Agreement or any other Loan Document that relates to such Swap Obligation is or becomes illegal under the CEA, or any rule, regulation or order of the CFTC, solely by virtue of such Loan Party’s failure to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap. Notwithstanding anything to the contrary contained in the foregoing or in any other provision of this Agreement or any other Loan Document, the foregoing is subject to the following provisos: (a) if a Swap Obligation arises under a master agreement governing more than one Swap, this definition shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty or security interest is or becomes illegal under the CEA, or any rule, regulations or order of the CFTC, solely as a result of the failure by such Loan Party for any reason to qualify as an Eligible Contract Participant on the Eligibility Date for such Swap, (b) if a guarantee of a Swap Obligation would cause such obligation to be an Excluded Hedge Liability but the grant of a security interest would not cause such obligation to be an Excluded Hedge Liability, such Swap Obligation shall constitute an Excluded Hedge Liability for purposes of the guaranty but not for purposes of the grant of the security interest, and (c) if there is more than one Loan Party executing this Agreement or the other Loan Documents and a Swap Obligation would be an Excluded Hedge Liability with respect to one or more of such Persons, but not all of them, the definition of Excluded Hedge Liability or Liabilities with respect to each such Person shall only be deemed applicable to (i) the particular Swap Obligations that constitute Excluded Hedge Liabilities with respect to such Person, and (ii) the particular Person with respect to which such Swap Obligations constitute Excluded Hedge Liabilities.

Excluded Subsidiaries means each Subsidiary of any Loan Party that is not a Domestic Person. The Excluded Subsidiaries are not required to join this Agreement as Loan Parties.

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, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) 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 (b) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. 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 (a) such Lender acquires such interest in such Loan or Commitment (other than pursuant to an assignment request by the Borrowing Agent under Section 6.6.2 [Replacement of a Lender]) or (b) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 6.9.7 [Status of Lenders], 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, (iii) Taxes attributable to such Recipient's failure to comply with Section 6.9.7 [Status of Lenders], and (iv) any U.S. federal withholding Taxes imposed under FATCA (except to the extent imposed due to the failure of any Loan Party to provide documentation or information to the IRS).

Existing Letters of Credit means the letters of credit set forth on Schedule 1.1(E) that were issued by PNC Bank prior to the date hereof upon the application of a Loan Party and are outstanding on the Closing Date.

FATCA means Sections 1471 through 1474 of the Code, as of the date of this Agreement (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.

Fifth Amendment means that certain Fifth Amendment to Credit Agreement, dated as of [\_\_\_\_\_, 2023], by and among MDI and each of the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.

Fifth Amendment Effective Date means the Effective Date (as such term is defined in the Fifth Amendment).

Fixed Charge Coverage Ratio means, for any period of determination, the ratio of (i) EBITDA to (ii) Fixed Charges.

Fixed Charges means for any period of determination, the sum of (a) cash interest expense, *plus* (b) scheduled principal installments (excluding prepayments of Loans) on Total Indebtedness (as adjusted for prepayments) including, without limitation, payments under Capital Leases, *plus* (c) cash income tax expense, *plus* (d) Capital Expenditures, *plus* (e) Stock Repurchases, *plus* (f) dividends or distributions, in each case of MDI on a Consolidated Basis.

Floor means a rate of interest equal to zero basis points (0.00%).

Foreign Currency Hedge means any foreign exchange transaction, including spot and forward foreign currency purchases and sales, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, foreign currency swap agreements, currency exchange rate price hedging arrangements, and any other similar transaction providing for the purchase of one currency in exchange for the sale of another currency.

Foreign Currency Hedge Liabilities has the meaning assigned in the definition of Lender Provided Foreign Currency Hedge.

Foreign Lender means (i) if a Borrower is a US Person, a Lender that is not a US Person, and (ii) if a Borrower is not a US Person, a Lender that is resident or organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes.

Fourth Amendment means that certain Fourth Amendment to Credit Agreement, dated as of December 29, 2021, by and among MDI and each of the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.

Fourth Amendment Effective Date means the Effective Date (as such term is defined in the Fourth Amendment).

FSCO means The Financial Institutions Commission of British Columbia, the Financial Services Commission of Ontario or like body in Canada or in any other province or territory or jurisdiction of Canada with whom a Canadian Pension Plan is required to be registered in accordance with applicable Law and any other Official Body succeeding to the functions thereof.

GAAP means generally accepted accounting principles as are in effect from time to time in the United States of America, subject to the provisions of Section 1.3 [Accounting Principles; Changes in GAAP], and applied on a consistent basis both as to classification of items and amounts.

Government Official means any officer, employee, official, representative, or any Person acting for or on behalf of any Official Body, government-owned or government-controlled association, organization, business, or enterprise, or public international organization, any political party or official thereof and any candidate for political office.

Guarantor means, collectively, any Person that is from time to time party to a Guaranty Agreement or any other agreement pursuant to which it guarantees the Obligations or any portion thereof.

Guarantor Joinder means a joinder by a Person as a Guarantor under the Loan Documents in substantially the form of Exhibit 1.1(G).

Guaranty of any Person means any obligation of such Person guaranteeing or in effect guaranteeing any liability or obligation of any other Person in any manner, whether directly or indirectly, including any agreement to indemnify or hold harmless any other Person, any performance bond or other suretyship arrangement and any other form of assurance against loss, except endorsement of negotiable or other instruments for deposit or collection in the ordinary course of business.

Guaranty Agreement or Guaranty Agreements means, singularly or collectively, as the context may require, the US Guaranty Agreement and the Canadian Guaranty Agreement.

Hedge Liabilities means collectively, the Foreign Currency Hedge Liabilities and the Interest Rate Hedge Liabilities.

ICC has the meaning specified in Section 12.11.1 [Governing Law].

Increased Amount Date means as is specified in Section 5.7 [Incremental Loans].

Incremental Lender means as is specified in Section 5.7 [Incremental Loans].

Incremental Loan Commitments means as is specified in Section 5.7 [Incremental Loans].

Incremental Loans means as is specified in Section 5.7 [Incremental Loans].

Incremental Revolving Credit Commitment means as is specified in Section 5.7 [Incremental Loans].

Incremental Revolving Credit Increase means as is specified in Section 5.7 [Incremental Loans].

Incremental Term Loan means as is specified in Section 5.7 [Incremental Loans].

Incremental Term Loan Commitment means as is specified in Section 5.7 [Incremental Loans].

Indebtedness means, as to any Person at any time, any and all indebtedness, obligations or liabilities (whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, or joint or several) of such Person for or in respect of: (i) borrowed money, (ii) amounts raised under or liabilities in respect of any note purchase or acceptance credit facility, (iii) reimbursement obligations (contingent or otherwise) under any letter of credit agreement or bank guarantee, (iv) Hedge Liabilities, (v) any other transaction (including forward sale or purchase agreements, Capital Leases and conditional sales agreements) having the commercial effect of a borrowing of money entered into by such Person to finance its operations or capital requirements (but not including trade payables and accrued expenses incurred in the ordinary course of business which are not represented by a promissory note or other evidence of indebtedness and which are not more than forty-five (45) days past due), (vi) indebtedness constituting earn-out obligations of such Person to the extent such become liabilities on the balance sheet of such Person in accordance with GAAP or (vii) any Guaranty of Indebtedness for borrowed money.

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

Indemnitee has the meaning specified in Section 12.3.2 [Indemnification by the Loan Parties].

Indian Acquisition means the collective purchase by Indian Purchaser and Mastech Digital Private Limited of all of the outstanding shares of InfoTrellis India Private Limited consummated pursuant to the Indian Acquisition Documents.

Indian Acquisition Agreement means the Share Purchase Agreement, dated July 5, 2017, by and among Indian Purchaser, 2291496 Ontario Inc., a corporation organized under the Laws of Ontario, Canada, InfoTrellis India Private Limited, an Indian company, Mastech Digital Private Limited, an Indian company and Mr Kumaran Sasikanthan, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Indian Acquisition Documents means the Indian Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the Indian Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

Indian Purchaser means MDDI.

Information means all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of such Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the Issuing Lender on a non-confidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries, provided that, in the case of information received from the Loan Parties or any of their Subsidiaries after the date of this Agreement, such information is clearly identified at the time of delivery as confidential or is otherwise known by the recipient thereof to be confidential.

InfoTrellis means InfoTrellis Inc., a corporation organized under the Laws of Ontario, Canada.

Insolvency Proceeding means, with respect to any Person, (a) a case, action or proceeding with respect to such Person (i) before any court or any other Official Body under any bankruptcy, insolvency, reorganization or other similar Law now or hereafter in effect, or (ii) for the appointment of a receiver, manager, receiver and manager, interim receiver, monitor, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or otherwise relating to the liquidation, dissolution, winding-up, arrangement, reorganization or relief of such Person, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of such Person's creditors generally or any substantial portion of its creditors; undertaken under any Law.

Intercompany Subordination Agreement means the Intercompany Subordination Agreement, dated the Closing Date, among MDI and various of its Subsidiaries, in form and substance satisfactory to the Administrative Agent.

Interest Period means the period of time selected by the Borrowing Agent in connection with (and to apply to) any election permitted hereunder by the Borrowers to have Revolving Credit Loans or Term Loans bear interest under a Term Rate Loan Option. Subject to the last sentence of this definition and subject to availability for the interest rate applicable to the relevant Currency, such period shall be one, three or six Months. Such Interest Period shall commence on the effective date of such Term Rate Loan Option, which shall be (i) the Borrowing Date if the Borrowers are requesting new Loans, or (ii) the date of renewal of or conversion to a Term Rate Loan Option if the Borrowers are renewing or converting to a Term Rate Loan Option applicable to outstanding Loans. Notwithstanding the second sentence hereof: (A) any Interest Period which would otherwise end on a date which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (B) the Borrowers shall not select, convert to or renew an Interest Period for any portion of the Loans that would end after the Maturity Date or the Term Loan Maturity Date, as applicable.

Interest Rate Hedge means an interest rate exchange, collar, cap, swap, floor, adjustable strike cap, adjustable strike corridor, cross-currency swap or similar agreements entered into by any Loan Party in order to provide protection to, or minimize the impact upon, such Loan Party of increasing floating rates of interest applicable to Indebtedness.

Interest Rate Option means any Term Rate Loan Option or Daily Rate Loan Option.

International Trade Laws means all Laws relating to economic and financial sanctions, trade embargoes, export controls, customs and anti-boycott measures.

IP Security Agreement means the Patent, Trademark and Copyright Security Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

IRS means the Internal Revenue Service, and to the extent this defined term is applicable to any Canadian Loan Party, the Canada Revenue Agency.

ISP98 has the meaning specified in Section 12.11.1 [Governing Law].

Issuing Lender means PNC in its individual capacity as issuer of Letters of Credit hereunder, and any other Lender that Borrowing Agent, Administrative Agent and such other Lender may agree may from time to time issue Letters of Credit hereunder.

Joint Venture means a corporation, partnership, limited liability company or other entity in which any Person other than the Loan Parties and their Subsidiaries holds, directly or indirectly, an equity interest.

Law means any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, of any Official Body, foreign or domestic.

Lender Joinder Agreement means a joinder of a Lender under the Loan Documents, substantially in the form of Exhibit 1.1(L), delivered in connection with any Incremental Loan Commitments pursuant to Section 5.7 [Incremental Loans].

Lender Provided Foreign Currency Hedge means a Foreign Currency Hedge which is provided by any Person that was a Lender or its Affiliate at the time such Foreign Currency Hedge was entered into or which was in existence on the Closing Date and which: (a) is documented in a standard International Swaps and Derivatives Association Master Agreement or another reasonable and customary manner, and (b) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Foreign Currency Hedge (the “Foreign Currency Hedge Liabilities”) by any Loan Party that is party to such Lender Provided Foreign Currency Hedge shall, for purposes of this Agreement and all other Loan Documents be “Obligations” of such Person and of each other Loan Party, be guaranteed obligations under the Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Foreign Currency Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 10.2.4 [Application of Proceeds].

Lender Provided Interest Rate Hedge means an Interest Rate Hedge which is provided by any Person that was a Lender or its Affiliate at the time such Interest Rate Hedge was entered into or which was in existence on the Closing Date and which: (a) is documented in a standard International Swaps and Derivatives Association Master Agreement, or another reasonable and customary manner, and (b) is entered into for hedging (rather than speculative) purposes. The liabilities owing to the provider of any Lender Provided Interest Rate Hedge (the “**Interest Rate Hedge Liabilities**”) by any Loan Party that is party to such Lender Provided Interest Rate Hedge shall, for purposes of this Agreement and all other Loan Documents be “Obligations” of such Person and of each other Loan Party, be guaranteed obligations under any Guaranty Agreement and secured obligations under any other Loan Document, as applicable, and otherwise treated as Obligations for purposes of the other Loan Documents, except to the extent constituting Excluded Hedge Liabilities of such Person. The Liens securing the Hedge Liabilities shall be pari passu with the Liens securing all other Obligations under this Agreement and the other Loan Documents, subject to the express provisions of Section 10.2.4 [Application of Proceeds].

Lenders means the financial institutions named on Schedule 1.1(B) and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a Lender. For the purpose of any Loan Document which provides for the granting of a security interest or other Lien to the Lenders or to the Administrative Agent for the benefit of the Lenders as security for the Obligations, “Lenders” shall include any Affiliate of a Lender to which such Obligation is owed.

Lending Office means, as to the Administrative Agent, the Issuing Lender or any Lender, the office or offices of such Person described as such in such Lender’s administrative questionnaire, or such other office or offices as such Person may from time to time notify the Borrowing Agent and the Administrative Agent.

Letter of Credit has the meaning specified in Section 2.7.1 [Issuance of Letters of Credit]. Letters of Credit may be issued in Dollars or in any Alternative Currency.

Letter of Credit Borrowing has the meaning specified in Section 2.7.3.3 [Disbursements, Reimbursement].

Letter of Credit Fee has the meaning specified in Section 2.7.2 [Letter of Credit Fees].

Letter of Credit Obligation means, as of any date of determination, the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date (if any Letter of Credit shall increase in amount automatically in the future, such aggregate Dollar Equivalent amount available to be drawn shall currently give effect to any such future increase) plus the aggregate Dollar Equivalent amount of Reimbursement Obligations and Letter of Credit Borrowings on such date.

Leverage Ratio means, as of the date of determination, the ratio of (A) Total Funded Debt to (B) EBITDA (i) for the four (4) consecutive fiscal quarters then ending if such date is a fiscal quarter end or (ii) for the four (4) fiscal quarters most recently ended if such date is not a fiscal quarter end.

Lien means any mortgage, deed of trust, pledge, lien, adverse claim or right, deemed trust, security interest, charge or other encumbrance or security arrangement of any nature whatsoever, whether voluntarily or involuntarily given, including any conditional sale or title retention arrangement, and any assignment, deposit arrangement or lease intended as, or having the effect of, security and any filed financing statement or other notice of any of the foregoing (whether or not a lien or other encumbrance is created or exists at the time of the filing).

Loan Documents means this Agreement, the Administrative Agent's Letter, the Collateral Documents, each Guaranty Agreement, the Intercompany Subordination Agreement, each Note and any other instruments, certificates or documents delivered in connection herewith or therewith, and Loan Document means any of the Loan Documents.

Loan Parties means the Borrowers and the Guarantors.

Loan Request has the meaning specified in Section 2.4 [Loan Requests; Swing Loan Requests].

Loans means collectively and Loan means separately all Revolving Credit Loans, Swing Loans and Term Loans or any Revolving Credit Loan, Swing Loan or Term Loan.

Mastech Canada means Mastech InfoTrellis Digital, Ltd., a corporation organized under the Laws of British Columbia, Canada.



Material Adverse Change means any set of circumstances or events which (a) has or could reasonably be expected to have any material adverse effect whatsoever upon the validity or enforceability of this Agreement or any other Loan Document, (b) is or could reasonably be expected to be material and adverse to the business, properties, assets, financial condition or results of operations of the Loan Parties taken as a whole, (c) impairs materially or could reasonably be expected to impair materially the ability of the Loan Parties taken as a whole to duly and punctually pay or perform any of the Obligations, or (d) impairs materially or could reasonably be expected to impair materially the ability of the Administrative Agent or any of the Lenders, to the extent permitted, to enforce their legal remedies pursuant to this Agreement or any other Loan Document.

Maturity Date means December 29, 2026.

MDA means Mastech Digital Alliances, Inc., a Pennsylvania corporation.

MD Consulting means Mastech Digital Consulting, Inc., a Pennsylvania corporation.

MDDI means Mastech Digital Data, Inc., a Delaware corporation.

MDI has the meaning specified in the Preamble hereof.

MD InfoTech means Mastech Digital InfoTech, Inc., a Pennsylvania corporation.

MDI on a Consolidated Basis means the consolidation of MDI and its Subsidiaries in accordance with GAAP.

MDR means Mastech Digital Resourcing, Inc., a Pennsylvania corporation.

MD Services means Mastech Digital Services, Inc., a Pennsylvania corporation.

MD Solutions means Mastech Digital Solutions, Inc., a Pennsylvania corporation.

MDT means Mastech Digital Technologies, Inc., a Pennsylvania corporation.

MII means Mastech InfoTrellis, Inc., a Delaware corporation.

Month, with respect to an Interest Period under the Term Rate Loan Option, means the interval between the days in consecutive calendar months numerically corresponding to the first day of such Interest Period. If any Interest Period for a Term Rate Loan begins on a day of a calendar month for which there is no numerically corresponding day in the month in which such Interest Period is to end, the final month of such Interest Period shall be deemed to end on the last Business Day of such final month.

Moody's means Moody's Investors Service, Inc.

Multiemployer Plan means any employee pension benefit plan which is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA and to which MDI or any member of the ERISA Group is then making or accruing an obligation to make contributions or, within the plan year including the Closing Date and the preceding five plan years, has made or had an obligation to make such contributions, but, for greater certainty, does not include any Canadian Pension Plan.

Non-Consenting Lender has the meaning specified in Section 12.1 [Modifications, Amendments or Waivers].

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

Non-Qualifying Party means any Loan Party that fails for any reason to qualify as an Eligible Contract Participant on the effective date of the applicable Swap.

Non-US Loan Party has the meaning assigned to that term in Section 12.13.4 [Bifurcation of Obligations].

Notes means, collectively, the promissory notes in substantially the form of Exhibit 1.1(N)(1) evidencing the Revolving Credit Loans, in substantially the form of Exhibit 1.1(N)(2) evidencing the Swing Loan and in substantially the form of Exhibit 1.1(N)(3) evidencing the Term Loans.

Obligation means any obligation or liability of any of the Loan Parties, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, under or in connection with (i) this Agreement, the Notes, the Letters of Credit, the Administrative Agent’s Letter or any other Loan Document whether to the Administrative Agent, any of the Lenders or their Affiliates or other persons provided for under such Loan Documents, (ii) any Lender Provided Interest Rate Hedge, (iii) any Lender Provided Foreign Currency Hedge, and (iv) any Other Lender Provided Financial Service Product. Notwithstanding anything to the contrary contained in the foregoing, the Obligations shall not include any Excluded Hedge Liabilities.

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

Official Body means the government of the United States of America, Canada or any other nation, or of any political subdivision thereof, whether state, local or provincial (which shall be deemed to include territories), 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) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

Order has the meaning specified in Section 2.7.9 [Liability for Acts and Omissions].

Other Connection Taxes means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient (or an agent or affiliate thereof) and the jurisdiction imposing such Tax (other than connections arising solely 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 Lender Provided Financial Service Product means agreements or other arrangements under which any Lender or Affiliate of a Lender provides any of the following products or services to any of the Loan Parties: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, or (f) cash management, including controlled disbursement, accounts or services.

Other Taxes means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 6.6.2 [Replacement of a Lender]).

Overnight Bank Funding Rate means for any day, (a) with respect to any amount denominated in Dollars, the rate comprising both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by PNC at such time (which determination shall be conclusive absent manifest error); provided, further, that if the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero, and (b) with respect to any amount denominated in an Alternative Currency, an overnight rate determined by the Administrative Agent or the Issuing Lender, as the case may be, in accordance with banking industry rules on interbank compensation (which determination shall be conclusive absent manifest error). The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to any Borrower.

Participant has the meaning specified in Section 12.8.4 [Participations].

Participant Register has the meaning specified in Section 12.8.4 [Participations].

Participating Member State means any member state of the European Union that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

Participation Advance has the meaning specified in Section 2.7.3.3 [Disbursements, Reimbursement].

Payment Date means the first day of each calendar quarter after the date hereof and on the Maturity Date, the Term Loan Maturity Date or upon acceleration of the Notes.

Payment In Full and Paid in Full means the indefeasible payment in full in cash of the Loans and other Obligations hereunder (other than contingent indemnification obligations which by their terms survive the termination of the Commitments and payment of the Loans), termination of the Commitments and expiration, termination or cash collateralization (in accordance with the terms of this Agreement) of all Letters of Credit.

PBGC means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any successor.

Pension Plan means at any time an “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA) (including a “multiple employer plan” as described in Sections 4063 and 4064 of ERISA, but not a Multiemployer Plan) which is covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 or Section 430 of the Code and either (i) is sponsored, maintained or contributed to by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been sponsored, maintained or contributed to by any entity which was at such time a member of the ERISA Group for employees of any entity which was at such time a member of the ERISA Group, or in the case of a “multiple employer” or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years, but, for greater certainty, does not include any Canadian Pension Plan.

Permitted Acquisition has the meaning specified in Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions].

Permitted Discretion means a determination made by the Administrative Agent in good faith in the exercise of its reasonable business judgment based on how a lender with similar rights providing a secured credit facility of the type set forth herein would act, in the circumstances then applicable to the Loan Parties at the time with the information then available to it.

Permitted Investments means:

(a) direct obligations of the United States of America or any agency or instrumentality thereof or obligations backed by the full faith and credit of the United States of America maturing in twelve (12) months or less from the date of acquisition;

(b) commercial paper maturing in 180 days or less rated not lower than A-1, by Standard & Poor’s or P-1 by Moody’s Investors Service, Inc. on the date of acquisition;

(c) demand deposits, time deposits or certificates of deposit maturing within one year in commercial banks whose obligations are rated A-1, A or the equivalent or better by Standard & Poor’s on the date of acquisition;

(d) money market or mutual funds whose investments are limited to those types of investments described in clauses (i)-(iii) above;  
and

(e) investments made under any cash management agreements with any Lender or any commercial bank that satisfies the criteria set forth in clause (c) above.

Permitted Liens means:

(i) Liens for taxes, assessments, or similar charges, incurred in the ordinary course of business and which are not yet due and payable;

(ii) Pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs;

(iii) Liens of mechanics, materialmen, warehousemen, carriers, or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable and statutory and common law Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default and Liens arising by applicable law relating to employee contributions withheld from payroll of a Canadian Loan Party but not yet due to be remitted to a Canadian Pension Plan pursuant to applicable pension standards legislation;

(iv) Good-faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(v) Encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use;

(vi) Liens, security interests and mortgages in favor of the Administrative Agent for the benefit of the Lenders and their Affiliates securing the Obligations (including Lender Provided Interest Rate Hedges, Lender Provided Foreign Currency Hedges and Other Lender Provided Financial Services Obligations);

(vii) Any Lien existing on the Third Amendment Effective Date and described on Schedule 1.1(P), provided that the principal amount secured thereby is not hereafter increased, and no additional assets become subject to such Lien;

(viii) Subject to any limitation set forth in Section 9.2.1 [Indebtedness] with respect to any related Indebtedness, (a) Purchase Money Security Interests and Capital Leases; provided that such Liens shall be limited to the assets acquired with such purchase money financing or leased pursuant to such Capital Lease; and (b) Liens existing on property of any Person that becomes a Subsidiary after the date of this Agreement that exists at the time such Person becomes a Subsidiary and is not created in anticipation or contemplation of such Person becoming a Subsidiary;

(ix) The following, (A) if the validity or amount thereof is being contested in good faith by appropriate and lawful proceedings diligently conducted so long as levy and execution thereon have been stayed and continue to be stayed or (B) if a final judgment is entered and such judgment is discharged within thirty (30) days of entry, and in either case they do not affect the Collateral or, in the aggregate, materially impair the ability of any Loan Party to perform its Obligations hereunder or under the other Loan Documents:

(1) claims or Liens for taxes, assessments or charges due and payable and subject to interest or penalty; provided that the applicable Loan Party maintains such reserves or other appropriate provisions as shall be required by GAAP and pays all such taxes, assessments or charges forthwith upon the commencement of proceedings to foreclose any such Lien;

(2) claims, Liens or encumbrances upon, and defects of title to, real or personal property other than the Collateral, including any attachment of personal or real property or other legal process prior to adjudication of a dispute on the merits;

(3) claims or Liens of mechanics, materialmen, warehousemen, carriers, or other statutory nonconsensual Liens; or

(4) Liens resulting from final judgments or orders described in Section 10.1.7 [Final Judgments or Orders]; and

(x) Liens securing other obligations of the Loan Parties and their Subsidiaries in an aggregate amount not to exceed One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) at any one time outstanding.

Person means any individual, corporation, partnership, limited partnership, limited and unlimited liability company, association, joint-stock company, trust, unincorporated organization, joint venture, government or political subdivision or agency thereof, or any other entity.

Pledge Agreement means the Pledge Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

PNC means PNC Bank, National Association, its successors and assigns.

Potential Default means any event or condition which with notice or passage of time, or both, would constitute an Event of Default.

PPSA means the Personal Property Security Act (British Columbia), Personal Property Security Act (Ontario) or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

Prime Rate means the interest rate per annum announced from time to time by the Administrative Agent at its Principal Office as its then prime rate, which rate may not be the lowest or most favorable rate then being charged to commercial borrowers or others by the Administrative Agent and may not be tied to any external rate of interest or index. Any change in the Prime Rate shall take effect at the opening of business on the day such change is announced.

Principal Office means the main banking office of the Administrative Agent in Pittsburgh, Pennsylvania.

Priority Payables means (a) the full amount of the obligations, liabilities or indebtedness of any Canadian Revolving Borrower which (i) has a trust, deemed trust or statutory lien imposed to provide for payment or a Lien, choate or inchoate, ranking or capable of ranking senior to or pari passu with Liens securing the Canadian Obligations on any Collateral under any applicable Law or (ii) have a right imposed to provide for payment ranking or capable of ranking senior to or pari passu with the Canadian Obligations under any applicable Law, including, but not limited to, claims for unremitted and/or accelerated rents, utilities, taxes (including sales taxes and goods and services taxes and harmonized sales taxes and withholding taxes), amounts payable to an insolvency administrator, wages, employee withholdings or deductions and vacation pay, severance and termination pay, including pursuant to the Wage Earner Protection Program Act (Canada), government royalties and pension fund obligations (including any amounts representing any unfunded liability, solvency deficiency or wind-up deficiency with respect to a Canadian Pension Plan) and (b) the the amount equal to the aggregate value of the right of a supplier to repossess goods pursuant to Section 81.1 of the Bankruptcy and Insolvency Act (Canada) or any other applicable Laws granting revendication or similar rights to unpaid suppliers or any similar laws of Canada or any other applicable jurisdiction.

Prior Security Interest means a valid and enforceable perfected first-priority security interest under the UCC or PPSA, as applicable, in the Collateral which is subject only to Permitted Liens.

Projections has the meaning specified in Section 7.1.6(ii) [Financial Projections].

Published Rate means the rate of interest published each Business Day in *The Wall Street Journal* "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the rate at which U.S. dollar deposits are offered by leading banks in the London interbank deposit market for a one month period as published in another publication selected by the Administrative Agent).

Purchase Money Security Interest means Liens upon tangible personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such tangible personal property

Purchasers means US Purchaser, Canadian Purchaser and Indian Purchaser.

Qualified ECP Loan Party means each Loan Party that on the Eligibility Date is (a) a corporation, partnership, proprietorship, organization, trust, or other entity other than a “commodity pool” as defined in Section 1a(10) of the CEA and CFTC regulations thereunder that has total assets exceeding Ten Million and 00/100 Dollars (\$10,000,000.00), or (b) an Eligible Contract Participant that can cause another person to qualify as an Eligible Contract Participant on the Eligibility Date under Section 1a(18)(A)(v)(II) of the CEA by entering into or otherwise providing a “letter of credit or keepwell, support, or other agreement” for purposes of Section 1a(18)(A)(v)(II) of the CEA.

Ratable Share means:

(i) with respect to a Lender’s obligation to make Revolving Credit Loans, participate in Letters of Credit and other Letter of Credit Obligations, participate in Swing Loans, and receive payments, interest, and fees related thereto, the proportion that such Lender’s Revolving Credit Commitment bears to the Revolving Credit Commitments of all of the Lenders, provided that if the Revolving Credit Commitments have terminated or expired, the Ratable Shares for purposes of this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments;

(ii) with respect to a Lender’s obligation to make Term Loans and receive payments, interest, and fees related thereto, proportion that such Lender’s Term Loan Commitment bears to the Term Loan Commitments of all of the Lenders;

(iii) [reserved];

(iv) with respect to all other matters as to a particular Lender, the percentage obtained by dividing (A) such Lender’s Revolving Credit Commitment plus Term Loan, by (B) the sum of the aggregate amount of the Revolving Credit Commitments plus Term Loans of all Lenders; provided, however that if the Revolving Credit Commitments have terminated or expired, the computation in this clause shall be determined based upon the Revolving Credit Commitments most recently in effect, giving effect to any assignments, and not on the current amount of the Revolving Credit Commitments, subject to Section 6.11 [Defaulting Lenders].

Receivable means any account, contract right, general intangible, chattel paper, instrument or document representing any right to payment for goods sold or services rendered, whether or not earned by performance and whether or not evidenced by a contract, instrument or document, which is now owned or hereafter acquired by a Revolving Borrower. All Receivables, whether Eligible Receivables or not, shall be subject to the Administrative Agent’s Prior Security Interest.

Recipient means (i) the Administrative Agent, (ii) any Lender and (iii) the Issuing Lender, as applicable.

Register has the meaning specified in Section 12.8.3 [Register].



Reimbursement Obligation has the meaning specified in Section 2.7.3.1 [Disbursements, Reimbursement].

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

Relevant Governmental Body means (a) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, 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, and (b) with respect to a Benchmark Replacement in respect of Loans denominated in any Alternative Currency, (1) the central bank for the Currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (2) any working group or committee officially endorsed or convened by (A) the central bank for the Currency in which such Benchmark Replacement is denominated, (B) any central bank or other supervisor that is responsible for supervising either (i) such Benchmark Replacement or (ii) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

Relevant Interbank Market means in relation to any currency other than Dollars, the applicable offshore interbank market.

Relief Proceeding means any proceeding seeking a decree or order for relief in respect of any Loan Party or Subsidiary of a Loan Party in a voluntary or involuntary case under any applicable bankruptcy, insolvency, reorganization or other similar law now or hereafter in effect, or for the appointment of a receiver, manager, receiver and manager, interim receiver, monitor, liquidator, assignee, custodian, trustee, sequestrator, conservator (or similar official) of any Loan Party or Subsidiary of a Loan Party for any substantial part of its property, or for the winding-up, reorganization, arrangement or liquidation of its affairs, or an assignment for the benefit of its creditors.

Reportable Compliance Event means that: (a) any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint, or similar charging instrument, arraigned, custodially detained, penalized or the subject of an assessment for a penalty, by, or enters into a settlement with an Official Body in connection with any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or any predicate crime to any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations represents a violation of any Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (b) any Covered Entity engages in a transaction that has caused or would cause any Person hereunder (including the Administrative Agent, the Collateral Agent, any lead arranger, the Issuing Lender, the Lenders, and any underwriter, advisor, investor, or otherwise) to be in violation of any Anti-Corruption Law or International Trade Law, including a Covered Entity's use of any

proceeds of the Loans hereunder to directly or indirectly fund any activities or business of, with, or for the benefit of any Person that is a Sanctioned Person, or to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction; (c) any pledged Collateral qualifies as Blocked Property; or (d) any Covered Entity otherwise violates, or reasonably believes that it will violate, any of the Anti-Corruption Law-or International Trade Law-specific representations and covenants herein.

Required Lenders means

(A) If there exists fewer than three (3) Lenders, all Lenders (other than any Defaulting Lender), and

(B) If there exist three (3) or more Lenders, at least two (2) Lenders (other than any Defaulting Lender) aggregately having more than fifty percent (50%) of the sum of (a) the aggregate amount of the Revolving Credit Commitments of the Lenders (excluding any Defaulting Lender) or, after the termination of the Revolving Credit Commitments, the outstanding Revolving Credit Loans and Ratable Share of Letter of Credit Obligations of the Lenders (excluding any Defaulting Lender) and (b) the aggregate outstanding amount of any Term Loans.

Required Share has the meaning assigned to such term in Section 2.11 [Settlement Date Procedures].

Revaluation Date means (a) with respect to each Borrowing Tranche of a Term Rate Loan denominated in an Alternative Currency, (i) each date of a borrowing, renewal, and conversion pursuant to the terms of this Agreement and (ii) such additional dates as the Administrative Agent shall determine or the Required Lenders shall require; (b) with respect to each Borrowing Tranche of a Daily Rate Loan denominated in an Alternative Currency, each date such Daily Rate Loan is outstanding; and (c) with respect to any Letter of Credit, each of the following: (i) each date of issuance, amendment or extension of a Letter of Credit denominated in an Alternative Currency, (ii) each date of any payment by the applicable Issuing Lender under any Letter of Credit denominated in an Alternative Currency and (iii) such additional dates as the Administrative Agent or the applicable Issuing Lender shall determine or the Required Lenders shall require.

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

Revolving Borrowers means the US Revolving Borrowers and the Canadian Revolving Borrowers.

Revolving Credit Commitment means, as to any Lender at any time, the amount initially set forth opposite its name as of the Third Amendment Effective Date on Schedule 1.1(B) in the column labeled "Amount of Commitment for Revolving Credit Loans," as such Commitment is thereafter assigned, increased pursuant to Section 5.7 [Incremental Loans] or otherwise modified, and Revolving Credit Commitments means the aggregate Revolving Credit Commitments of all of the Lenders.

Revolving Credit Facility means the revolving loan facility provided pursuant to Article 2.

Revolving Credit Loans means collectively and Revolving Credit Loan means separately all Revolving Credit Loans or any Revolving Credit Loan made by the Lenders or one of the Lenders to the Revolving Borrowers pursuant to Section 2.1 [Revolving Credit Commitments] or 2.7.3 [Disbursements, Reimbursement].

Revolving Facility Usage means, collectively, the US Revolving Facility Usage and the Canadian Revolving Facility Usage.

RFR means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, (a) Sterling, SONIA, (b) Euro, €STR and (c) Canadian Dollars, CORRA.

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

Sanctioned Jurisdiction means, at any time, a country, area, territory, or jurisdiction that is the subject or target of comprehensive U.S. sanctions.

Sanctioned Person means any Person that is (a) located in, organized under the laws of, or ordinarily resident in a Sanctioned Jurisdiction; (b) identified on any sanctions-related list maintained by any Compliance Authority; or (c) owned 50% or more, in the aggregate, directly or indirectly by, controlled by, or acting for, on behalf of, or at the direction of, one or more Persons described in clauses (a) or (b) above.

Schedule of Accounts means a detailed aged trial balance of all then existing Receivables in form and substance reasonably satisfactory to Administrative Agent, specifying in each case the names, addresses, face amount and dates of invoice(s) for each Account Debtor obligated on a Receivable so listed and, if requested by the Administrative Agent, copies of proof of delivery and customer statements and the original copy of all documents, including, without limitation, repayment histories and present status reports, and such other matters and information relating to the status of the Receivables and/or the Account Debtors so scheduled as the Administrative Agent may from time to time reasonably request.

Schedule of Payables means a detailed listing of the Revolving Borrowers' (i) existing accounts payable, specifying the names of each creditor and the amount owed to such creditor and such matters and information relating to the status of the Revolving Borrowers' accounts payable so scheduled as the Administrative Agent may from time to time reasonably request and (ii) Priority Payables.

SEC means the United States Securities and Exchange Commission.

Security Agreement means the Security Agreement, dated the Closing Date, in form and substance satisfactory to the Administrative Agent, executed and delivered by each US Loan Party to the Administrative Agent for the benefit of the Lenders.

Settlement Date means the Business Day on which the Administrative Agent elects to effect settlement pursuant Section 2.11 [Settlement Date Procedures].

SOFR shall mean, for any day, a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

SOFR Adjustment means, ten (10) basis points (0.10%).

Solvent means, with respect to any Person on any date of determination, taking into account any right of reimbursement, contribution or similar right available to such Person from other Persons, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (ii) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (iv) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (v) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

SONIA means a rate equal to the Sterling Overnight Index Average as administered by the SONIA Administrator.

SONIA Administrator means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

SONIA Administrator's Website means the Bank of England's website, currently at <http://www.bankofengland.co.uk>, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

Specified Canadian Pension Plan means any Canadian Pension Plan which contains a "defined benefit provision", as defined in subsection 147.1(1) of the Income Tax Act (Canada).

Standard & Poor's means S&P Global & Ratings Services, a division of S&P Global, Inc.

Standby Letter of Credit means a Letter of Credit (including a direct pay letter of credit) issued to support obligations of one or more of the Loan Parties or their Subsidiaries, contingent or otherwise, which finance the working capital and business needs of the Loan Parties or their Subsidiaries, but excluding any Letter of Credit (a) under which the stated amount of such Letter of Credit increases automatically over time or (b) that is a Commercial Letter of Credit.

Statements has the meaning specified in Section 7.1.6(i) [Historical Statements].

Sterling or £ means the lawful currency of the United Kingdom.

Stock Repurchase or Stock Repurchases means, from the period of determination, all purchases, redemptions or other acquisitions by MDI of any shares of any class of capital stock of MDI.

Subsidiary of any Person at any time means any corporation, trust, partnership, limited liability company or other business entity (i) of which more than fifty percent (50%) of the outstanding voting securities or other interests normally entitled to vote for the election of one or more directors or trustees (regardless of any contingency which does or may suspend or dilute the voting rights) is at such time owned directly or indirectly by such Person or one or more of such Person's Subsidiaries, or (ii) which is controlled or capable of being controlled by such Person or one or more of such Person's Subsidiaries.

Subsidiary Equity Interests has the meaning specified in Section 7.1.2 [Capitalization; Subsidiaries; Investment Companies].

Swap means any "swap" as defined in Section 1a(47) of the CEA and regulations thereunder, other than (a) a swap entered into, or subject to the rules of, a board of trade designated as a contract market under Section 5 of the CEA, or (b) a commodity option entered into pursuant to CFTC Regulation 32.3(a).

Swap Obligation means any obligation to pay or perform under any agreement, contract or transaction that constitutes a Swap which is also a Lender Provided Interest Rate Hedge, or a Lender Provided Foreign Currency Hedge.

Swing Loan Commitment means PNC's commitment to make Swing Loans to the US Revolving Borrowers pursuant to Section 2.1.2 [Swing Loan Commitment] hereof in an aggregate principal amount up to Seven Million and 00/100 Dollars (\$7,000,000.00).

Swing Loan Lender means PNC, in its capacity as a lender of Swing Loans.

Swing Loan Note means the Swing Loan Note of the US Revolving Borrowers in substantially the form of Exhibit 1.1(N)(2) evidencing the Swing Loans, together with all amendments, extensions, renewals, replacements, refinancings or refundings thereof in whole or in part.

Swing Loan Request means a request for Swing Loans made in accordance with Section 2.4.2 [Swing Loan Requests].

Swing Loans means collectively and Swing Loan means separately all Swing Loans or any Swing Loan made by PNC to the US Revolving Borrowers pursuant to Section 2.1.2 [Swing Loan Commitment].

T2 means the real time gross settlement system operated by the Eurosystem, or any successor system.

Target means, singularly or collectively, as the context may require, InfoTrellis, 2291496 Ontario Inc., a corporation organized under the Laws of Ontario, Canada and InfoTrellis India Pvt. Ltd., an Indian corporation.

TARGET Day means any day on which T2 is open for the settlement of payments in Euros.

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

Term CORRA Reference Rate means the forward-looking term rate based on CORRA, as administered by the Term CORRA Reference Rate Administrator.

Term CORRA Reference Rate Administrator means CanDeal Benchmark Administration Services Inc. or TSX Inc. (or any successor administrator of the Term CORRA Reference Rate selected by the Administrative Agent in its reasonable discretion).

Term Loan Commitment means, as to any Lender at any time, the amount initially set forth opposite its name as of the Third Amendment Effective Date on Schedule 1.1(B) in the column labeled "Amount of Commitment for Term Loans," as such Commitment is thereafter assigned or modified and Term Loan Commitments means the aggregate Term Loan Commitments of all of the Lenders.

Term Loan Maturity Date means October 1, 2024.

Term Loans means collectively and Term Loan means separately all Term Loans or any Term Loans made on the Third Amendment Effective Date by the Lenders or one of the Lenders to the Acquisition Borrowers pursuant to Section 3.1 [Term Loans Commitments].

Term Rate Loan means a Loan that bears interest at a rate based on the Term SOFR Rate or Term RFR.

Term Rate Loan Option means a Loan that bears interest at a rate based on the Term SOFR Rate or Term RFR Rate.

Term RFR means, for any Term RFR Borrowing for any Interest Period, a rate per annum determined by the Administrative Agent (rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%) equal to, for any Obligations, interest, fees, commissions, or other amounts denominated in, or calculated with respect to:

(a) Sterling, the TSRR for a period equal in length to such Interest Period, as displayed on the applicable Bloomberg page (or on any successor or substitute page or service providing such quotations as determined by the Administrative Agent from time to time; in each case, the “TSRR Rate”) at approximately 11:55 a.m. (London time) two (2) Business Days prior to the commencement of such Interest Period; provided, that if by such time the TSRR Rate in respect of such day has not been so published, or if such day is not a Business Day, then the TSRR Rate for such day will be the TSRR Rate as published in respect of the first preceding Business Day for which such TSRR Rate was published thereon; provided further that any TSRR Rate so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the TSRR for no more than three (3) consecutive Business Days (any such day, collectively, the “TSRR Lookback Day”); and

(b) Canadian Dollars, the Term “Reference Rate for a period equal in length to such Interest Period, as displayed on a page or service providing such quotations as determined by the Administrative Agent from time to time (the “Term CORRA Rate”) at approximately 1:00 p.m. (Toronto time) two (2) Business Days prior to the commencement of such Interest Period; provided, that if by such time the Term CORRA Rate in respect of such day has not been so published, or if such day is not a Business Day, then the Term CORRA Rate for such day will be the Term CORRA Rate as published in respect of the first preceding Business Day for which such Term CORRA Rate was published thereon; provided further that any Term CORRA Rate so determined based on the first preceding Business Day shall be utilized for purposes of calculation of the Term CORRA Rate for no more than three (3) consecutive Business Days (any such day, collectively, the “Term CORRA Reference Rate Lookback Day”);

provided further that if the Term RFR as determined above would be less than the Floor, such rate shall be deemed to be the Floor for purposes of this Agreement. The Term RFR for each outstanding Term RFR Loan shall be adjusted automatically on and as of the first day of each Interest Period without notice to the Borrower. Determination of the Term RFR by Administrative Agent shall be deemed conclusive absent manifest error.

Term RFR Adjustment means with respect to Term RFR Loans, the applicable adjustment set forth in the table below:

<u>Term RFR</u>	<u>Interest Period</u>	<u>Adjustment to Term RFR</u>
TSRR	1 month	0.0326%
TSRR	3 month	0.1193%
Term CORRA Reference Rate	1 month	0.29547%
Term CORRA Reference Rate	3 month	0.32138%

Term RFR Administrator means the TSRR Administrator.

Term RFR Borrowing means, as to any Borrowing Tranche, a Term RFR Loan comprising such Borrowing Tranche.

Term RFR Business Day means as applicable, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Sterling, a day on which banks are open for general business in London and (ii) Canadian Dollars, a day on which the banks are open for general business in Toronto.

Term RFR Loan means a Loan that bears interest based on Term RFR.

Term RFR Lookback Day means the TSRR Lookback Day or the Term CORRA Reference Rate Lookback Day, as applicable.

Term RFR Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 4.1(a)(i)(3) [Revolving Credit Term Rate Loan Option].

Term SOFR Administrator means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion). Term SOFR Rate shall mean, with respect to any amount to which the Term SOFR Rate Option applies, for any Interest Period, the interest rate per annum determined by the Administrative Agent rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100th of 1% equal to the Term SOFR Reference Rate for a tenor comparable to such Interest Period on the day (the "**Term SOFR Determination Date**") that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator. If the Term SOFR Reference Rate for the applicable tenor has not been published or replaced with a Benchmark Replacement by 5:00 p.m. (Pittsburgh, Pennsylvania time) on the Term SOFR Determination Date, then the Term SOFR Reference Rate shall be the Term SOFR Reference Rate for such tenor on the first Business Day preceding such Term SOFR Determination Date for which such Term SOFR Reference Rate for such tenor was published in accordance herewith, so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date. If the Term SOFR Rate, determined as provided above, would be less than the Floor, then the Term SOFR Rate shall be deemed to be the Floor. The Term SOFR Rate shall be adjusted automatically without notice to the Borrowers on and as of the first day of each Interest Period.

Term SOFR Rate Loan means a Loan that bears interest based on the Term SOFR Rate.

Term SOFR Rate Option means the option of the Borrowers to have Loans bear interest at the rate and under the terms specified in Section 5.1.1(i)(A) [Revolving Credit Loan Term SOFR Rate Option] and Section 5.1.3(i)(A) [Term Loan Term SOFR Rate Option], as applicable.

Term SOFR Reference Rate shall mean the forward-looking term rate based on SOFR.

Third Amendment means that certain Third Amendment to Credit Agreement, dated as of October 1, 2020, by and among MDI and each of the other Loan Parties party thereto, the Lenders party thereto and the Administrative Agent.



Third Amendment Effective Date means the Effective Date (as such term is defined in the Third Amendment).

Total Funded Debt means, as of any date of determination, the *sum* of all Indebtedness representing borrowed money, including both current and long term portion thereof, Capital Lease Obligations, reimbursement obligations under letters of credit, obligations under any Swap (excluding net obligations under a Swap (exclusive of any mark to market adjustment not requiring any actual cash payment or settlement) and contingent and guaranty obligations (excluding any Indebtedness in respect of the Acquisition Earn-Out), in each case of MDI on a Consolidated Basis.

TSRR means the forward-looking term rate based on SONIA, as administered by the TSRR Administrator.

TSRR Administrator means means ICE Benchmark Administration Limited (or any successor administrator of the TSRR selected by the Administrator or Agent in its reasonable discretion).

UCC means the Uniform Commercial Code as adopted in the State of New York from time to time.

UCP has the meaning specified in Section 12.11.1 [Governing Law].

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

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

Undrawn Availability means, as of any date of determination, an amount equal to (a) the lesser of (i) the Borrowing Base or (ii) the Revolving Credit Commitments, minus (b) the sum of (i) the Revolving Facility Usage plus (ii) all amounts due and owing to any Revolving Borrower's trade creditors which are outstanding beyond normal trade terms, plus (iii) fees and expenses then due from the Revolving Borrowers hereunder which have not been paid or charged to the account of the Revolving Borrowers.

Unpaid Drawing means, with respect to any Letter of Credit, the aggregate Dollar Equivalent amount of the draws made on such Letters of Credit that have not been reimbursed by the US Revolving Borrowers.

USA Patriot Act means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

US Acquisition means the purchase by US Purchaser from InfoTrellis consummated pursuant to the US Acquisition Documents.

US Acquisition Agreement means the United States Asset Purchase Agreement, dated July 7, 2017, by and among US Purchaser, InfoTrellis and Mr. Mahmood Abbas, Mr. Zahid Naeem and Mr. Sachin Wadhwa, as principals, as such agreement exists on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

US Acquisition Documents means the US Acquisition Agreement and all other documents, agreements and instruments executed by a Loan Party in connection with the US Acquisition Agreement, as such documents, agreements and instruments exist on the Closing Date or as the same may be amended, supplemented or otherwise modified in compliance with the terms of the Loan Documents.

US Borrowing Base means the sum of (i) the sum of (a) up to eighty-five percent (85%) of Eligible Receivables of US Revolving Borrowers *plus* (b) up to sixty percent (60%) of Eligible Unbilled Receivables of US Revolving Borrowers, *minus* (ii) such reserves as Administrative Agent may reasonably deem proper and necessary from time to time in its Permitted Discretion. Notwithstanding anything to the contrary herein, the Administrative Agent may, in its sole but reasonable discretion, at any time hereafter, decrease the advance percentage for Eligible Receivables and Eligible Unbilled Receivables or increase the level of reserves or ineligible, or define or maintain such other reserves or ineligible, as the Administrative Agent may deem necessary or appropriate. Any such change shall become effective three (3) Business Days from the date of written notice from the Administrative Agent to the Borrowing Agent for the purpose of calculating the US Borrowing Base hereunder; provided, however, upon the occurrence of an Event of Default hereunder, such change shall become effective immediately for the purpose of calculating the US Borrowing Base hereunder.

US Guaranty Agreement or US Guaranty Agreements means, singularly or collectively, as the context may require, any Guaranty and Suretyship Agreement executed and delivered by any US Person to the Administrative Agent for the benefit of the Lenders on or after the date hereof, in form and substance satisfactory to the Administrative Agent.

US Loan Party has the meaning assigned to that term in Section 12.13.4 [Bifurcation of Obligations].

US Purchaser means MII.

US Revolving Borrowers means, singularly or collectively as the context may require, (i) immediately prior to the consummation of the AmberLeaf Acquisition, MDI, MDT, MDA, MDR, MII, MD Services, MD Consulting, MD Solutions and MD InfoTech and (ii) immediately following the consummation of the AmberLeaf Acquisition, MDI, MDT, MDA, MDR, MII, MD Services, MD Consulting, MD Solutions, MD InfoTech, AmberLeaf and each other Person which joins this Agreement as a US Revolving Borrower after the date hereof pursuant to Section 12.15 [Joinder].

US Revolving Facility Usage means at any time the sum of the Dollar Equivalent amount of the outstanding Revolving Credit Loans to the US Revolving Borrowers, the outstanding Swing Loans, and the Letter of Credit Obligations.

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

US Tax Compliance Certificate has the meaning specified in Section 6.9.7 [Status of Lenders].

Voting Power means, the voting power of the then outstanding capital stock of MDI entitled to vote generally in the election of directors of MDI.

Withholding Agent means any Loan 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.

1.2 Construction. Unless the context of this Agreement otherwise clearly requires, the following rules of construction shall apply to this Agreement and each of the other Loan Documents: (i) references to the plural include the singular, the plural, the part and the whole and the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”; (ii) the words “hereof,” “herein,” “hereunder,” “hereto” and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document as a whole; (iii) article, section, subsection, clause, schedule and exhibit references are to this Agreement or other Loan Document, as the case may be, unless otherwise specified; (iv) reference to any Person includes such Person’s successors and assigns; (v) reference to any agreement, including this Agreement and any other Loan Document together with the schedules and exhibits hereto or thereto, document or instrument means such agreement, document or instrument as amended, modified, replaced, substituted for, superseded or restated; (vi) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding,” and “through” means “through and including”; (vii) 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, (viii) section headings herein and in each other Loan Document are included for convenience and shall not affect the interpretation of this Agreement or such Loan Document, and (ix) unless otherwise specified, all references herein to times of day shall constitute references to Eastern Time. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as an agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

1.3 Accounting Principles; Changes in GAAP. Except as otherwise provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms have the meanings ascribed to such terms by GAAP; provided, however, that all accounting terms used in Section 9.2 [Negative Covenants] (and all defined terms used in the definition of any accounting term used in Section 9.2) have the meaning given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing Statements referred to in Section 7.1.6(i) [Historical Statements]. Notwithstanding the foregoing, if the Borrowing Agent notifies the Administrative Agent in writing that the Loan Parties wish to amend any financial covenant in Section 9.2 of this Agreement, any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any change in GAAP occurring after the Closing Date on the operation of such financial covenants and/or interest, Letter of Credit Fee or Commitment Fee determinations (or if the Administrative Agent notifies the Borrowing Agent in writing that the Required Lenders wish to amend any financial covenant in Section 9.2, any related definition and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee and Commitment Fee determinations to eliminate the effect of any such change in GAAP), then the Administrative Agent, the Lenders and the Loan Parties shall negotiate in good faith to amend such ratios or requirements 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, the Loan Parties' compliance with such covenants and/or the definition of the term Leverage Ratio for purposes of interest, Letter of Credit Fee, and Commitment Fee determinations shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenants or definitions are amended in a manner satisfactory to the Loan Parties and the Required Lenders, and the Loan Parties shall provide to the Administrative Agent, when they deliver their financial statements pursuant to Section 9.3.1 [Quarterly Financial Statements] and 9.3.2 [Annual Financial Statements] of this Agreement, such reconciliation statements as shall be reasonably requested by the Administrative Agent. Notwithstanding the foregoing or anything in this Agreement to the contrary, whenever in this Agreement it is necessary to determine whether a lease is a Capital Lease or an operating lease, such determination shall be made on the basis of GAAP as in effect on the Closing Date (provided that if there is a change in GAAP after the Closing Date that effects the treatment of Capital Leases or operating leases, all financial statements delivered to the Administrative Agent in accordance with the terms of this Agreement after the date of such change in GAAP shall be accompanied by a schedule showing the adjustments necessary to reconcile such financial statements with GAAP as in effect immediately prior to such accounting change).

1.4 Benchmark Replacement Notification; Rates. Section 5.4.4 [Benchmark Replacement Setting] of this Agreement provides a mechanism for determining an alternative rate of interest in the event that any Benchmark, for any applicable Currency, or any component definition thereof or rates referred to in the definition thereof, or any alternative or successor rate

thereto, or replacement rate therefor (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of any Benchmark for any applicable Currency, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower or any other person or entity. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

#### 1.5 Exchange Rates; Currency Equivalents.

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

(ii) Wherever in this Agreement in connection with the initial advance, or the conversion, continuation or prepayment, of a Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but such Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (the resulting quotient rounded upwards, at the Administrative Agent's discretion, to the nearest 1/100 of 1%), as determined by the Administrative Agent or the Issuing Lender, as the case may be. All financial statements and Compliance Certificates shall be set forth in Dollars. For purposes of preparing financial statements, calculating financial covenants, and determining compliance with covenants expressed in Dollars, Alternative Currencies shall be converted into Dollars in accordance with GAAP.

1.6 Conforming Changes Relating to Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR or Term RFR. With respect to the Term SOFR Rate, Daily Simple SOFR, Daily Simple RFR or Term RFR, 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 provide notice to the Borrowing Agent and the Lenders each such amendment implementing such Conforming Changes reasonably promptly after such amendment becomes effective.

1.7 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.

## 2. REVOLVING CREDIT AND SWING LOAN FACILITIES

### 2.1 Revolving Credit Commitments.

2.1.1 Revolving Credit Loans. Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender severally agrees to make Revolving Credit Loans in either Dollars or one or more Alternative Currencies to the Borrowers at any time or from time to time on or after the date hereof to the Maturity Date; provided that after giving effect to each such Loan (i) the aggregate Dollar Equivalent amount of Revolving Credit Loans from such Lender shall not exceed such Lender's Revolving Credit Commitment minus such Lender's Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations, (ii) the Revolving Facility Usage shall not exceed the Revolving Credit Commitments, (iii) the US Revolving Facility Usage shall not exceed the US Borrowing Base, (iv) the Revolving Facility Usage denominated in Alternative Currencies shall not exceed the Alternative Currency Sublimit, and (v) the Canadian Revolving Facility Usage shall not exceed the lesser of (a) the Canadian Sublimit Amount or (b) the Canadian Borrowing Base. Within such limits of time and amount and subject to the other provisions of this Agreement, the Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.1 [Revolving Credit Commitments].

2.1.2 Swing Loan Commitment. Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, and in order to facilitate loans and repayments between Settlement Dates, the Swing Loan Lender may, at its option, cancelable at any time for any reason whatsoever, make swing loans in Dollars (the "**Swing Loans**") to the US Revolving Borrowers at any time or from time to time after the date hereof to, but not including, the Maturity Date, in an aggregate principal amount up to but not in excess of the Swing Loan Commitment, provided that after giving effect to such Loan, (i) the Revolving Facility Usage shall not exceed the Revolving Credit Commitments and (ii) the US Revolving Facility Usage shall not exceed the US Borrowing Base. Within such limits of time and amount and subject to the other provisions of this Agreement, the US Revolving Borrowers may borrow, repay and reborrow pursuant to this Section 2.1.2 [Swing Loan Commitment].

2.2 Nature of Lenders' Obligations with Respect to Revolving Credit Loans. Each Lender shall be obligated to participate in each request for Revolving Credit Loans pursuant to Section 2.4 [Loan Requests; Swing Loan Requests] in accordance with its Ratable Share. The aggregate Dollar Equivalent of each Lender's Revolving Credit Loans outstanding hereunder to the Revolving Borrowers at any time shall never exceed its Revolving Credit Commitment minus its Ratable Share of the outstanding Swing Loans and Letter of Credit Obligations. The obligations of each Lender hereunder are several. The failure of any Lender to perform its obligations hereunder shall not affect the Obligations of the Revolving Borrowers to any other party nor shall any other party be liable for the failure of such Lender to perform its obligations hereunder. The Lenders have no obligation to make Revolving Credit Loans hereunder on or after the Maturity Date.

2.3 Commitment Fee. Accruing at all times from the Closing Date until the Maturity Date (and without regard to whether the conditions to making Revolving Credit Loans are then met), the Revolving Borrowers agree to pay to the Administrative Agent for the account of each Lender according to its Ratable Share, a nonrefundable commitment fee in Dollars (the "**Commitment Fee**") equal to the Applicable Commitment Fee Rate (computed on the basis of a year of three hundred sixty five (365) or three hundred sixty six (366) days, as the case may be, and actual days elapsed) multiplied by the daily difference between the amount of (i) the Revolving Credit Commitments and (ii) the Revolving Facility Usage (computed to exclude therefrom the full amount of the outstanding Swing Loans); provided, however, that no Defaulting Lender shall be entitled to receive any Commitment Fee for any period during which that Lender is a Defaulting Lender (and the Revolving Borrowers shall not be required to pay any such Commitment Fee that otherwise would have been required to have been paid to that Defaulting Lender). Subject to the proviso in the directly preceding sentence, all Commitment Fees shall be payable in arrears on each Payment Date.

#### 2.4 Loan Requests; Swing Loan Requests.

2.4.1 Loan Requests. Except as otherwise provided herein, the Borrowing Agent may, on behalf of the US Revolving Borrowers, the Canadian Revolving Borrowers or the Acquisition Borrowers, from time to time prior to the Maturity Date (or the Term Loan Maturity Date with respect to any portion of the Term Loans) request the Lenders to make Revolving Credit Loans, or renew or convert the Interest Rate Option applicable to existing Revolving Credit Loans or Term Loans pursuant to Section 5.2 [Interest Periods], by delivering to the Administrative Agent, not later than 2:00 p.m.,

(i) three (3) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans or Term Loans denominated in Dollars to which the Term SOFR Rate Option applies or the conversion to or the renewal of such Interest Rate Option for any Revolving Credit Loans or Term Loans denominated in Dollars;

(ii) [reserved];

(iii) four (4) Business Days prior to the proposed Borrowing Date with respect to the making of Revolving Credit Loans denominated in Alternative Currencies to which the Daily Simple RFR Option or Term RFR Option applies, or the conversion to or renewal of a Daily Simple RFR Option or Term RFR Option for any Revolving Credit Loans denominated in Alternative Currencies; and/or

(iv) the same Business Day of the proposed Borrowing Date with respect to the making of a Revolving Credit Loan or Term Loan to which the Base Rate Option applies or the last day of the preceding Interest Period with respect to the conversion to the Base Rate Option for any Revolving Credit Loan or Term Loan,

in each case, of a duly completed request therefor substantially in the form of Exhibit 2.4.1 or a request by telephone immediately confirmed in writing by letter, facsimile, or e-mail (in “pdf”, “tif” or similar format) in such form (each, a “**Loan Request**”), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Loan Request shall be irrevocable and shall specify whether the proposed Loans are for the account of the US Revolving Borrowers, the Canadian Revolving Borrowers or the Acquisition Borrowers, the Currency (which for any Borrowing Tranche consisting of a Term Loan shall be in Dollars), the Interest Rate Option, and the aggregate amount of the proposed Loans comprising each Borrowing Tranche, and, if applicable, the Interest Period, which amounts shall be in (x) integral multiples of the Dollar Equivalent of \$500,000 and not less than the Dollar Equivalent of \$1,000,000 for each Borrowing Tranche under a Term Rate Loan Option, and (y) integral multiples of \$500,000 and not less than \$1,000,000 for each Borrowing Tranche under a Daily Rate Loan Option. In the case of the renewal of a Term SOFR Rate Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day. No Loan denominated in any Currency may be converted into a Loan with a different Interest Rate Option, or a Loan denominated in a different Currency.

2.4.2 Swing Loan Requests. Except as otherwise provided herein, the Borrowing Agent, on behalf of the US Revolving Borrowers, may from time to time prior to the Maturity Date request the Swing Loan Lender to make Swing Loans by delivery to the Swing Loan Lender not later than 2:00 p.m. on the proposed Borrowing Date of a duly completed request therefor substantially in the form of Exhibit 2.4.2 hereto or a request by telephone immediately confirmed in writing by letter, facsimile, facsimile, or e-mail (in “pdf”, “tif” or similar format) (each, a “**Swing Loan Request**”), it being understood that the Administrative Agent may rely on the authority of any individual making such a telephonic request without the necessity of receipt of such written confirmation. Each Swing Loan Request shall be irrevocable and shall specify the proposed Borrowing Date and the principal amount of such Swing Loan, which shall be not less than One Hundred Thousand and 00/100 Dollars (\$100,000.00).

2.5 Making Revolving Credit Loans and Swing Loans; Presumptions by the Administrative Agent; Repayment of Revolving Credit Loans; Borrowings to Repay Swing Loans.

2.5.1 Making Revolving Credit Loans. The Administrative Agent shall, promptly after receipt by it of a Loan Request pursuant to Section 2.4 [Loan Requests; Swing Loan Requests], notify the Lenders of its receipt of such Loan Request specifying the information provided by the Borrowing Agent, including the Currency in which the Revolving Credit Loan is requested, and the apportionment among the Lenders of the requested Revolving Credit Loans as determined by the Administrative Agent in accordance with Section 2.2 [Nature of Lenders’ Obligations with Respect to Revolving Credit Loans]. Each Lender shall remit its apportioned share (as provided to it by the Administrative Agent) of the principal amount of each Revolving



Credit Loan in the requested Currency (in the case of Alternative Currency Loans, in Dollars if so requested by the Administrative Agent) to the Administrative Agent such that the Administrative Agent is able to, and the Administrative Agent shall, to the extent the Lenders have made funds available to it for such purpose and subject to Section 8.2 [Each Loan or Letter of Credit], fund such Revolving Credit Loans to the US Revolving Borrowers or Canadian Revolving Borrowers in Same Day Funds at the Principal Office prior to 2:00 p.m., on the applicable Borrowing Date; provided that if any Lender fails to remit such funds to the Administrative Agent in a timely manner, the Administrative Agent may elect in its sole discretion to fund with its own funds the Revolving Credit Loans of such Lender on such Borrowing Date, and such Lender shall be subject to the repayment obligation in Section 6.4 [Presumptions by the Administrative Agent].

2.5.2 Presumptions by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan that such Lender will not make available to the Administrative Agent such Lender's share of such Loan, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.5.1 [Making Revolving Credit Loans] and may, in reliance upon such assumption, make available to the applicable Revolving Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Loan available to the Administrative Agent, then the applicable Lender and the applicable Revolving Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in the appropriate Currency with interest thereon, for each day from and including the date such amount is made available to the applicable Revolving Borrowers to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Loans under the Base Rate Option, or in the case of Alternative Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays its share of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan. Any payment by the Revolving Borrowers shall be without prejudice to any claim the Revolving Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

2.5.3 Making Swing Loans. So long as PNC elects to make Swing Loans, PNC shall, after receipt by it of a Swing Loan Request pursuant to Section 2.4.2 [Swing Loan Requests], fund such Swing Loan to the US Revolving Borrowers in U.S. Dollars and immediately available funds at the Principal Office prior to 4:00 p.m. on the Borrowing Date. A Swing Loan Note, if required by the Swing Loan Lender, shall evidence the Swing Loans.

2.5.4 Repayment of Revolving Credit Loans. The Revolving Borrowers shall repay the outstanding principal amount of all Revolving Credit Loans together with all outstanding interest thereon on the Maturity Date.

2.5.5 Borrowings to Repay Swing Loans. PNC may, at its option, exercisable at any time for any reason whatsoever, demand repayment of the Swing Loans, and each Lender shall make a Revolving Credit Loan to the US Revolving Borrowers in an amount equal to such Lender's Ratable Share of the aggregate principal amount of the outstanding Swing Loans, plus, if

PNC so requests, accrued interest thereon, provided that no Lender shall be obligated in any event to make Revolving Credit Loans in excess of its Revolving Credit Commitment minus its Ratable Share of Letter of Credit Obligations. Revolving Credit Loans made pursuant to the preceding sentence shall bear interest at the **[Base Rate Option]** and shall be deemed to have been properly requested in accordance with Section 2.4.1 [Loan Requests] without regard to any of the requirements of that provision. PNC shall provide notice to the Lenders (which may be telephonic or written notice by letter, facsimile or telex) that such Revolving Credit Loans are to be made under this Section 2.5.5 [Borrowings to Repay Swing Loans] and of the apportionment among the Lenders, and the Lenders shall be unconditionally obligated to fund such Revolving Credit Loans (whether or not the conditions specified in Section 2.4.1 [Loan Requests] are then satisfied) by the time PNC so requests, which shall not be earlier than 3:00 p.m. on the Business Day next after the date the Lenders receive such notice from PNC.

2.5.6 Swing Loans Under Cash Management Agreements. In addition to making Swing Loans pursuant to the foregoing provisions of Section 2.5.3 [Making Swing Loans], without the requirement for a specific request from the Borrowing Agent pursuant to Section 2.4.2 [Swing Loan Requests], PNC as the Swing Loan Lender may make Swing Loans to the US Revolving Borrowers in accordance with the provisions of the agreements between the US Revolving Borrowers and such Swing Loan Lender relating to the US Revolving Borrowers' deposit, sweep and other accounts at such Swing Loan Lender and related arrangements and agreements regarding the management and investment of the US Revolving Borrowers' cash assets as in effect from time to time (the "**Cash Management Agreements**") to the extent of the daily aggregate net negative balance in the US Revolving Borrowers' accounts which are subject to the provisions of the Cash Management Agreements. Swing Loans made pursuant to this Section 2.5.6 in accordance with the provisions of the Cash Management Agreements shall (i) be subject to the limitations as to aggregate amount set forth in Section 2.1.2 [Swing Loan Commitment], (ii) not be subject to the limitations as to individual amount set forth in Section 2.4.2 [Swing Loan Requests], (iii) be payable by the US Revolving Borrowers, both as to principal and interest, at the rates and times set forth in the Cash Management Agreements (but in no event later than the Maturity Date), (iv) not be made at any time after such Swing Loan Lender has received written notice of the occurrence of an Event of Default and so long as such shall continue to exist, or, unless consented to by the Required Lenders, a Potential Default and so long as such shall continue to exist, (v) if not repaid by the US Revolving Borrowers in accordance with the provisions of the Cash Management Agreements, be subject to each Lender's obligation pursuant to Section 2.5.5 [Borrowings to Repay Swing Loans], and (vi) except as provided in the foregoing subsections (i) through (v), be subject to all of the terms and conditions of this Section 2.

2.6 Revolving Credit Notes and Swing Notes. The Obligation of the Revolving Borrowers to repay the aggregate unpaid principal amount of the Revolving Credit Loans and Swing Loans made to it by each Lender, together with interest thereon, shall be evidenced by a revolving credit Note and a swing Note, dated the Closing Date payable to the order of such Lender in a face amount equal to the Revolving Credit Commitment or Swing Loan Commitment, as applicable, of such Lender.

## 2.7 Letter of Credit Subfacility.

2.7.1 Issuance of Letters of Credit. The Borrowing Agent or any Loan Party may at any time prior to the Maturity Date request the issuance of a letter of credit (each a “**Letter of Credit**”), which may be denominated in either Dollars or any Alternative Currency, for its own account or the account of another Loan Party or any Subsidiary (in which case the Borrowing Agent and such Subsidiary shall be co-applicants with respect to such Letter of Credit), or the amendment or extension of an existing Letter of Credit, by delivering or transmitting electronically, or having such other Loan Party deliver or transmit electronically to the Issuing Lender (with a copy to the Administrative Agent) a completed application for letter of credit, or request for such amendment or extension, as applicable, in such form as the Issuing Lender may specify from time to time by no later than 10:00 a.m. at least five (5) Business Days, or such shorter period as may be agreed to by the Issuing Lender, in advance of the proposed date of issuance. Each Letter of Credit shall be a Standby Letter of Credit and not a Commercial Letter of Credit. The Borrowing Agent or any Loan Party shall authorize and direct the Issuing Lender to name the Borrowing Agent or any Loan Party or any Subsidiary as the “Applicant” or “Account Party” of each Letter of Credit. Promptly after receipt of any letter of credit application, the Issuing Lender shall confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit application and if not, such Issuing Lender will provide the Administrative Agent with a copy thereof.

2.7.1.1 Unless the Issuing Lender has received notice from any Lender, the Administrative Agent or any Loan Party, at least one day prior to the requested date of issuance, amendment or extension of the applicable Letter of Credit, that one or more applicable conditions in Section 8 [Conditions of Lending and Issuance of Letters of Credit] is not satisfied, then, subject to the terms and conditions hereof and in reliance on the agreements of the other Lenders set forth in this Section 2.7, the Issuing Lender or any of the Issuing Lender’s Affiliates will issue the proposed Letter of Credit or agree to such amendment or extension, provided that each Letter of Credit shall (A) have a maximum maturity of twelve (12) months from the date of issuance, and (B) in no event expire later than the Maturity Date (except that, subject to the provisions of Section 2.7.11 [Cash Collateral], a Letter of Credit may expire up to one year beyond the Maturity Date) and provided further that in no event shall (i) the Letter of Credit Obligations exceed, at any one time, Five Million and 00/100 Dollars (\$5,000,000.00), (ii) the Revolving Facility Usage exceed, at any one time, the Revolving Credit Commitments, (iii) the US Revolving Facility exceed the US Borrowing Base or (iv) the Revolving Facility Usage denominated in Alternative Currencies exceed, at any one time, the Alternative Currency Sublimit. Each request by the Borrowing Agent or any Loan Party for the issuance, amendment or extension of a Letter of Credit shall be deemed to be a representation by the Borrowing Agent or such Loan Party that it shall be in compliance with the preceding sentence and with Section 8 [Conditions of Lending and Issuance of Letters of Credit] after giving effect to the requested issuance, amendment or extension of such Letter of Credit. Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to the beneficiary thereof, the applicable Issuing Lender will also deliver to the Borrowing Agent and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

2.7.1.2 Notwithstanding Section 2.7.1.1, the Issuing Lender shall not be under any obligation to issue any Letter of Credit if (i) any order, judgment or decree of any Official Body or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing the Letter of Credit, or any Law applicable to the Issuing Lender or any request or directive (whether or not having the force of law) from any Official Body with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the Issuing Lender with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it, or (ii) the issuance of the Letter of Credit would violate one or more policies of the Issuing Lender applicable to letters of credit generally.

Each Existing Letter of Credit shall be deemed to be a Letter of Credit for all purposes of this Agreement.

2.7.2 Letter of Credit Fees. The US Revolving Borrowers shall pay in Dollars (i) to the Administrative Agent for the ratable account of the Lenders a fee (the “**Letter of Credit Fee**”) equal to the Applicable Letter of Credit Fee Rate on the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date, and (ii) to the Issuing Lender for its own account a fronting fee equal to one-quarter of one percent (0.25%) per annum (in each case computed on the basis of a year of three hundred sixty (360) days and actual days elapsed) on the aggregate Dollar Equivalent amount available to be drawn under all outstanding Letters of Credit on such date (or such other amount as agreed to in writing between the Issuing Lender, the fronting bank and the Borrowing Agent), which fees shall be payable quarterly in arrears on each Payment Date following issuance of each Letter of Credit. The US Revolving Borrowers shall also pay in Dollars to the Issuing Lender for the Issuing Lender’s sole account the Issuing Lender’s then in effect customary fees and administrative expenses payable with respect to the Letters of Credit as the Issuing Lender may generally charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of Letters of Credit.

2.7.3 Disbursements, Reimbursement. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Lender a participation in such Letter of Credit and each drawing thereunder in a Dollar Equivalent amount equal to such Lender’s Ratable Share of the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively, in each case in the Currency in which each Letter of Credit is issued.

2.7.3.1 In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the Issuing Lender will promptly notify the Borrowing Agent and the Administrative Agent thereof. Provided that it shall have received such notice, the US Revolving Borrowers shall reimburse (such obligation to reimburse the Issuing Lender shall sometimes be referred to as a “**Reimbursement Obligation**”) the Issuing Lender prior to 12:00 noon on each date that an amount is paid by the Issuing Lender under any Letter of Credit (each such date, a “**Drawing Date**”) by paying to the Administrative Agent for the account of the Issuing Lender an amount, in the Currency of the drawing under such Letter of Credit, equal to the amount so paid by the Issuing Lender. In the event the US Revolving Borrowers fail to reimburse the

Issuing Lender (through the Administrative Agent) for the full amount of any drawing under any Letter of Credit, in the Currency of such drawing, by 12:00 noon on the Drawing Date, the Administrative Agent will promptly notify each Lender thereof, and the US Revolving Borrowers shall be deemed to have requested that Revolving Credit Loans be made by the Lenders in Dollars (and, if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by Issuing Lender in such Alternative Currency on the Drawing Date thereof) under the Base Rate Option to be disbursed on the Drawing Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Credit Commitment and subject to the conditions set forth in Section 8.2 [Each Loan or Letter of Credit] other than any notice requirements. Any notice given by the Administrative Agent or Issuing Lender pursuant to this Section 2.7.3.1 [Disbursements, Reimbursement] may be oral if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

2.7.3.2 Each Lender shall upon any notice pursuant to Section 2.7.3.1 [Disbursements, Reimbursement] make available to the Administrative Agent for the account of the Issuing Lender an amount in Dollars in immediately available funds equal to its Ratable Share of the amount of the drawing (and if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by the Issuing Lender in such Alternative Currency on the Drawing Date thereof), whereupon the participating Lenders shall (subject to Section 2.7.3 [Disbursement; Reimbursement]) each be deemed to have made a Revolving Credit Loan under the Base Rate Option to the US Revolving Borrowers in that amount. If any Lender so notified fails to make available to the Administrative Agent for the account of the Issuing Lender the amount of such Lender's Ratable Share of such amount by no later than 2:00 p.m. on the Drawing Date, then interest shall accrue on such Lender's obligation to make such payment, from the Drawing Date to the date on which such Lender makes such payment (i) at a rate per annum equal to the Overnight Bank Funding Rate during the first three (3) days following the Drawing Date and (ii) at a rate per annum equal to the rate applicable to Loans under the Revolving Credit Base Rate Option on and after the fourth (4<sup>th</sup>) day following the Drawing Date. The Administrative Agent and the Issuing Lender will promptly give notice (as described in Section 2.7.3.1 [Disbursements, Reimbursement]) of the occurrence of the Drawing Date, but failure of the Administrative Agent or the Issuing Lender to give any such notice on the Drawing Date or in sufficient time to enable any Lender to effect such payment on such date shall not relieve such Lender from its obligation under this Section 2.7.3.2 [Disbursements, Reimbursement].

2.7.3.3 With respect to any unreimbursed drawing that is not converted into Revolving Credit Loans under the Base Rate Option to the US Revolving Borrowers in whole or in part as contemplated by Section 2.7.3.1 [Disbursements, Reimbursement], because of the US Revolving Borrowers' failure to satisfy the conditions set forth in Section 8.2 [Each Loan or Letter of Credit] other than any notice requirements, or for any other reason, the US Revolving Borrowers shall be deemed to have incurred from the Issuing Lender a borrowing (each a "**Letter of Credit Borrowing**") in Dollars in the amount of such drawing (and, if the Letter of Credit was denominated in an Alternative Currency, in the Dollar Equivalent amount to the amount paid by the Issuing Lender in such Alternative Currency on the Drawing Date thereof). Such Letter of Credit Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the rate per annum applicable to the Revolving Credit Loans under the Base Rate Option.

Each Lender's payment to the Administrative Agent for the account of the Issuing Lender pursuant to Section 2.7.3 [Disbursements, Reimbursement] shall be deemed to be a payment in respect of its participation in such Letter of Credit Borrowing (each a "**Participation Advance**") from such Lender in satisfaction of its participation obligation under this Section 2.7.3 [Disbursements, Reimbursement].

#### 2.7.4 Repayment of Participation Advances.

2.7.4.1 Upon (and only upon) receipt by the Administrative Agent for the account of the Issuing Lender of immediately available funds from the US Revolving Borrowers (i) in reimbursement of any payment made by the Issuing Lender under the Letter of Credit with respect to which any Lender has made a Participation Advance to the Administrative Agent, or (ii) in payment of interest on such a payment made by the Issuing Lender under such a Letter of Credit, the Administrative Agent on behalf of the Issuing Lender will pay to each Lender, in the same funds as those received by the Administrative Agent, the amount of such Lender's Ratable Share of such funds, except the Administrative Agent shall retain for the account of the Issuing Lender the amount of the Ratable Share of such funds of any Lender that did not make a Participation Advance in respect of such payment by the Issuing Lender.

2.7.4.2 If the Administrative Agent is required at any time to return to any Loan Party, or to a trustee, receiver, manager, receiver and manager, interim receiver, monitor liquidator, custodian, or any official in any Insolvency Proceeding, any portion of any payment made by any Loan Party to the Administrative Agent for the account of the Issuing Lender pursuant to this Section 2.7 [Letter of Credit Subfacility] in reimbursement of a payment made under the Letter of Credit or interest or fee thereon, each Lender shall, on demand of the Administrative Agent, forthwith return to the Administrative Agent for the account of the Issuing Lender the amount of its Ratable Share of any amounts so returned by the Administrative Agent plus interest thereon from the date such demand is made to the date such amounts are returned by such Lender to the Administrative Agent, at a rate per annum equal to the Overnight Bank Funding Rate in effect from time to time, in the applicable Currency of such payment.

2.7.5 Documentation. Each Loan Party agrees to be bound by the terms of the Issuing Lender's application and agreement for letters of credit and the Issuing Lender's written regulations and customary practices relating to letters of credit, though such interpretation may be different from such Loan Party's own. In the event of a conflict between such application or agreement and this Agreement, this Agreement shall govern. It is understood and agreed that, except in the case of gross negligence or willful misconduct, the Issuing Lender shall not be liable for any error, negligence and/or mistakes, whether of omission or commission, in following any Loan Party's instructions or those contained in the Letters of Credit or any modifications, amendments or supplements thereto.

2.7.6 Determinations to Honor Drawing Requests. In determining whether to honor any request for drawing under any Letter of Credit by the beneficiary thereof, the Issuing Lender shall be responsible only to determine that the documents and certificates required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit.

2.7.7 Nature of Participation and Reimbursement Obligations. Each Lender's obligation in accordance with this Agreement to make the Revolving Credit Loans or Participation Advances, as contemplated by Section 2.7.3 [Disbursements, Reimbursement], as a result of a drawing under a Letter of Credit, and the Obligations of the US Revolving Borrowers to reimburse the Issuing Lender upon a draw under a Letter of Credit, shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Section 2.7 [Letter of Credit Subfacility] under all circumstances, including the following circumstances:

(i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against the Issuing Lender or any of its Affiliates, the US Revolving Borrowers or any other Person for any reason whatsoever, or which any Loan Party may have against the Issuing Lender or any of its Affiliates, any Lender or any other Person for any reason whatsoever;

(ii) the failure of any Loan Party or any other Person to comply, in connection with a Letter of Credit Borrowing, with the conditions set forth in Section 2.1 [Revolving Credit Commitments], Section 2.4 [Loan Requests; Swing Loan Requests], Section 2.5 [Making Revolving Credit Loans and Swing Loans; Etc.] or Section 8.2 [Each Loan or Letter of Credit] or as otherwise set forth in this Agreement for the making of a Revolving Credit Loan, it being acknowledged that such conditions are not required for the making of a Letter of Credit Borrowing and the obligation of the Lenders to make Participation Advances under Section 2.7.3 [Disbursements, Reimbursement];

(iii) any lack of validity or enforceability of any Letter of Credit;

(iv) any claim of breach of warranty that might be made by any Loan Party or any Lender against any beneficiary of a Letter of Credit, or the existence of any claim, set-off, recoupment, counterclaim, crossclaim, defense or other right which any Loan Party or any Lender may have at any time against a beneficiary, successor beneficiary any transferee or assignee of any Letter of Credit or the proceeds thereof (or any Persons for whom any such transferee may be acting), the Issuing Lender or its Affiliates or any Lender or any other Person, whether in connection with this Agreement, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between any Loan Party or Subsidiaries of a Loan Party and the beneficiary for which any Letter of Credit was procured);

(v) the lack of power or authority of any signer of (or any defect in or forgery of any signature or endorsement on) or the form of or lack of validity, sufficiency, accuracy, enforceability or genuineness of any draft, demand, instrument, certificate or other document presented under or in connection with any Letter of Credit, or any fraud or alleged fraud in connection with any Letter of Credit, or the transport of any property or provision of services relating to a Letter of Credit, in each case even if the Issuing Lender or any of its Affiliates has been notified thereof;

(vi) payment by the Issuing Lender or any of its Affiliates under any Letter of Credit against presentation of a demand, draft or certificate or other document which does not comply with the terms of such Letter of Credit;

(vii) the solvency of, or any acts or omissions by, any beneficiary of any Letter of Credit, or any other Person having a role in any transaction or obligation relating to a Letter of Credit, or the existence, nature, quality, quantity, condition, value or other characteristic of any property or services relating to a Letter of Credit;

(viii) any failure by the Issuing Lender or any of its Affiliates to issue any Letter of Credit in the form requested by the Borrowing Agent or any other Loan Party, unless the Issuing Lender has received written notice from the Borrowing Agent or such other Loan Party of such failure within three (3) Business Days after the Issuing Lender shall have furnished the Borrowing Agent and the Administrative Agent a copy of such Letter of Credit and such error is material and no drawing has been made thereon prior to receipt of such notice;

(ix) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of any Loan Party or Subsidiaries of a Loan Party;

(x) any breach of this Agreement or any other Loan Document by any party thereto;

(xi) the occurrence or continuance of an Insolvency Proceeding with respect to any Loan Party;

(xii) the fact that an Event of Default or a Potential Default shall have occurred and be continuing;

(xiii) the fact that the Maturity Date shall have passed or this Agreement or the Commitments hereunder shall have been terminated;

(xiv) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to any Borrower or any Subsidiary or in the relevant currency markets generally; and

(xv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

2.7.8 Indemnity. The US Revolving Borrowers hereby agree to protect, indemnify, pay and save harmless each Issuing Lender and any of its Affiliates that has issued a Letter of Credit from and against any and all claims, demands, liabilities, damages, taxes, penalties, interest, judgments, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of counsel and allocated costs of internal counsel) which the Issuing Lender or any of its Affiliates may incur or be subject to as a consequence, direct or indirect, of the issuance of any Letter of Credit, other than as a result of (A) the gross negligence or willful misconduct of the Issuing Lender as determined by a final non-appealable judgment of a court of competent jurisdiction or (B) the wrongful dishonor by the Issuing Lender or any of Issuing Lender's Affiliates of a proper demand for payment made under any Letter of Credit, except if such dishonor resulted from any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Official Body.



**2.7.9 Liability for Acts and Omissions.** As between any Loan Party and the Issuing Lender, or the Issuing Lender's Affiliates, such Loan Party assumes all risks of the acts and omissions of, or misuse of the Letters of Credit by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Issuing Lender shall not be responsible for any of the following, including any losses or damages to any Loan Party or other Person or property relating therefrom: (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for an issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged (even if the Issuing Lender or its Affiliates shall have been notified thereof); (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) the failure of the beneficiary of any such Letter of Credit, or any other party to which such Letter of Credit may be transferred, to comply fully with any conditions required in order to draw upon such Letter of Credit or any other claim of any Loan Party against any beneficiary of such Letter of Credit, or any such transferee, or any dispute between or among any Loan Party and any beneficiary of any Letter of Credit or any such transferee; (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, e-mail or otherwise, whether or not they be in cipher; (v) errors in interpretation of technical terms; (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof; (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (viii) any consequences arising from causes beyond the control of the Issuing Lender or its Affiliates, as applicable, including any act or omission of any Official Body, and none of the above shall affect or impair, or prevent the vesting of, any of the Issuing Lender's or its Affiliates rights or powers hereunder. Nothing in the preceding sentence shall relieve the Issuing Lender from liability for the Issuing Lender's gross negligence or willful misconduct in connection with actions or omissions described in such clauses (i) through (viii) of such sentence. In no event shall the Issuing Lender or its Affiliates be liable to any Loan Party for any indirect, consequential, incidental, punitive, exemplary or special damages or expenses (including without limitation attorneys' fees), or for any damages resulting from any change in the value of any property relating to a Letter of Credit.

Without limiting the generality of the foregoing, the Issuing Lender and each of its Affiliates (i) may rely on any oral or other communication believed in good faith by the Issuing Lender or such Affiliate to have been authorized or given by or on behalf of the applicant for a Letter of Credit, (ii) may honor any presentation if the documents presented appear on their face substantially to comply with the terms and conditions of the relevant Letter of Credit; (iii) may honor a previously dishonored presentation under a Letter of Credit, whether such dishonor was pursuant to a court order, to settle or compromise any claim of wrongful dishonor, or otherwise, and shall be entitled to reimbursement to the same extent as if such presentation had initially been honored, together with any interest paid by the Issuing Lender or its Affiliate; (iv) may honor any drawing that is payable upon presentation of a statement advising negotiation or payment, upon receipt of such statement (even if such statement indicates that a draft or other document is being delivered separately), and shall not be liable for any failure of any such draft or other document to arrive, or to conform in any way with the relevant Letter of Credit; (v) may pay any paying or

negotiating bank claiming that it rightfully honored under the laws or practices of the place where such bank is located; and (vi) may settle or adjust any claim or demand made on the Issuing Lender or its Affiliate in any way related to any order issued at the applicant's request to an air carrier, a letter of guarantee or of indemnity issued to a carrier or any similar document (each an "Order") and honor any drawing in connection with any Letter of Credit that is the subject of such Order, notwithstanding that any drafts or other documents presented in connection with such Letter of Credit fail to conform in any way with such Letter of Credit.

In furtherance and extension and not in limitation of the specific provisions set forth above, any action taken or omitted by the Issuing Lender or its Affiliates under or in connection with the Letters of Credit issued by it or any documents and certificates delivered thereunder, if taken or omitted in good faith, shall not put the Issuing Lender or its Affiliates under any resulting liability to the US Revolving Borrowers or any Lender.

**2.7.10 Issuing Lender Reporting Requirements.** Each Issuing Lender shall, on the first Business Day of each month, provide to Administrative Agent a schedule of the Letters of Credit issued by it, in form and substance satisfactory to Administrative Agent, showing the date of issuance of each Letter of Credit, the account party, the original face amount (if any), and the expiration date of any Letter of Credit outstanding at any time during the preceding month, and any other information relating to such Letter of Credit that the Administrative Agent may request.

**2.7.11 Cash Collateral.** Upon the request of Administrative Agent, if on or after the date that is thirty (30) days prior to the Maturity Date, any Letter of Credit Obligation for any reason remains outstanding, US Revolving Borrowers shall immediately Cash Collateralize the then outstanding amount of all Letter of Credit Obligations. US Revolving Borrowers hereby grant to Administrative Agent, for the benefit of each Issuing Lender and the Lenders, a security interest in all cash collateral pledged pursuant to this Section or otherwise under this Agreement.

**2.8 Termination or Reduction of Revolving Credit Commitments.** The Borrowing Agent shall have the right, upon not less than three (3) Business Days' (or such shorter period to which the Administrative Agent may agree) notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the aggregate amount of the Revolving Credit Commitments (ratably among the Lenders in proportion to their Ratable Shares); provided that no such termination or reduction of Revolving Credit Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans made on the effective date thereof, the Revolving Facility Usage would exceed the aggregate Revolving Credit Commitments of the Lenders. Any such reduction shall be in an amount equal to One Million and 00/100 Dollars (\$1,000,000.00), or a whole multiple thereof, and shall reduce permanently the Revolving Credit Commitments then in effect. Any such reduction or termination shall be accompanied by prepayment of the revolving credit Notes, together with outstanding Commitment Fees, and the full amount of interest accrued on the principal sum to be prepaid (and all amounts referred to in Section 6.10 [Indemnity] hereof) to the extent necessary to cause the aggregate Revolving Facility Usage after giving effect to such prepayments to be equal to or less than the Revolving Credit Commitments as so reduced or terminated. Any notice to reduce the Revolving Credit Commitments under this Section 2.8 shall be irrevocable.

2.9 [Reserved].

2.10 [Reserved].

2.11 Settlement Date Procedures. In order to minimize the transfer of funds between the Lenders and the Administrative Agent, the US Revolving Borrowers may borrow, repay and reborrow Swing Loans and PNC may make Swing Loans as provided in Section 2.1.2 [Swing Loan Commitments] hereof during the period between Settlement Dates. The Administrative Agent shall notify each Lender of its Ratable Share of the total of the Revolving Credit Loans and the Swing Loans (each a “**Required Share**”). On such Settlement Date, each Lender shall pay to the Administrative Agent the amount equal to the difference between its Required Share and its Revolving Credit Loans, and the Administrative Agent shall pay to each Lender its Ratable Share of all payments made by the Revolving Borrowers to the Administrative Agent with respect to the Revolving Credit Loans. The Administrative Agent shall also effect settlement in accordance with the foregoing sentence on the proposed Borrowing Dates for Revolving Credit Loans and may at its option effect settlement on any other Business Day. These settlement procedures are established solely as a matter of administrative convenience, and nothing contained in this Section 2.11 [Settlement Date Procedures] shall relieve the Lenders of their obligations to fund Revolving Credit Loans on dates other than a Settlement Date pursuant to Section 2.1.2 [Swing Loan Commitment]. The Administrative Agent may at any time at its option for any reason whatsoever require each Lender to pay immediately to the Administrative Agent such Lender’s Ratable Share of the outstanding Revolving Credit Loans and each Lender may at any time require the Administrative Agent to pay immediately to such Lender its Ratable Share of all payments made by the Revolving Borrowers to the Administrative Agent with respect to the Revolving Credit Loans.

### 3. TERM LOANS

3.1 Term Loan Commitments. Subject to the terms and conditions hereof, and relying upon the representations and warranties herein set forth, each Lender severally agrees to make a Term Loan in Dollars to the Acquisition Borrowers on the Third Amendment Effective Date in such principal amount as the Acquisition Borrowers shall request up to, but not exceeding such Lender’s Term Loan Commitment. The Term Loan Commitments are not revolving credit commitments, and the Acquisition Borrowers shall not have the right to borrow, repay and reborrow under this Section 3.1.

3.2 Nature of Lenders’ Obligations with Respect to Term Loans. Each Lender shall be obligated to participate in the Term Loans pursuant to Section 3.1 [Term Loan Commitments] in accordance with its Ratable Share. The aggregate of each Lender’s Term Loans outstanding hereunder to the Acquisition Borrowers at any time shall never exceed its Term Loan Commitment. The obligations of each Lender hereunder are several. The failure of any Lender to perform its obligations hereunder shall not affect the Obligations of the Acquisition Borrowers to any other party nor shall any other party be liable for the failure of such Lender to perform its obligations hereunder. The Lenders shall have no obligation to make Term Loans after the Third Amendment Effective Date, and any portion of the Term Loan Commitment not drawn on the Third Amendment Effective Date shall automatically expire.

3.2.1 Repayment of Term Loans. The Term Loans shall be due and payable in consecutive quarterly installments on each Payment Date commencing on January 1, 2021. The principal amount of each quarterly installment of the Term Loans shall each be in the principal amount equal to One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00); provided, however, that the final principal repayment installment of the Term Loans shall be repaid on the Term Loan Maturity Date and in any event shall be in an amount equal to the aggregate principal amount of all Term Loans outstanding on such date.

3.3 Term Notes. The Obligation of the Acquisition Borrowers to repay the aggregate unpaid principal amount of the Term Loans made to it by each Lender, together with interest thereon, shall be evidenced by a term Note, dated the Third Amendment Effective Date payable to the order of such Lender in a face amount equal to the Term Loan Commitment of such Lender.

#### 4. [RESERVED]

### 5. INTEREST RATES AND INCREMENTAL LOANS

5.1 Interest Rate Options. The Borrowers shall pay interest in respect of the outstanding unpaid principal amount of the Loans as selected by it from the applicable Interest Rate Options specified below applicable to the Revolving Credit Loans, the Term Loans, or the Swingline Loans, respectively, it being understood that, subject to the provisions of this Agreement, the Borrowers may select different Interest Rate Options and different Interest Periods to apply simultaneously to the Loans comprising different Borrowing Tranches and may renew one or more Interest Rate Options with respect to all or any portion of the Loans comprising any Borrowing Tranche; provided that there shall not be at any one time outstanding more than seven (7) Borrowing Tranches in the aggregate among all of the Loans; provided further that if an Event of Default or Potential Default exists and is continuing, the Borrowers may not request or renew any Term Rate Loan Option or Daily Simple RFR Option for any Loans and the Required Lenders may demand that all existing Borrowing Tranches (i) denominated in Dollars bearing interest under a Term Rate Loan Option shall be converted immediately to the Base Rate Option and (ii) denominated in an Alternative Currency shall either (x) (A) in relation to Term Rate Loans, be converted immediately to the Base Rate Option denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) at the end of the Interest Period therefor; and (B) in relation to Daily Rate Loans, be converted immediately to the Base Rate Option or (y) in relation to Term Rate Loans, be prepaid at the end of the applicable Interest Period in full, subject in all cases to the obligation of the Borrowers to pay any indemnity under Section 5.10 [Indemnity] in connection with any such conversion. If at any time the designated rate applicable to any Loan made by any Lender exceeds such Lender's highest lawful rate, the rate of interest on such Lender's Loan shall be limited to such Lender's highest lawful rate. The applicable Base Rate, Term SOFR Rate, Daily Simple RFR, or Term RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. Interest on the principal amount of each Loan denominated in an Alternative Currency shall be paid by the Borrowers in such Alternative Currency.

5.1.1 Revolving Credit Interest Rate Options . The Borrowing Agent shall have the right to select from the following Interest Rate Options applicable to the Revolving Credit Loans:

(i) Revolving Credit Loan Term Rate Loan Options:

(A) Term SOFR Rate Option. In the case of Term SOFR Rate Loans denominated in Dollars, a rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Term SOFR Rate as determined for each applicable Interest Period plus the SOFR Adjustment plus the Applicable Margin; or

(B) Term RFR Option. In the case of Term RFR Loans denominated in Sterling or Canadian Dollars, a rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Term RFR for such Currency as determined for each applicable Interest Period plus the Term RFR Adjustment plus the Applicable Margin..

(ii) Revolving Credit Loan Daily Rate Loan Options:

(A) Base Rate Option. In the case of Base Rate Loans denominated in Dollars, a fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate; or

(B) Daily Simple RFR Option. In the case of Daily RFR Loans denominated in Euros, a fluctuating rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Daily Simple RFR for such Currency plus the Daily RFR Adjustment plus the Applicable Margin. In the case of Daily RFR Loans denominated in Sterling or Canadian Dollars, a fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Daily Simple RFR for such Currency plus the Daily RFR Adjustment plus the Applicable Margin.

5.1.2 Swingline Loan Interest Rate. Subject to Section 4.3 [Interest After Default], only the Base Rate Option applicable to Revolving Credit Loans shall apply to the Swingline Loans.

5.1.3 Term Loan Interest Rate Options. The Borrowing Agent shall have the right to select from the following Interest Rate Options applicable to the Term Loans:

(i) Term Loan Term Rate Loan Options:

(A) Term SOFR Rate Option. A rate per annum (computed on the basis of a year of 360 days and actual days elapsed) equal to the Term SOFR Rate as determined for each applicable Interest Period plus the SOFR Adjustment plus the Applicable Margin.

(B) Term Loan Term RFR Option. In the case of Term RFR Loans denominated in Sterling or Canadian Dollars, a rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Term RFR for such Currency as determined for each applicable Interest Period plus the Term RFR Adjustment plus the Applicable Margin.

(ii) Term Loan Daily Rate Loan Options:

(A) Base Rate Option. A fluctuating rate per annum (computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed) equal to the Base Rate plus the Applicable Margin, such interest rate to change automatically from time to time effective as of the effective date of each change in the Base Rate.

5.1.4 Rate Quotations. The Borrowing Agent may call the Administrative Agent on or before the date on which a Loan Request is to be delivered to receive an indication of the rates then in effect, but it is acknowledged that such projection shall not be binding on the Administrative Agent or the Lenders nor affect the rate of interest which thereafter is actually in effect when the election is made.

5.1.5 Interest Act (Canada). For purposes of the Interest Act (Canada): (i) whenever any interest or fee under this Agreement is calculated on the basis of a period other than a calendar year, such rate used in such calculation, when expressed as an annual rate, is equivalent to (x) such rate, multiplied by (y) the actual number of days in the calendar year in which the period for which such interest or fee is calculated ends, and divided by (z) the number of days in such period of time, (ii) the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement, and (iii) the rates of interest stipulated in this Agreement are intended to be nominal rates and not effective rates or yields.

5.1.6 Canadian Usury Provision. If any provision of this Agreement would oblige a Canadian Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of "interest" at a "criminal rate" (as such terms are construed under the Criminal Code (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by that Lender of "interest" at a "criminal rate", such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

(i) first, by reducing the amount or rate of interest; and

(ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid which would constitute interest for purposes of Section 347 of the *Criminal Code* (Canada).

5.2 Interest Periods. At any time when the Borrowers shall select, convert to or renew a Term Rate Loan Option, the Borrowing Agent shall notify the Administrative Agent thereof by delivering a Loan Request at least (i) for a Term SOFR Rate Option with respect to Revolving Credit Loans or Term Loans denominated in Dollars, three (3) Business Days prior to the effective date, and (ii) for a Term RFR Option with respect to Revolving Credit Loans denominated in Alternative Currencies, four (4) Business Days prior to the effective date. The notice shall specify an Interest Period during which such Interest Rate Option shall apply. Notwithstanding the preceding sentence, the following provisions shall apply to any selection of, renewal of, or conversion to a Term Rate Loan Option:

5.2.1 Amount of Borrowing Tranche. Each Borrowing Tranche of Loans under the Term Rate Loan Option shall be in integral multiples of, and not less than, the respective amounts specified in Section 2.5(a) [Revolving Credit Loan Requests; Conversions and Renewals]; and]

5.2.2 Renewals. In the case of the renewal of a Term Rate Loan Option at the end of an Interest Period, the first day of the new Interest Period shall be the last day of the preceding Interest Period, without duplication in payment of interest for such day.

5.2.3 No Conversion of Alternative Currency Loans. No Loan denominated in any Currency may be converted into a Loan with a different Interest Rate Option, or a Loan denominated in a different Currency.

5.3 Interest After Default. To the extent permitted by Law, upon the occurrence of an Event of Default and until such time such Event of Default shall have been cured or waived, at the discretion of the Administrative Agent or upon written demand by the Required Lenders to the Administrative Agent:

5.3.1 Letter of Credit Fees, Interest Rate. The rate of interest otherwise applicable to the outstanding principal amounts of the Loans (pursuant to Section 5.1 [Interest Rate Options]) and the Letter of Credit Fees (pursuant to Section 2.7.2 [Letter of Credit Fees]), respectively, shall be increased by two percent (2.0%) per annum;

5.3.2 Other Obligations. Each other Obligation hereunder if not paid when due (including overdue interest) shall bear interest at a rate per annum equal to the sum of the rate of interest applicable under the Base Rate Option plus an additional two percent (2.0%) per annum from the time such Obligation becomes due and payable and until it is paid in full; and

5.3.3 Acknowledgment. The Borrowers acknowledge that the increase in rates referred to in this Section 5.3 [Interest After Default] reflects, among other things, the fact that such Loans or other amounts have become a substantially greater risk given their default status and that the Lenders are entitled to additional compensation for such risk; and all such interest shall be payable by Borrowers upon demand by Administrative Agent.

5.4 Rate Unascertainable; Increased Costs; Deposits Not Available; Illegality; Benchmark Replacement Setting.

5.4.1 Unascertainable; Increased Costs; Deposits Not Available. If at any time:

(i) on or prior to the first day of an Interest Period, the Administrative Agent shall have determined (which determination shall be conclusive and binding absent manifest error) that (x) the Term SOFR Rate, Daily Simple RFR or Term RFR applicable to a Loan (in each case whether in Dollars or an Alternative Currency) cannot be determined pursuant to the definition thereof, including, without limitation, because such rate for the corresponding applicable Currency is not available or published on a current basis or (y) a fundamental change has occurred in the foreign exchange or interbank markets with respect to such Currency or with respect to such rate (including, without limitation, changes in national or international financial, political or economic conditions or currency exchange rates or exchange controls), or

(ii) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Term SOFR Rate, prior to the Term RFR Transition Date with respect to any Loans that bear interest based on Daily Simple RFR denominated in any Alternative Currency, or Daily Simple RFR with respect to such Currency, cannot be determined pursuant to the definition thereof or, on and after the Term RFR Transition Date with respect to any Loans that bear interest based Term RFR denominated in any Currency, Term RFR for such Currency cannot be determined pursuant to the definition thereof on or prior to the first day of any Interest Period, or

(iii) on or prior to the first day of an Interest Period, any Lender determines that for any reason in connection with any request for a Term Rate Loan (in each case whether denominated in Dollars or an Alternative Currency) or a conversion thereto or a continuation thereof that (A) deposits in the applicable Currency are not available to any Lender in connection with such Term Rate Loan, or are not being offered to banks in the market for the applicable Currency, amount, and Interest Period of such Term Rate Loan, or (B) the Term Rate Loan Option for any requested Currency or Interest Period with respect to a proposed Term Rate Loan, as applicable, does not adequately and fairly reflect the cost to such Lenders of funding, establishing or maintaining such Loan and, in each case, any Lender has provided notice of such determination to the Administrative Agent,

then the Administrative Agent shall have the rights specified in Section 5.4.3 [Administrative Agent's and Lender's Rights].

5.4.2 Illegality. If at any time any Lender shall have determined, or any Official Body shall have asserted, that the making, maintenance or funding of any Loan to which any Interest Rate Option applies, or the determination or charging of interest rates based upon any Interest Rate Option has been made impracticable or unlawful, by compliance by such Lender in good faith with any Law or any interpretation or application thereof by any Official Body or with any request or directive of any such Official Body (whether or not having the force of Law), or any Official Body has imposed material restrictions on the authority of such Lender to purchase, sell, or take deposits of any Currency in the applicable interbank market for the applicable Currency,

then the Administrative Agent shall have the rights specified in Section 5.4.3 [Administrative Agent's and Lender's Rights].



5.4.3 Administrative Agent's and Lender's Rights. In the case of any event specified in Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] above, the Administrative Agent shall promptly so notify the Lenders and the Borrowing Agent thereof, and in the case of an event specified in Section 5.4.2 [Illegality] above, such Lender shall promptly so notify the Administrative Agent and endorse a certificate to such notice as to the specific circumstances of such notice, and the Administrative Agent shall promptly send copies of such notice and certificate to the other Lenders and the Borrowing Agent.

(A) Upon such date as shall be specified in such notice (which shall not be earlier than the date such notice is given), the obligation of (i) the Lenders, in the case of such notice given by the Administrative Agent, or (ii) such Lender, in the case of such notice given by such Lender, to allow the Borrowers to select, convert to or renew a Loan under the affected Interest Rate Option in each such Currency shall be suspended (to the extent of the affected Interest Rate Option, or the applicable Interest Periods) until the Administrative Agent shall have later notified the Borrowing Agent, or such Lender shall have later notified the Administrative Agent, of the Administrative Agent's or such Lender's, as the case may be, determination that the circumstances giving rise to such previous determination no longer exist.

(B) If at any time the Administrative Agent makes a determination under Section 5.4.1 [Unascertainable; Increased Costs; Deposits Not Available] (a) if the Borrowers have previously notified the Administrative Agent of its selection of, conversion to or renewal of a an affected Interest Rate Option, and such Interest Rate Option has not yet gone into effect, such notification shall (i) with regard to any such pending request for Loans denominated in Dollars, be deemed to provide for selection of, conversion to or renewal of the Base Rate Option otherwise available with respect to such Loans in the amount specified therein and (ii) with regard to any such pending request for Loans denominated in an Alternative Currency, be deemed ineffective (in each case to the extent of the affected Interest Rate Option, or the applicable Interest Periods), (b) any outstanding affected Loans denominated in Dollars shall be deemed to have been converted into Base Rate Loans immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period, and (c) any outstanding affected Loans denominated in an Alternative Currency shall, at the Borrowers' election, either be converted into Base Rate Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period or prepaid in full immediately or, in the case of Term Rate Loans, at the end of the applicable Interest Period; provided, however that absent notice from the Borrowers of conversion or prepayment, such Loans shall automatically be converted to Base Rate Loans (in an amount equal to the Dollar Equivalent of such Alternative Currency).

(C) If any Lender notifies the Administrative Agent of a determination under Section 5.4.2 [Illegality], the Borrowers shall, subject to the Borrowers' indemnification Obligations under Section 5.10 [Indemnity], as to any Loan of the Lender to which an affected Interest Rate Option applies, on the date specified in such notice either convert such Loan to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Alternative Currency, in an amount equal to the Dollar Equivalent of such Alternative Currency) or prepay such Loan in accordance with Section 6.6 [Voluntary Prepayments]. Absent due notice from the Borrowers of conversion or prepayment, such Loan shall automatically be converted to the Base Rate Option otherwise available with respect to such Loan (which shall be, with respect to Loans denominated in an Alternative Currency, in an amount equal to the Dollar Equivalent of such Alternative Currency) upon such specified date.

#### 5.4.4 Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document (and any agreement executed in connection with an Interest Rate Hedge shall be deemed not to be a “Loan Document” for purposes of this Section titled “Benchmark Replacement Setting”), if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark for any Currency, then (A) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with clause (2), (3), (4), (5) or (6) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice from Lenders comprising the Required Lenders of objection to (i) with respect to a Benchmark Replacement determined in accordance with clause (2), (3), (4) or (5) of the definition of “Benchmark Replacement”, the related Benchmark Replacement Adjustment and (ii) with respect to a Benchmark Replacement determined in accordance with clause (6) of the definition of “Benchmark Replacement”, such Benchmark Replacement.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent may 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.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowing Agent and the Lenders of (A) the implementation of any Benchmark Replacement, and (B) the effectiveness of any Conforming Changes in connection with the use, administration, adoption, or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrowing Agent of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (iv) below and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative

Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document except, in each case, as expressly required pursuant to this Section.

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate or based on a term rate and either (I) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (II) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor; and (B) if a tenor that was removed pursuant to clause (A) above either (I) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (II) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrowing Agent’s receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a given Benchmark, the Borrowers may revoke any pending request for a Loan bearing interest based on or with reference to such Benchmark or conversion to or continuation of Loans bearing interest based on or with reference to the affected Benchmark to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrowers will be deemed to have converted any such request into a request for a Loan or conversion to Loans denominated in Dollars (in the case of Loans denominated in an Alternative Currency, in an amount equal to the Dollar Equivalent of such Alternative Currency) bearing interest under the Base Rate Option. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(vi) Definitions. As used in this Section:

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

“Benchmark” means, initially, with respect to Obligations, interest, fees, commissions, or other amounts denominated in, or calculated with respect to, (a) Dollars, SOFR and the Term SOFR Reference Rate, (b) Euros, Sterling or Canadian Dollars, the Daily Simple RFR applicable for such Currency or (c) Sterling or Canadian Dollars, the Term RFR applicable for such Currency; provided that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to this Section.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the first applicable alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- 1) Where the Benchmark is Term SOFR the sum of: (A) Daily Simple SOFR and (B) the SOFR Adjustment;
- 2) [Intentionally Omitted];
- 3) [Intentionally Omitted];
- 4) Where the Benchmark is TSRR, the sum of: (A) the Daily Simple RFR for Sterling (SONIA) and (B) the related Benchmark Replacement Adjustment;
- 5) Where the Benchmark is the Term CORRA Reference Rate , the sum of: (A) the Daily Simple RFR for Canadian Dollars (CORRA) and (B) the related Benchmark Replacement Adjustment; and
- 6) the sum of (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowing Agent, giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for syndicated credit facilities denominated in the applicable Currency at such time and (B) the related Benchmark Replacement Adjustment;

provided, that if the Benchmark Replacement as determined pursuant to the foregoing would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; and provided further, that any Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowing Agent, giving due consideration to (A) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Currency at such time.

“Benchmark Replacement Date” means a date and time determined by the Administrative Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark for any Currency:

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

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein;

For the avoidance of doubt, if such Benchmark is a term rate or is based on a term rate, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

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

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

(2) a public statement or publication of information by an Official Body having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, the central bank for the Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof) or, if such Benchmark is a term rate or is based on a term rate, any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or an Official Body having jurisdiction over the Administrative Agent announcing that such Benchmark (or such component thereof) or, if such Benchmark is a term rate or is based on a term rate, all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

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

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

with this Section 4.4(d) titled “Benchmark Replacement Setting” and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for such Currency for all purposes hereunder and under any Loan Document in accordance with this Section 4.4(d) titled “Benchmark Replacement Setting.”

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

5.5 Selection of Interest Rate Options. If the Borrowing Agent fails to select a new Interest Period to apply to any Borrowing Tranche of Loans in Dollars under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 5.2 [Interest Periods], the Borrowers shall be deemed to have converted such Borrowing Tranche to the Base Rate Option, as applicable to Revolving Credit Loans or Term Loans as the case may be, commencing upon the last day of the existing Interest Period. If the Borrowing Agent fails to select a new Interest Period to apply to any Borrowing Tranche of Loans in an Alternative Currency under any Term Rate Loan Option at the expiration of an existing Interest Period applicable to such Borrowing Tranche in accordance with the provisions of Section 5.2 [Interest Periods], then, unless such Borrowing Tranche is repaid as provided herein, the Borrowers shall be deemed to have selected that such Borrowing Tranche shall automatically be continued under the applicable Term Rate Loan Option in its original Currency with an Interest Period of one (1) month at the end of such Interest Period. If the Borrowing Agent provides any Loan Request related to a Loan at the Term SOFR Rate Option, or on and after the Term RFR Transition Date with respect to any Alternative Currency, the Term RFR Option for such Alternative Currency, but fails to identify an Interest Period therefor, such Loan Request shall be deemed to request an Interest Period of one (1) month. Any Loan Request that fails to select an Interest Rate Option shall be deemed to be a request for the Base Rate Option. If no election as to Currency is specified in the applicable Loan Request, then the requested Loans shall be made in Dollars.

#### 5.6 Incremental Loans.

(a) At any time after the Fourth Amendment Effective Date, the applicable Borrowers may by written notice from the Borrowing Agent to the Administrative Agent elect to request the establishment of:

(i) one or more incremental term 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**”); or

(ii) one or more increases in the Revolving Credit Commitments (any such increase, an “**Incremental Revolving Credit Commitment**” and, together with the Incremental Term Loan Commitments, the “**Incremental Loan Commitments**”) to increase the maximum principal amount of revolving credit loans permitted hereunder (any such increase, an “**Incremental Revolving Credit Increase**” and, together with the Incremental Term Loans, the “**Incremental Loans**”);

provided that (1) the total aggregate principal amount for all such Incremental Loan Commitments shall not (as of any date of incurrence thereof) exceed Twenty Million and 00/100 Dollars (\$20,000,000.00) and (2) the total aggregate principal amount for each Incremental Loan Commitment (and the Incremental Loans made thereunder) shall not be less than a minimum principal amount of Five Million and 00/100 Dollars (\$5,000,000) 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 applicable Borrowers propose that any Incremental Loan Commitment shall be effective, which shall be a date not less than twenty (20) Business Days after the date on which such notice is delivered to Administrative Agent. The Borrowers shall invite existing Lenders and may invite any Affiliate of any Lender and/or any Approved Fund, and/or any other Person reasonably satisfactory to the Administrative Agent, to provide an Incremental Loan Commitment (any such Person, an “**Incremental Lender**”); provided that the Administrative Agent, the Swing Loan Lender and each Issuing Lender shall consent to each Incremental Lender (including any existing Lender) providing any portion of an Incremental Revolving Credit Commitment. Any proposed Incremental Lender offered or approached to provide all or a portion of any Incremental Loan Commitment may elect or decline, in its sole discretion, to provide such Incremental Loan Commitment. Any Incremental Loan Commitment shall become effective as of such Increased Amount Date; provided that:

(A) no Potential Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to (1) any Incremental Loan Commitment, (2) the making of any Incremental Loans pursuant thereto and (3) any Permitted Acquisition consummated in connection therewith;

(B) the Administrative Agent and the Lenders shall have received from the Borrowing Agent on behalf of the applicable Borrowers a Compliance Certificate demonstrating, in form and substance reasonably satisfactory to the Administrative Agent, that the Loan Parties are in compliance with the financial covenants specified in Sections 9.2.13 [Minimum Consolidated Fixed Charge Coverage Ratio] and 9.2.14 [Maximum Leverage Ratio] (subject to any additional conditions imposed by Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] in connection with any Permitted Acquisition), in each case based on the financial statements most recently delivered pursuant to Section 9.3.1 [Quarterly Financial Statements] or 9.3.2 [Annual Financial Statements], as applicable, both before and after giving effect (on a pro forma basis) to (x) any Incremental Loan Commitment, (y) the making of any Incremental Loans pursuant thereto (with any Incremental Loan Commitment being deemed to be fully drawn) and (z) any Permitted Acquisition consummated in connection therewith;

(C) each of the representations and warranties contained in Section 7 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, correct and complete 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);



(D) the proceeds of any Incremental Loans shall be used for general corporate purposes of the Loan Parties and their Subsidiaries (including Permitted Acquisitions);

(E) Any proposed Incremental Lender shall join this Agreement as a Lender pursuant to a Lender Joinder Agreement;

(F) each Incremental Loan Commitment (and the Incremental Loans made thereunder) shall constitute Obligations of the Loan Parties and shall be secured and guaranteed with the other Obligations on a pari passu basis;

(G) in the case of each Incremental Term Loan:

(I) such Incremental Term Loan will mature and amortize in a manner reasonably acceptable to the Administrative Agent, the Incremental Lenders making such Incremental Term Loan and the Loan Parties, but will not in any event have a maturity date beyond the Maturity Date;

(II) the Applicable Margin, the SOFR Adjustment and pricing grid, if applicable, for such Incremental Term Loan shall be determined by the Administrative Agent, the applicable Incremental Lenders and the applicable Borrowers on the applicable Increased Amount Date; provided that if the Applicable Margin in respect of any Incremental Term Loan exceeds the Applicable Margin for the initial Term Loans by more than 0.75%, then the Applicable Margin for the initial Term Loans shall be increased (including at each tier of the pricing grid) so that the Applicable Margin in respect of such initial Term Loans is equal to the Applicable Margin for the Incremental Term Loan *minus* 0.75%;

(III) any Incremental Lender making any Incremental Term Loan shall be entitled to the same voting rights as the existing Lenders under the Term Loan Facility and (unless otherwise agreed by the applicable Incremental Lenders, provided that no such agreement shall allow the Incremental Term Loans to be prepaid prior to the initial Term Loans) each Incremental Term Loan shall receive proceeds of prepayments on the same basis as the initial Term Loans (such prepayments to be shared pro rata on the basis of the original aggregate funded amount thereof); and

(IV) except as provided above, all other terms and conditions applicable to such Incremental Term Loan shall, except to the extent otherwise provided in this Section 5.7, be identical to the terms and conditions applicable to the initial Term Loans;

(H) in the case of each Incremental Revolving Credit Increase:

(I) such Incremental Revolving Credit Increase shall be part of the Revolving Credit Commitments, shall mature on the Maturity Date, shall bear interest and be entitled to fees, in each case at the rate applicable to the existing Revolving Credit Loans, and shall otherwise be subject to the same terms and conditions as the existing Revolving Credit Loans;

(II) any Incremental Lender making any Incremental Revolving Credit Increase shall be entitled to the same voting rights as the existing Revolving Credit Lenders under the existing Revolving Credit Commitments and (unless otherwise agreed by the applicable Incremental Lenders, provided that no such agreement shall allow the Revolving Credit Commitments with respect to the Incremental Revolving Credit Increase to be terminated prior to termination of the existing Revolving Credit Commitments) each Revolving Credit Loan funded by an Incremental Revolving Credit Increase shall receive proceeds of prepayments on the same basis as the existing Revolving Credit Loans (such prepayments to be shared pro rata on the basis of the original aggregate funded amount thereof); and

(III) the outstanding Revolving Credit Loans and Ratable Shares of Swing Loans and Letter of Credit Obligations will be reallocated by the Administrative Agent on the applicable Increased Amount Date among the Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Increase) in accordance with their revised Ratable Shares of the Revolving Credit Commitments (and the Lenders (including the Incremental Lenders providing such Incremental Revolving Credit Increase) agree to make all payments and adjustments necessary to effect such reallocation and the Borrowers shall pay any and all costs required pursuant to Section 6.10 [Indemnity] in connection with such reallocation as if such reallocation were a repayment).

(b) Incremental Loan Commitments shall be effected pursuant to 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 5.7, without the consent of any other Lenders.

(c) The Loan Parties 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 Loan Party authorizing such Incremental Loans and/or Incremental Loan Commitments) reasonably requested by Administrative Agent in connection with any such transaction.

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

(e) On any Increased Amount Date on which any Incremental Term Loan Commitment becomes effective, subject to the foregoing terms and conditions, each Incremental Lender with an Incremental Term Loan Commitment shall make, or be obligated to make, an Incremental Term Loan to the applicable Borrowers in an amount equal to its Incremental Term Loan Commitment and shall become a Lender hereunder with respect to such Incremental Term Loan Commitment and the Incremental Term Loan made pursuant thereto.

(f) 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 Lender under the Revolving Credit Facility hereunder with respect to such Incremental Revolving Credit Commitment.

## 6. PAYMENTS

6.1 Payments. All payments and prepayments to be made in respect of principal, interest, Commitment Fees, Letter of Credit Fees, Administrative Agent's Fee or other fees or amounts due from the Borrowers hereunder shall be payable prior to (i) except with respect to principal and interest on Loans denominated in an Alternative Currency, 1:00 p.m. and (ii) with respect to principal and interest on Loans denominated in an Alternative Currency, the Applicable Time specified by the Administrative Agent, on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without set-off, counterclaim or other deduction of any nature (subject to Section 6.9.2 [Payments Free of Taxes]), and an action therefor shall immediately accrue. Such payments shall be made to the Administrative Agent at the Principal Office for the account of PNC with respect to the Swing Loans and for the ratable accounts of the Lenders with respect to the Revolving Credit Loans or Term Loans in the same Currency in which such Loan was funded, in Same Day Funds, and the Administrative Agent shall promptly distribute such amounts to the Lenders in Same Day Funds; provided that in the event payments are received by the Administrative Agent by (i) except with respect to principal and interest on Loans denominated in an Alternative Currency, 11:00 a.m. Eastern Time and (ii) with respect to principal and interest on Loans denominated in an Alternative Currency, the Applicable Time specified by the Administrative Agent, and such payments are not distributed to the Lenders on the same day received by the Administrative Agent, the Administrative Agent shall pay the Lenders interest at the Overnight Bank Funding Rate with respect to the amount of such payments for each day held by the Administrative Agent and not distributed to the Lenders. The Administrative Agent's and each Lender's statement of account, ledger or other relevant record shall, in the absence of manifest error, be conclusive as the statement of the amount of principal of and interest on the Loans and other amounts owing under this Agreement. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in an Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. All fees hereunder, under the Administrative Agent's Letter, and any other Loan Document shall be payable in Dollars. The Administrative Agent may (but shall not be obligated to) debit the amount of any such payment which is not made by such time to any ordinary deposit account of the applicable Borrower(s) with the Administrative Agent.

6.2 Pro Rata Treatment of Lenders. Each borrowing of Revolving Credit Loans shall be allocated to each Lender according to its Ratable Share, and each selection of, conversion to or renewal of any Interest Rate Option and each payment or prepayment by the Borrowers with respect to principal, interest, Commitment Fees and Letter of Credit Fees (but excluding the Administrative Agent's Fee and the Issuing Lender's fronting fee) shall (except as otherwise may be provided with respect to a Defaulting Lender and except as provided in Section 5.4.3 [Administrative Agent's and Lender's Rights] in the case of an event specified in Section 5.4 [Rate Unascertainable; Etc.], Section 6.6.2 [Replacement of a Lender] or Section 6.8 [Increased Costs]) be payable ratably among the Lenders entitled to such payment in accordance with the amount of principal, interest,

Commitment Fees and Letter of Credit Fees, as set forth in this Agreement. Notwithstanding any of the foregoing, each borrowing or payment or prepayment by the Borrowers of principal, interest, fees or other amounts from the Borrowers with respect to Swing Loans shall be made by or to the Swing Loan Lender according to Section 2.5.5 [Borrowings to Repay Swing Loans].

6.3 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff, counterclaim or banker's lien, by receipt of voluntary payment, by realization upon security, or by any other non-pro rata source, 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 greater than the pro-rata share of the amount such Lender is entitled thereto, 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, together with interest or other amounts, if any, required by Law (including court order) to be paid by the Lender or the holder making such purchase; and

(ii) the provisions of this Section 6.3 [Sharing of Payments by Lenders] shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of the Loan Documents or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or Participation Advances to any assignee or participant, other than to the Borrowers or any Subsidiary of a Borrower (as to which the provisions of this Section 6.3 [Sharing of Payments of Lender] shall apply).

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

6.4 Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrowers prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, 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 Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

6.5 Interest Payment Dates. As to any Loans to which the Base Rate Option or, prior to the Term RFR Transition Date with respect to any Currency, the Daily Simple RFR Option for the applicable Currency applies, interest shall be due and payable in arrears on each Payment Date. As to any Loans to which a Term Rate Loan Option applies (including on and after the Term RFR Transition Date with respect to any Currency, as to any RFR Loan denominated in such Currency), interest shall be due and payable on the last day of each Interest Period for those Loans and, if such Interest Period is longer than three (3) Months, also on the 90th day of such Interest Period. Interest on mandatory prepayments of principal under Section 6.7 [Mandatory Prepayments] shall be due on the date such mandatory prepayment is due. Interest on the principal amount of each Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Maturity Date or Term Loan Maturity Date (as applicable), upon acceleration or otherwise).

6.6 Voluntary Prepayments.

6.6.1 Right to Prepay. The Borrowers shall have the right at their option from time to time to prepay the Loans in whole or part without premium or penalty (except as provided in Section 6.6.2 [Replacement of a Lender], in Section 6.8 [Increased Costs] and Section 6.10 [Indemnity]). Whenever the Borrowers desire to prepay any part of the Loans, it shall provide a prepayment notice to the Administrative Agent by 1:00 p.m. Eastern Time (i) at least one (1) Business Day prior to the date of prepayment of the Revolving Credit Loans or Term Loans that bear interest at the Base Rate Option; (ii) at least three (3) Business Days prior to the date of prepayment of the Revolving Credit Loans or Term Loans denominated in Dollars that bear interest at the Term SOFR Rate Option; (iii) at least four (4) Business Days prior to the date of prepayment of the Revolving Credit Loans or Term Loans denominated in Alternative Currencies that bear interest at the Daily Simple RFR Option or Term RFR Option; or (iv) no later than 1:00 p.m. Eastern Time on the date of prepayment of Swingline Loans, in each case of the foregoing option in this Section 5.2(a), setting forth the following information:

- (w) the date, which shall be a Business Day, on which the proposed prepayment is to be made;
- (x) a statement indicating the application of the prepayment between the Revolving Credit Loans, Term Loans and Swing Loans;
- (y) a statement indicating the application of the prepayment among Loans to which the Base Rate Option applies, Term SOFR Rate Option applies, the Daily Simple RFR Option applies, and the Term RFR Option applies; and
- (z) the Currency of such Loan and total principal amount of such prepayment, which shall not be less than the lesser of (A) the Revolving Facility Usage or (B) \$100,000 for any Swingline Loan or \$1,000,000 for any Revolving Credit Loan or Term Loan.

All prepayment notices shall be irrevocable. The principal amount of the Loans for which a prepayment notice is given, together with interest on such principal amount, shall be due and payable on the date specified in such prepayment notice as the date on which the proposed prepayment is to be made. All Term Loan prepayments permitted pursuant to this Section 6.6.1 [Right to Prepay] shall be applied to the unpaid installments of principal of the Term Loans in the inverse order of scheduled maturities. Except as provided in Section 5.4.3 [Administrative Agent's and Lender's Rights] and subject to Section 12.13.4 [Bifurcation of Obligations], if any Borrower prepays a Loan but fails to specify the applicable Borrowing Tranche which such Borrower is prepaying, the prepayment shall be applied (i) first to Revolving Credit Loans and then to Term Loans; and (ii) after giving effect to the allocations in clause (i) above and in the preceding sentence, and subject to Section 12.13.4 [Bifurcation of Obligations], first to Loans to which the Base Rate Option applies, then to other Loans denominated in Dollars, then to Term RFR Loans denominated in an Alternative Currency. Any prepayment hereunder shall be subject to the Borrowers' obligation to indemnify the Lenders under Section 6.10 [Indemnity].

6.6.2 Replacement of a Lender. In the event any Lender (i) gives notice under Section 5.4 [Rate Unascertainable, Etc.], (ii) requests compensation under Section 6.8 [Increased Costs], or requires the Borrowers to pay any additional amount to any Lender or any Official Body for the account of any Lender pursuant to Section 6.9 [Taxes], (iii) is a Defaulting Lender, (iv) becomes subject to the control of an Official Body (other than normal and customary supervision), or (v) is a Non-Consenting Lender referred to in Section 12.1 [Modifications, Amendments or Waivers], then in any such event the Borrowers may, at their sole expense, 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 12.8 [Successors and Assigns]), all of its interests, rights (other than existing rights to payments pursuant to Sections 6.8 [Increased Costs] or 6.9 [Taxes]) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(i) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in Section 12.8 [Successors and Assigns];

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and Participation Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 6.10 [Indemnity]) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 6.8.1 [Increased Costs Generally] or payments required to be made pursuant to Section 6.9 [Taxes], such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable Law.

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 Borrowers to require such assignment and delegation cease to apply.

6.6.3 Designation of a Different Lending Office. If any Lender requests compensation under Section 6.8 [Increased Costs], or a Borrower is or will be required to pay any Indemnified Taxes or additional amounts to any Lender or any Official Body for the account of any Lender pursuant to Section 6.9 [Taxes], then such Lender shall (at the request of the Borrowing Agent) 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 reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 6.8 [Increased Costs] or Section 6.9 [Taxes], as the case may be, in the future, and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

#### 6.7 Mandatory Prepayments

6.7.1 Alternate Currencies. If the Administrative Agent notifies the Borrowing Agent at any time that the Dollar Equivalent of the aggregate amount of all Loans and Letter of Credit Obligations denominated in Alternative Currencies at such time exceeds an amount equal to 105% of the Alternative Currency Sublimit, then within two (2) Business Days after receipt of such notice, the Borrowers shall prepay Loans or Cash Collateralize Letters of Credit in an aggregate amount sufficient to reduce such amount as of such date of payment to an amount not to exceed 100% of the Alternative Currency Sublimit.

6.7.2 Borrowing Base Exceeded. Whenever the US Revolving Facility Usage exceeds the US Borrowing Base, or the Canadian Revolving Facility Usage exceeds the Canadian Borrowing Base, the applicable Borrowers shall make, within one (1) Business Day after any Borrower learns of such excess and whether or not the Administrative Agent has given notice to such effect, a mandatory prepayment of principal to be applied to the Revolving Credit Loans equal to the excess, together with accrued interest on such principal amount.

6.7.3 Sale of Assets. Within five (5) Business Days of any sale of assets authorized by Section 9.2.7(v) [Disposition of Assets or Subsidiaries] by any Loan Party or any of its Subsidiaries, the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such excess after-tax net proceeds of such sale (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount, unless (i) no Event of Default or Potential Default then exists, (ii) such proceeds or the aggregate amount of such proceeds in any fiscal year are less than One Hundred Thousand and 00/100 Dollars (\$100,000.00), and (iii) the Borrowing Agent provides written notice to the Administrative Agent that such Loan Party and/or such Subsidiary intends to reinvest the sale proceeds for the purchase of replacement assets within one hundred eighty (180) days after receipt of the sale proceeds. The Loan Parties shall evidence to the Administrative Agent's satisfaction the replacement of such assets. In the event that the Borrowing Agent does not give such notice or such replacement has

not occurred within one hundred eighty (180) days after the receipt of such sale proceeds, the Acquisition Borrowers shall immediately make a mandatory prepayment of principal on the Loans as required above. The foregoing shall not be deemed to be implied consent to any such sale of assets otherwise prohibited by the terms and conditions hereof.

6.7.4 Additional Indebtedness. Within five (5) Business Days of any Loan Party's or any of its Subsidiaries' receipt of the proceeds of Indebtedness incurred by such Loan Party and/or such Subsidiary other than Indebtedness permitted under Section 9.2.1 [Indebtedness], the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such after-tax and expense (reasonably incurred in connection with the issuance of such Indebtedness) proceeds (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount. The foregoing shall not be deemed to be implied consent to any such incurrence of Indebtedness otherwise prohibited by the terms and conditions hereof.

6.7.5 Insurance or Condemnation Proceeds. Within five (5) Business Days of any receipt of insurance or condemnation proceeds by any Loan Party or any of its Subsidiaries, the Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] equal to such excess after-tax proceeds (as estimated in good faith by the Borrowing Agent), together with accrued interest on such principal amount, unless (i) no Event of Default or Potential Default then exists, (ii) such proceeds or the aggregate amount of such proceeds in any fiscal year are less than One Hundred Thousand and 00/100 Dollars (\$100,000.00), and (iii) the Borrowing Agent provides written notice to the Administrative Agent that such Loan Party and/or such Subsidiary intends to reinvest the insurance or condemnation proceeds for the purchase or rebuilding of replacement assets within one hundred eighty (180) days after receipt of the insurance or condemnation proceeds. The Loan Parties shall evidence to the Administrative Agent's satisfaction the rebuilding or replacement of such assets. In the event that the Borrowing Agent does not give such notice or such rebuilding or replacement has not occurred within one hundred eighty (180) days after the receipt of such insurance or condemnation proceeds, the Acquisition Borrowers shall immediately make a mandatory prepayment of principal on the Loans as required above.

6.7.6 Excess Cash Flow. The Acquisition Borrowers shall make a mandatory prepayment of principal on the Loans to be applied in accordance with Section 6.7.7 [Application Among Loans and Interest Rate Options] in an amount equal to seventy-five percent (75%) of Excess Cash Flow for each fiscal year commencing with the fiscal year ending December 31, 2019, payable upon delivery of the financial statements to Agent referred to in and required by Section 9.3.2 [Annual Financial Statements] for such fiscal year but in any event not later than one hundred twenty (120) days after the end of each such fiscal year. In the event that the financial statements are not so delivered, then a calculation based upon estimated amounts shall be made by the Administrative Agent upon which calculation the Acquisition Borrowers shall make the prepayment required by this Section 6.7.5, subject to adjustment when the financial statements are delivered to the Administrative Agent as required hereby. The calculation made by the Administrative Agent shall not be deemed a waiver of any rights Administrative Agent or Lenders



may have as a result of the failure by the Loan Parties to deliver such financial statements. Notwithstanding the foregoing, (i) as of the Fourth Amendment Effective Date, no mandatory prepayment of Excess Cash Flow shall be required in 2022 based on the fiscal year of the Loan Parties ending December 31, 2021; the mandatory prepayment of Excess Cash Flow (in accordance with the provisions of this Section 6.7.6) shall re-commence in 2023 based on the fiscal year of the Loan Parties ending December 31, 2022 and (ii) no mandatory prepayment shall be required pursuant to this Section 6.7.6 for any applicable fiscal year if the Leverage Ratio calculated as of the end of such fiscal year is less than or equal to 1.50 to 1.00.

6.7.7 Application Among Loans and Interest Rate Options. All prepayments required pursuant to Section 6.7.3 [Sale of Assets] through Section 6.7.6 [Excess Cash Flow] shall first be applied to the Term Loans by application to the unpaid installments of principal in the inverse order of scheduled maturities. After giving effect to the allocations in the immediately preceding sentence and Sections 6.7.1 and 6.7.2, all prepayments required pursuant to this Section 6.7 [Mandatory Prepayments] shall first be applied among the Interest Rate Options to the principal amount of the Loans subject to the Base Rate Option, then to other Loans denominated in Dollars, then to Loans subject to the Term RFR Option denominated in an Alternative Currency, then to Loans subject to Daily Simple RFR denominated in an Alternative Currency.

#### 6.8 Increased Costs.

6.8.1 Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender or the Issuing Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) 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, the Issuing Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or 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 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, the 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, the Issuing Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the Issuing

Lender or other Recipient, the Borrowers will pay to such Lender, the Issuing Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered; provided that upon the occurrence of any Change in Law imposing a reserve percentage on any interest rate based on SOFR, a Daily Simple RFR or a Term RFR, the Administrative Agent, in its reasonable discretion, may modify the calculation of such interest rates based upon SOFR, a Daily Simple RFR or a Term RFR to add (or otherwise account for) such reserve percentage.

6.8.2 Capital Requirements. If any Lender or the Issuing Lender determines that any Change in Law affecting such Lender or the Issuing Lender or any Lending Office of such Lender or such Lender's or the 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 the Issuing Lender's capital or on the capital of such Lender's or the Issuing Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Lender's policies and the policies of such Lender's or the Issuing Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or the Issuing Lender's holding company for any such reduction suffered.

6.8.3 Certificates for Reimbursement; Repayment of Outstanding Loans; Borrowing of New Loans. A certificate of a Lender or the Issuing Lender setting forth the amount or amounts necessary to compensate such Lender or the Issuing Lender or its holding company, as the case may be, as specified in Section 6.8.1 [Increased Costs Generally] or Section 6.8.2 [Capital Requirements] and delivered to the Borrowing Agent shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the Issuing Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

6.8.4 Delay in Requests. Failure or delay on the part of any Lender or the Issuing Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Lender's right to demand such compensation, provided that the Borrowers shall not be required to compensate a Lender or the Issuing Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or the Issuing Lender, as the case may be, notifies the Borrowing Agent of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Lender'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 (9) month period referred to above shall be extended to include the period of retroactive effect thereof).

## 6.9 Taxes.

6.9.1 Issuing Lender. For purposes of this Section 6.9, the term “Lender” includes the Issuing Lender and the term “applicable Law” includes FATCA.

6.9.2 Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be 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 Official Body in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 6.9 [Taxes]) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

6.9.3 Payment of Other Taxes by the Loan Parties. The Loan Parties shall timely pay to the relevant Official Body in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

6.9.4 Indemnification by the Loan Parties. The Loan Parties shall jointly and severally 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 6.9 [Taxes]) 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 Official Body. A certificate as to the amount of such payment or liability delivered to the Borrowing Agent by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

6.9.5 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 any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any of the Loan Parties to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 12.8.4 [Participations] 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 Official Body. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 6.9.5 [Indemnification by the Lenders].

6.9.6 Evidence of Payments. . As soon as practicable after any payment of Taxes by any Loan Party to an Official Body pursuant to this Section 6.9 [Taxes], such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Official Body evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent

6.9.7 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 Borrowing Agent and the Administrative Agent, at the time or times reasonably requested by the Borrowing Agent or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowing Agent 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 Borrowing Agent or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrowing Agent or the Administrative Agent as will enable the Borrowing Agent 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 6.9.7(ii)(A), 6.9.7(ii)(B) and 6.9.7(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that any Borrower is a U.S. Borrower,

(A) any Lender that is a US Person shall deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), whichever of the following is applicable:

(i) 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 originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) 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 6.9.7(A) to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “US Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a US Tax Compliance Certificate substantially in the form of Exhibit 6.9.7(B) or Exhibit 6.9.7(C), 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 US Tax Compliance Certificate substantially in the form of Exhibit 6.9.7(D) on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowing Agent 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 Borrowing Agent or the Administrative Agent), executed originals of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the applicable Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowing Agent and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowing Agent 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 Borrower or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowing Agent and the Administrative Agent in writing of its legal inability to do so.

6.9.8 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 6.9 [Taxes] (including by the payment of additional amounts pursuant to this Section 6.9 [Taxes]), 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 6.9 [Taxes] 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 Official Body with respect to such refund). Such indemnifying party, upon the request of such indemnified party incurred in connection with obtaining such refund, shall repay to such indemnified party the amount paid over pursuant to this Section 6.9.8 [Treatment of Certain Refunds] (plus any penalties, interest or other charges imposed by the relevant Official Body) in the event that such indemnified party is required to repay such refund to such Official Body. Notwithstanding anything to the contrary in this Section 6.9.8 [Treatment of Certain Refunds], in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 6.9.8 [Treatment of Certain Refunds] 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.

6.9.9 Survival. Each party's obligations under this Section 6.9 [Taxes] shall survive the resignation 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.

6.10 Indemnity. In addition to the compensation or payments required by Section 6.8 [Increased Costs] or Section 6.9 [Taxes], the Borrowers shall indemnify each Lender against all liabilities, losses or expenses (including loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract) which such Lender sustains or incurs as a consequence of any:

(i) payment, prepayment, conversion or renewal of any Loan to which (i) a Term Rate Loan Option applies on a day other than the last day of the corresponding Interest Period or (ii) the Daily Simple RFR Option applies on a day other than the Payment Date therefor, in each case whether or not any such payment or prepayment is mandatory, voluntary, or automatic and whether or not any such payment or prepayment is then due; or

(ii) attempt by the Borrower to revoke (expressly, by later inconsistent notices or otherwise) in whole or part any Loan Requests under Section 2.5 [Revolving Credit Loan Requests; Conversions and Renewals; Swingline Loan Requests] or Section 4.2 [Interest Periods] or notice relating to prepayments under Section 5.2 [Voluntary Prepayments] or failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Loan under the Base Rate Option on the date or in the amount notified by the Borrower, or

(iii) any assignment of a Loan under (i) a Term Rate Loan Option on a day other than the last day of the Interest Period therefor or (ii) the Daily Simple RFR Option on a day other than the Payment Date therefore, as a result of a request by the Borrower pursuant to Section 5.13 [Replacement of a Lender]; or

(iv) the failure by the Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency.

If any Lender sustains or incurs any such loss or expense, it shall from time to time notify the Borrowing Agent of the amount determined in good faith by such Lender (which determination may include such assumptions, allocations of costs and expenses and averaging or attribution methods as such Lender shall deem reasonable) to be necessary to indemnify such Lender for such loss or expense. Such notice shall set forth in reasonable detail the basis for such determination. Such amount shall be due and payable by the Borrowers to such Lender ten (10) Business Days after such notice is given.

6.11 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(i) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.3 [Commitment Fees];

(ii) the Commitment and outstanding Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 12.1 [Modifications, Amendments or Waivers]); provided, that this clause (ii) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender pursuant to the terms of this Agreement;

(iii) if any Swing Loans are outstanding or any Letter of Credit Obligations exist at the time such Lender becomes a Defaulting Lender, then:

(A) all or any part of the outstanding Swing Loans and Letter of Credit Obligations of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Ratable Shares but only to the extent that (x) the Revolving Facility Usage does not exceed the total of all non-Defaulting Lenders' Revolving Credit Commitments, and (y) no Potential Default or Event of Default has occurred and is continuing at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such outstanding Swing Loans, and (y) second, cash collateralize for the benefit of the Issuing Lender the Borrowers' obligations corresponding to such Defaulting Lender's Letter of Credit Obligations (after giving effect to any partial reallocation pursuant to clause (a) above) in a deposit account held at the Administrative Agent for so long as such Letter of Credit Obligations are outstanding;

(C) if the Borrowers cash collateralize any portion of such Defaulting Lender's Letter of Credit Obligations pursuant to clause (B) above, the Borrowers shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.7.2 [Letter of Credit Fees] with respect to such Defaulting Lender's Letter of Credit Obligations during the period such Defaulting Lender's Letter of Credit Obligations are cash collateralized;

(D) if the Letter of Credit Obligations of the non-Defaulting Lenders are reallocated pursuant to clause (A) above, then the fees payable to the Lenders pursuant to Section 2.7.2 [Letter of Credit Fees] shall be adjusted in accordance with such non-Defaulting Lenders' Ratable Share; and

(E) if all or any portion of such Defaulting Lender's Letter of Credit Obligations are neither reallocated nor cash collateralized pursuant to clause (A) or (B) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all Letter of Credit Fees payable under Section 2.7.2 [Letter of Credit Fees] with respect to such Defaulting Lender's Letter of Credit Obligations shall be payable to the Issuing Lender (and not to such Defaulting Lender) until and to the extent that such Letter of Credit Obligations are reallocated and/or cash collateralized; and

(iv) so long as such Lender is a Defaulting Lender, PNC shall not be required to fund any Swing Loans and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender is satisfied that the related exposure and the Defaulting Lender's then outstanding Letter of Credit Obligations will be one hundred percent (100%) covered by the Revolving Credit Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrowers in accordance with Section 6.13(iii), and participating interests in any newly made Swing Loan or any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 6.13(iii)(A) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a parent company of any Lender shall occur following the date hereof and for so long as such event shall continue, or (ii) PNC or the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, PNC shall not be required to fund any Swing Loan and the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless PNC or the Issuing Lender, as the case may be, shall have entered into arrangements with the Borrowers or such Lender, satisfactory to PNC or the Issuing Lender, as the case may be, to defease any risk to it in respect of such Lender hereunder.



In the event that the Administrative Agent, the Borrowing Agent, PNC and the Issuing Lender agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Administrative Agent will so notify the parties hereto, and the Ratable Share of the Swing Loans and Letter of Credit Obligations of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment, and on such date such Lender shall purchase at par such of the Loans of the other Lenders (other than Swing Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Ratable Share.

6.12 Designated Lenders. Notwithstanding anything herein to the contrary, each of the Administrative Agent, the Issuing Lender and each other Lender at its option may make any Loan or otherwise perform its obligations hereunder through any Lending Office (as hereinafter defined) (each, a "**Designated Lender**"); provided that any exercise of such option shall not affect the obligation of the Borrowers to repay any Loan in accordance with the terms of this Agreement. Any Designated Lender shall be considered a Lender; provided that in the case of an Affiliate or branch of a Lender, all provisions applicable to a Lender shall apply to such Affiliate or branch of such Lender to the same extent as such Lender.

6.13 Illegality. If, in any applicable jurisdiction, the Administrative Agent, the Issuing Lender, any other Lender or its applicable Designated Lender determines that any Law has made it unlawful, or that any Official Body has asserted that it is unlawful, for the Administrative Agent, the Issuing Lender, any other Lender or its applicable Designated Lender to (i) perform any of its obligations hereunder or under any other Loan Document, (ii) fund or maintain its participation in any Loan, or (iii) issue, make, maintain, fund or charge interest with respect to any Loan or other extension of credit hereunder to any Canadian Borrower, such Person shall promptly notify the Administrative Agent, then, upon the Administrative Agent notifying the Borrowing Agent, and until such notice by such Person is revoked, any obligation of such Person to issue, make, maintain, fund or charge interest with respect to any such Loan or other extension of credit hereunder shall be suspended, and to the extent required by applicable Law, cancelled. Upon receipt of such notice, the Loan Parties shall, (A) repay that Person's participation in the Loans or other applicable Obligations on the last day of the Interest Period for each Loan or other Obligation occurring after the Administrative Agent has notified the Borrowing Agent or, if earlier, the date specified by such Person in the notice delivered to the Administrative Agent (being no earlier than the last day of any applicable grace period permitted by applicable Law) and (B) take all reasonable actions requested by such Person to mitigate or avoid such illegality.

## 7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties. The Loan Parties, jointly and severally, represent and warrant to the Administrative Agent and each of the Lenders as follows:

7.1.1 Organization and Qualification; Power and Authority; Compliance With Laws; Title to Properties; Event of Default. Each Loan Party and each Subsidiary of each Loan Party (i) is a corporation, partnership or limited liability company or unlimited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has the lawful power to own or lease its properties and to engage in the business it presently conducts or proposes to conduct, (iii) is duly licensed or qualified and in good standing in each jurisdiction where the property owned or leased by it or the nature of the business transacted by it or both makes such licensing or qualification necessary, (iv) has full power to enter into, execute, deliver and carry out this Agreement and the other Loan Documents to which it is a party, to incur the Indebtedness contemplated by the Loan Documents and to perform its Obligations under the Loan Documents to which it is a party, and all such actions have been duly authorized by all necessary proceedings on its part, (v) is in compliance in all material respects with all applicable Laws (other than Environmental Laws which are specifically addressed in Section 7.1.15 [Environmental Matters]) in all jurisdictions in which any Loan Party or Subsidiary of any Loan Party is presently or will be doing business except where the failure to do so would not constitute a Material Adverse Change, and (vi) has good and marketable title to or valid leasehold interest in all properties, assets and other rights which it purports to own or lease or which are reflected as owned or leased on its books and records, free and clear of all Liens and encumbrances except Permitted Liens. No Event of Default or Potential Default exists or is continuing.

7.1.2 Capitalization; Subsidiaries; Investment Companies. Schedule 7.1.2 states (i) the name of each of MDI's Subsidiaries, its jurisdiction of organization and the amount, percentage and type of equity interests in such Subsidiary (the "**Subsidiary Equity Interests**"), and (ii) any options, warrants or other rights outstanding to purchase any such Subsidiary Equity Interests. MDI and each Subsidiary of MDI has good and marketable title to all of the Subsidiary Equity Interests it purports to own, free and clear in each case of any Lien and all such Subsidiary Equity Interests have been validly issued, fully paid and nonassessable. None of the Loan Parties or Subsidiaries of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940 or under the "control" of an "investment company" as such terms are defined in the Investment Company Act of 1940 and shall not become such an "investment company" or under such "control."

7.1.3 Validity and Binding Effect. This Agreement and each of the other Loan Documents (i) has been duly and validly executed and delivered by each Loan Party that is a party thereto, and (ii) constitutes, or will constitute, legal, valid and binding obligations of each Loan Party that is a party thereto, enforceable against such Loan Party in accordance with its terms, except to the extent that enforceability of this Agreement or any other Loan Document may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforceability of creditors' rights generally or limiting the right of specific performance or by general principles of equity.

7.1.4 No Conflict; Material Agreements; Consents. Neither the execution and delivery of this Agreement or the other Loan Documents by any Loan Party nor the consummation of the transactions herein or therein contemplated or compliance with the terms and provisions hereof or thereof by any of them will conflict with, constitute a default under or result in any breach

of (i) the terms and conditions of the certificate of incorporation, bylaws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents of any Loan Party or (ii) any material Law or any material agreement or instrument or order, writ, judgment, injunction or decree to which any Loan Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which it is subject, or result in the creation or enforcement of any Lien, charge or encumbrance whatsoever upon any property (now or hereafter acquired) of any Loan Party or any of its Subsidiaries (other than Liens granted under the Loan Documents). There is no default under such material agreement (referred to above) and none of the Loan Parties or their Subsidiaries is bound by any contractual obligation, or subject to any restriction in any organization document, or any requirement of Law which could result in a Material Adverse Change. No consent, approval, exemption, order or authorization of, or a registration or filing with, any Official Body or any other Person is required by any Law or any agreement in connection with the execution, delivery and carrying out of this Agreement and the other Loan Documents other than those which have been obtained.

7.1.5 Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of any Loan Party, threatened against such Loan Party or any Subsidiary of such Loan Party at law or in equity before any Official Body which individually or in the aggregate may result in any Material Adverse Change. None of the Loan Parties or any Subsidiaries of any Loan Party is in violation of any order, writ, injunction or any decree of any Official Body which may result in any Material Adverse Change.

#### 7.1.6 Financial Statements.

(i) Historical Statements. The Loan Parties have delivered or caused to be delivered to the Administrative Agent copies of the audited consolidated year-end financial statements of MDI and its Subsidiaries for and as of the end of the fiscal year ended December 31, 2016. In addition, the Loan Parties have delivered or caused to be delivered to the Administrative Agent copies of the unaudited consolidated interim financial statements of MDI and its Subsidiaries for the fiscal year to date (all such annual and interim statements being collectively referred to as the “**Statements**”). The Statements were compiled from the books and records maintained by the Loan Parties’ management, are correct and complete in all material respects and fairly represent in all material respects the consolidated financial condition of MDI and its Subsidiaries as of the respective dates thereof and the results of operations for the fiscal periods then ended and have been prepared in accordance with GAAP consistently applied, subject (in the case of the interim statements) to normal year-end audit adjustments.

(ii) Financial Projections. The Loan Parties have delivered to the Administrative Agent summary projected financial statements (including, without limitation, statements of operations and cash flow together with a detailed explanation of the assumptions used in preparing such projected financial statements) of MDI and its Subsidiaries for the period from the Closing Date through December 31, 2021 derived from various assumptions of the Loan Parties’ management (the “**Projections**”). The Projections represent a reasonable range of possible results in light of the history of the business, present and foreseeable conditions and the intentions of the Loan Parties’ management, it being understood that such Projections are (a) as to future events and not to be viewed as facts, (b) are subject to significant uncertainties and contingencies, many of which are beyond the Loan Parties’ control, and (c) no assurance can be given that the Projections will be realized.

(iii) Accuracy of Financial Statements. No Loan Party nor any Subsidiary thereof has any liabilities, contingent or otherwise, or forward or long-term commitments that are not disclosed in the Statements or in the notes thereto, and except as disclosed therein there are no unrealized or anticipated losses from any commitments of any Loan Party or any Subsidiary thereof and, in each case, which could reasonably be expected to cause a Material Adverse Change. Since December 31, 2016, no Material Adverse Change has occurred.

7.1.7 Margin Stock. None of the Loan Parties or any Subsidiaries of any Loan Party engages or intends to engage principally, or as one of its important activities, in the business of extending credit for the purpose, immediately, incidentally or ultimately, of purchasing or carrying margin stock (within the meaning of Regulation U, T or X as promulgated by the Board of Governors of the Federal Reserve System). No part of the proceeds of any Loan has been or will be used, immediately, incidentally or ultimately, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or which is inconsistent with the provisions of the regulations of the Board of Governors of the Federal Reserve System. None of the Loan Parties or any Subsidiary of any Loan Party holds or intends to hold margin stock in such amounts that more than twenty-five (25%) of the reasonable value of the assets of any Loan Party or Subsidiary of any Loan Party are or will be represented by margin stock.

7.1.8 Full Disclosure. Neither this Agreement nor any other Loan Document, nor any certificate, statement, agreement or other documents furnished to the Administrative Agent or any Lender in connection herewith or therewith, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein, in light of the circumstances under which they were made, not misleading. There is no fact known to any Loan Party which materially adversely affects the business, property, assets, financial condition, results of operations or prospects of any Loan Party or Subsidiary of any Loan Party which has not been set forth in this Agreement or in the certificates, statements, agreements or other documents furnished in writing to the Administrative Agent and the Lenders prior to or at the date hereof in connection with the transactions contemplated hereby.

7.1.9 Taxes. All federal, state, provincial, local and other material tax returns required to have been filed with respect to each Loan Party and each Subsidiary of each Loan Party have been filed, and payment or adequate provision has been made for the payment of all taxes, fees, assessments and other governmental charges which have or may become due pursuant to said returns or to assessments received, except to the extent that such taxes, fees, assessments and other charges are being contested in good faith by appropriate proceedings diligently conducted and for which such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made.

7.1.10 Patents, Trademarks, Copyrights, Licenses, Etc. Each Loan Party and each Subsidiary of each Loan Party owns or possesses all the material patents, trademarks, service marks, trade names, copyrights, licenses, registrations, franchises, permits and rights necessary to own and operate its properties and to carry on its business as presently conducted and planned to be conducted by such Loan Party or Subsidiary, without known possible, alleged or actual conflict with the rights of others.

7.1.11 Liens in the Collateral. The Liens in the Collateral granted to the Administrative Agent for the benefit of the Lenders pursuant to the Collateral Documents constitute and will continue to constitute Prior Security Interests. All filing fees and other expenses in connection with the perfection of such Liens have been or will be paid by the Borrowers.

7.1.12 Insurance. The properties of each Loan Party and each of its Subsidiaries are insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Loan Party and Subsidiary in accordance with prudent business practice in the industry of such Loan Parties and Subsidiaries.

7.1.13 ERISA Compliance.

(i) Each Pension Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state Laws. Each Pension Plan that is intended to qualify under Section 401(a) of the Code has received from the IRS a favorable determination or opinion letter, which has not by its terms expired, that such Pension Plan is so qualified, or such Pension Plan is entitled to rely on an IRS advisory or opinion letter with respect to an IRS-approved master and prototype or volume submitter plan, or a timely application for such a determination or opinion letter is currently being processed by the IRS with respect thereto; and, to the best knowledge of MDI, nothing has occurred which would prevent, or cause the loss of, such qualification. MDI and each member of the ERISA Group have made all required contributions to each Pension Plan subject to Sections 412 or 430 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Sections 412 or 430 of the Code has been made with respect to any Pension Plan.

(ii) No ERISA Event has occurred or is reasonably expected to occur; (a) no Pension Plan has any unfunded pension liability (i.e., excess of benefit liabilities over the current value of that Pension Plan's assets, determined pursuant to the assumptions used for funding the Pension Plan for the applicable plan year in accordance with Section 430 of the Code); (b) neither MDI nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (c) neither MDI nor any member of the ERISA Group has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA, with respect to a Multiemployer Plan; (d) neither MDI nor any member of the ERISA Group has received notice pursuant to Section 4242(a)(1)(B) of ERISA that a Multiemployer Plan is in reorganization and that additional contributions are due to the Multiemployer Plan pursuant to Section 4243 of ERISA; and (e) neither MDI nor any member of the ERISA Group has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

#### 7.1.14 Canadian Pension Plans.

(i) No Loan Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed or participated in any Specified Canadian Pension Plan.

(ii) The Canadian Pension Plans, if applicable, are duly registered under the Income Tax Act (Canada) and any other applicable Laws which require registration, have been administered in all material respects in accordance with the Income Tax Act (Canada) and such other applicable Law and no event has occurred which could reasonably be expected to cause the loss of such registered status.

(iii) All obligations of the applicable Loan Parties and their Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans, if applicable, and the funding agreements relating thereto have been performed in all material respects on a timely basis.

(iv) All contributions or premiums required to be made or paid by the applicable Loan Parties and their Subsidiaries to the Canadian Pension Plans, if applicable, have been made on a timely basis in accordance with the terms of such plans and all applicable Laws.

(v) As of the Closing Date, there are no Canadian Pension Plans.

7.1.15 Environmental Matters. Each Loan Party and each Subsidiary of each Loan Party is and has been in compliance with applicable Environmental Laws except to the extent that any non-compliance would not in the aggregate reasonably be expected to result in a Material Adverse Change.

7.1.16 Solvency. Before and after giving effect to the transactions contemplated by this Agreement, the other Loan Documents and the Acquisition Documents, including all Indebtedness incurred thereby, the Liens granted by the Loan Parties in connection therewith and the payment of all fees related thereto, the Loan Parties, taken as a whole are Solvent.

7.1.17 Sanctions and International Trade Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity: (a) is not a Sanctioned Person; (b) does not do any business in or with, or derive any of its operating income from direct or indirect investments in or transactions involving, any Sanctioned Jurisdiction or Sanctioned Person; and (c) is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of applicable International Trade Laws. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Loan Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any International Trade Laws, or has received a request for information from any Official Body regarding International Trade Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with applicable International Trade Laws. Each Loan Party represents and warrants that there is no Blocked Property pledged as Collateral.

7.1.18 Anti-Corruption Laws. Each Covered Entity, and its directors and officers, and any employee, agent, or affiliate acting on behalf of such Covered Entity, is not in violation of, and has not, during the past five (5) years, directly or indirectly, taken any act that could cause any Covered Entity to be in violation of Anti-Corruption Laws, including any act in furtherance of an offer, payment, promise to pay, authorization, or ratification of payment, directly or indirectly, of any money or anything of value (including any gift, sample, rebate, travel, meal and lodging expense, entertainment, service, equipment, debt forgiveness, donation, grant or other thing of value, however characterized) to any Government Official or any other Person to secure any improper advantage or to obtain or retain business. No Covered Entity nor any of its directors, officers, employees, or to the knowledge of any Loan Party, its agents or affiliates acting on behalf of such Covered Entity has, during the past five (5) years, received any notice or communication from any Person that alleges, or has been involved in an internal investigation involving any allegations relating to, potential violation of any Anti-Corruption Laws, or has received a request for information from any Official Body regarding Anti-Corruption Law matters. Each Covered Entity has instituted and maintains policies and procedures reasonably designed to ensure compliance with Anti-Corruption Laws.

7.1.19 Acquisition Documents. The Loan Parties have delivered to the Administrative Agent complete and correct copies of the Acquisition Documents, including all schedules and exhibits thereto, (ii) each of the Acquisition Documents sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral relating to the matters covered thereby, (iii) no Acquisition Document has been amended or otherwise modified without the prior written consent of the Administrative Agent; provided, however, that to the extent such amendment or modification is not or would not be materially adverse to the Lenders or the Administrative Agent, no such consent shall be necessary, and (iv) the execution, delivery and performance of the Acquisition Documents has been duly authorized by all necessary action on the part of the Loan Parties.

7.1.20 AmberLeaf Acquisition Documents. The Loan Parties have delivered to the Administrative Agent complete and correct copies of the AmberLeaf Acquisition Documents, including all schedules and exhibits thereto, (ii) each of the AmberLeaf Acquisition Documents sets forth the entire agreement and understanding of the parties thereto relating to the subject matter thereof, and there are no other agreements, arrangements or understandings, written or oral relating to the matters covered thereby, (iii) no AmberLeaf Acquisition Document has been amended or otherwise modified without the prior written consent of the Administrative Agent; provided, however, that to the extent such amendment or modification is not or would not be materially adverse to the Lenders or the Administrative Agent, no such consent shall be necessary, and (iv) the execution, delivery and performance of the AmberLeaf Acquisition Documents has been duly authorized by all necessary action on the part of the Loan Parties.

7.1.21 Location of Assets in the Province of Quebec. None of the Canadian Loan Parties has any Collateral or any office in the Province of Quebec, other than property which has been acquired in, or moved to, the Province of Quebec in compliance with Section 9.2.16 [Locations of Assets in the Province of Quebec].

7.2 Updates to Schedules. Should any of the information or disclosures provided on any of the Schedules attached hereto become outdated or incorrect in any material respect, the Borrowing Agent shall promptly provide the Administrative Agent in writing with such revisions or updates to such Schedule as may be necessary or appropriate to update or correct same. No Schedule shall be deemed to have been amended, modified or superseded by any such correction or update, nor shall any breach of warranty or representation resulting from the inaccuracy or incompleteness of any such Schedule be deemed to have been cured thereby, unless and until the Required Lenders, in their sole and absolute discretion, shall have accepted in writing such revisions or updates to such Schedule; provided however, that the Borrowing Agent may update Schedule 7.1.2 without any Lender approval in connection with any transaction permitted under Sections 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions], 9.2.7 [Dispositions of Assets or Subsidiaries] and 9.2.9 [Subsidiaries and Joint Ventures].

## 8. CONDITIONS OF LENDING AND ISSUANCE OF LETTERS OF CREDIT

The obligation of each Lender to make Loans and of the Issuing Lender to issue Letters of Credit hereunder is subject to the performance by each of the Loan Parties of its Obligations to be performed hereunder at or prior to the making of any such Loans or issuance of such Letters of Credit and to the satisfaction of the following further conditions:

### 8.1 Initial Loans and Letters of Credit.

8.1.1 Deliveries. On the Closing Date, the Administrative Agent shall have received each of the following in form and substance satisfactory to the Administrative Agent:

(i) A certificate of each Loan Party signed by an Authorized Officer of such Loan Party, dated the Closing Date stating that (a) all representations and warranties of the Loan Parties set forth in this Agreement and the other Loan Documents are true and correct, (b) no Event of Default or Potential Default exists and (c) no Material Adverse Change shall have occurred since December 31, 2016;

(ii) A certificate dated the Closing Date and signed by an Authorized Officer of each of the Loan Parties, certifying as appropriate as to: (a) all action taken by such Loan Party in connection with this Agreement and the other Loan Documents; (b) the names of the Authorized Officers of such Loan Party authorized to sign the Loan Documents and their true signatures; and (c) copies of its organizational documents of such Loan Party as in effect on the Closing Date certified by the appropriate state official where such documents are filed in a state office (other than in the case of any Canadian Loan Party) together with certificates from the appropriate state officials as to the continued existence and good standing of each Loan Party in its state of organization;

(iii) This Agreement and each of the other Loan Documents signed by an Authorized Officer;



(iv) Appropriate transfer powers and stock or other certificates evidencing the pledged Collateral;

(v) Written opinions of counsel for the Loan Parties, dated the Closing Date for the benefit of the Administrative Agent and each Lender;

(vi) Evidence that adequate insurance, including flood insurance, if applicable, required to be maintained under this Agreement is in full force and effect, with additional insured and lender loss payable special endorsements attached thereto in form and substance satisfactory to the Administrative Agent and its counsel naming the Administrative Agent as additional insured and lender loss payee;

(vii) Evidence that all Indebtedness not permitted under Section 9.2.1 [Indebtedness] shall have been paid in full (and all commitments in respect thereof terminated) and that all necessary termination statements, release statements and other releases in connection with all Liens (other than Permitted Liens) have been filed or satisfactory arrangements have been made for such filing (including payoff letters, if applicable, in form and substance reasonably satisfactory to the Administrative Agent);

(viii) The Statements and the Projections;

(ix) A duly completed Compliance Certificate signed by an Authorized Officer of MDI evidencing, after giving effect to the Loans to be made hereunder on the Closing Date and the consummation of the Acquisitions, a Leverage Ratio of less than 3.00 to 1.00, as of the end of the fiscal quarter most recently ended for which financial statements are available (the "**Closing Compliance Certificate**");

(x) A Borrowing Base Certificate, evidencing a pro forma calculation of Undrawn Availability of at least Five Million and 00/100 Dollars (\$5,000,000.00) after giving effect to any Loans to be made and Letters of Credit to be issued on the Closing Date based on such certificate;

(xi) A certificate of an Authorized Officer of MDI as to the Solvency of each of the Loan Parties taken as a whole after giving effect to the transactions contemplated by this Agreement and the Acquisition Documents;

(xii) All material regulatory approvals and material consents and licenses necessary for the consummation of the transactions contemplated hereunder and the Acquisition shall have been completed and there shall be an absence of any legal or regulatory prohibitions or restrictions in respect of the transactions contemplated hereunder;

(xiii) Lien searches in acceptable scope and with acceptable results;

(xiv) An executed landlord's waiver or other lien waiver agreement from the lessor, warehouse operator or other applicable Person for each leased Collateral location to the extent requested and required to be received by Administrative Agent;

(xv) A true and correct copy of the Acquisition Documents, and any amendments, waivers and other documents executed in connection therewith; the transactions contemplated by the Acquisition Documents shall be consummated substantially concurrently with the closing of the Loans in accordance with terms and conditions thereof, as heretofore reviewed by the Administrative Agent without any amendment or waiver thereof by the Loan Parties not consented to by the Administrative Agent;

(xvi) Receipt of Target's Quality of Earnings report, in form and substance satisfactory to the Administrative Agent, supporting EBITDA in an amount not less than Eight Million Five Hundred Thousand and 00/100 Dollars (\$8,500,000.00) as of December 31, 2016 for the twelve (12) month period then ended;

(xvii) Receipt of Target's audited financial statements for the two (2) most recently ended fiscal years of Target, in each case in compliance with all SEC requirements;

(xviii) Receipt of third-party due diligence initiated by MDI and certain other Loan Parties as it relates to the Acquisitions;

(xix) Evidence that MDI shall have received equity contributions in cash of not less than Six Million and 00/100 Dollars (\$6,000,000);

(xx) All documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the USA Patriot Act; and

(xxi) Such other documents in connection with such transactions as the Administrative Agent or said counsel may reasonably request.

8.1.2 Payment of Fees. The Borrowers shall have paid all fees payable on or before the Closing Date as required by this Agreement, the Administrative Agent's Letter or any other Loan Document.

8.2 Each Loan or Letter of Credit. At the time of making any Loans or issuing, extending or increasing any Letters of Credit and after giving effect to the proposed extensions of credit: (i) the representations, warranties of the Loan Parties shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on such date (except representations and warranties which expressly relate solely to an earlier date or time, which representations and warranties shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the specific dates or times referred to therein), (ii) no Event of Default or Potential Default shall have occurred and be continuing, and (iii) the Borrowing Agent shall have delivered to the Administrative Agent a duly executed and completed Loan Request or to the Issuing Lender an application for a Letter of Credit, as the case may be.

## 9. COVENANTS

The Loan Parties, jointly and severally, covenant and agree that until Payment In Full, the Loan Parties shall comply at all times with the following covenants:

### 9.1 Affirmative Covenants.

9.1.1 Preservation of Existence, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain its legal existence as a corporation, limited partnership, limited liability company or unlimited limited liability company and its license or qualification and good standing in each jurisdiction in which its ownership or lease of property or the nature of its business makes such license or qualification necessary, except as otherwise expressly permitted in Section 9.2.6 [Liquidations, Mergers, Etc.].

9.1.2 Payment of Liabilities, Including Taxes, Etc. Each Loan Party shall, and shall cause each of its Subsidiaries to, duly pay and discharge all liabilities (including, without limitation, Priority Payables) to which it is subject or which are asserted against it, promptly as and when the same shall become due and payable, including all taxes, assessments and governmental charges upon it or any of its properties, assets, income or profits, prior to the date on which penalties attach thereto, except to the extent that such liabilities, including taxes, assessments or charges, are being contested in good faith and by appropriate and lawful proceedings diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made.

9.1.3 Maintenance of Insurance. Each Loan Party shall, and shall cause each of its Subsidiaries to, insure its properties and assets against loss or damage by fire and such other insurable hazards as such assets are commonly insured (including fire, extended coverage, property damage, workers' compensation, public liability and business interruption insurance) and against other risks (including errors and omissions) in such amounts as similar properties and assets are insured by prudent companies in similar circumstances carrying on similar businesses, and with reputable and financially sound insurers, including self-insurance to the extent customary, all as reasonably determined by the Administrative Agent. At the request of the Administrative Agent, the Loan Parties shall deliver to the Administrative Agent and each of the Lenders (x) on the Closing Date and annually thereafter an original certificate of insurance signed by the Loan Parties' independent insurance broker describing and certifying as to the existence of the insurance on the Collateral required to be maintained by this Agreement and the other Loan Documents, together with a copy of the endorsement described in the next sentence attached to such certificate, and (y) from time to time a summary schedule indicating all insurance then in force with respect to each of the Loan Parties. Such policies of insurance shall contain special endorsements which include the provisions specified below or are otherwise in form acceptable to the Administrative Agent in its discretion. The applicable Loan Parties shall notify the Administrative Agent promptly of any occurrence causing a material loss or decline in value of the Collateral and the estimated (or actual, if available) amount of such loss or decline. Any monies received by the Administrative Agent constituting insurance proceeds may, at the option of the Administrative Agent, (i) in the case of property insurance proceeds received during the existence of an Event of Default, be applied by the Administrative Agent to the payment of the Obligations in accordance

with the terms of the Credit Agreement, (ii) for losses of less than One Hundred Thousand and 00/100 Dollars (\$100,000.00) received at such time as no Event of Default or Potential Default exists, be disbursed by the Administrative Agent to the applicable Loan Parties, and (iii) for losses equal to or greater than One Hundred Thousand and 00/100 Dollars (\$100,000.00) received at such time as no Event of Default or Potential Default exists, be disbursed by the Administrative Agent to the applicable Loan Parties on such terms as are deemed appropriate by the Administrative Agent for the repair, restoration and/or replacement of Collateral and other property in respect of which such proceeds were received.

9.1.4 Maintenance of Properties and Leases. Each Loan Party shall, and shall cause each of its Subsidiaries to, maintain in good repair, working order and condition (ordinary wear and tear excepted) in accordance with the general practice of other businesses of similar character and size, all of those properties useful or necessary to its business, and from time to time, such Loan Party will make or cause to be made all appropriate repairs, renewals or replacements thereof.

9.1.5 Visitation Rights. Each Loan Party shall, and shall cause each of its Subsidiaries to, permit any of the officers or authorized employees or representatives of the Administrative Agent or any of the Lenders to visit and inspect any of its properties and to examine and make excerpts from its books and records and discuss its business affairs, finances and accounts with its officers, all in such detail and at such times and as often as any of the Lenders may reasonably request, provided that each Lender shall provide the Borrowing Agent and the Administrative Agent with reasonable notice prior to any visit or inspection and shall use commercially reasonable efforts to minimize interference with such Loan Party's or Subsidiary's normal business operations. In the event any Lender desires to conduct an audit of any Loan Party, such Lender shall make a reasonable effort to conduct such audit contemporaneously with any audit to be performed by the Administrative Agent. The foregoing obligations of the Loan Parties shall include Collateral audits and field examinations to audit the Collateral. Such Collateral audits and such field examinations shall be conducted by an independent examiner selected by the Administrative Agent. Notwithstanding anything herein to the contrary, at the discretion of the Administrative Agent, one (1) field examination per annum will be conducted by or on behalf of the Administrative Agent at the Loan Parties' expense; provided, however, that (i) absent an Event of Default, up to one (1) additional field examination may be conducted at any time and from time to time at the Lenders' expense and (ii) each field examination initiated during the continuance of an Event of Default (the number of which shall not be limited) shall be conducted at the Loan Parties' expense.

9.1.6 Keeping of Records and Books of Account. Each Loan Party shall, and shall cause each Subsidiary of such Loan Party to, maintain and keep proper books of record and account which enable such Loan Party and its Subsidiaries to issue financial statements in accordance with GAAP and as otherwise required by applicable Laws of any Official Body having jurisdiction over such Loan Party or any Subsidiary of such Loan Party, and in which full, true and correct entries shall be made in all material respects of all its dealings and business and financial affairs.

9.1.7 Compliance with Laws; Use of Proceeds. Each Loan Party shall, and shall cause each of its Subsidiaries to, comply with all applicable Laws, including all Environmental Laws, in all respects; provided that it shall not be deemed to be a violation of this Section 9.1.7 if any failure to comply with any Law would not result in fines, penalties, remediation costs, other similar liabilities or injunctive relief which in the aggregate would constitute a Material Adverse Change. The Loan Parties will use the (i) Letters of Credit and the proceeds of the Revolving Credit Loans to (a) refinance existing Indebtedness on the Closing Date, (b) provide working capital to the Borrowers, and (c) for general corporate purposes of the Borrowers (including, without limitation, to pay a portion of the consideration due and payable to consummate the Acquisitions, the AmberLeaf Acquisition and Permitted Acquisitions and to pay fees and expenses associated therewith) and (ii) the proceeds of the Term Loan to refinance the outstanding principal balance of the existing term loan that was made to the Acquisition Borrowers on the Third Amendment Effective Date.

9.1.8 Further Assurances. Each Loan Party shall, from time to time at its expense, using commercially reasonable efforts faithfully preserve and protect the Administrative Agent's Lien on and Prior Security Interest in the Collateral and all other real and personal property of the Loan Parties whether now owned or hereafter acquired as a continuing Prior Security Interest, and shall do such other acts and things as the Administrative Agent in its Permitted Discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect the Liens granted under the Loan Documents and to exercise and enforce its rights and remedies thereunder with respect to the Collateral.

9.1.9 Anti-Corruption Laws, Anti-Money Laundering Laws, and International Trade Laws.

Each of the Loan Parties covenants and agrees that it shall: (a) immediately notify the Administrative Agent, the Collateral Agent, and each of the Lenders in writing upon the occurrence of a Reportable Compliance Event; (b) immediately provide substitute Collateral to the Collateral Agent if, at any time, any Collateral becomes Blocked Property; and (c) conduct its business in compliance with applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws and maintain in effect policies and procedures reasonably designed to ensure compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws by each Covered Entity, and its directors and officers, and any employee, agent or affiliate acting on behalf of such Covered Entity in connection with this Agreement.

9.1.10 Keepwell. Each Qualified ECP Loan Party jointly and severally (together with each other Qualified ECP Loan Party) hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non Qualifying Party's obligations under this Agreement or any other Loan Document in respect of Swap Obligations (provided, however, that each Qualified ECP Loan Party shall only be liable under this Section 9.1.10 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.1.10, or otherwise under this Agreement or any other Loan

Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Loan Party under this Section 9.1.10 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the other Loan Documents. Each Qualified ECP Loan Party intends that this Section 9.1.10 constitute, and this Section 9.1.10 shall be deemed to constitute, a guarantee of the obligations of, and a “keepwell, support, or other agreement” for the benefit of each other Loan Party for all purposes of Section 1a(18(A)(v)(II) of the CEA.

## 9.2 Negative Covenants.

9.2.1 Indebtedness. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness under the Loan Documents;

(ii) Existing Indebtedness as set forth on Schedule 9.2.1 (including any extensions or renewals thereof; provided there is no increase in the amount thereof or other significant change in the terms thereof unless otherwise specified on Schedule 9.2.1);

(iii) Indebtedness incurred with respect to Purchase Money Security Interests and Capital Leases in an aggregate principal amount not to exceed One Million One Hundred Thousand and 00/100 Dollars (\$1,100,000.00) at any time outstanding;

(iv) Reserved;

(v) The Acquisition Earn-Out and earn-out payments incurred by the Loan Parties and their Subsidiaries in connection with the AmberLeaf Acquisition and any Permitted Acquisition, as applicable;

(vi) Indebtedness of (a) a US Loan Party to another US Loan Party or (b) a Canadian Loan Party to another Canadian Loan Party, in each case which is subordinated pursuant to the Intercompany Subordination Agreement;

(vii) Indebtedness of a US Loan Party to a Canadian Loan Party which is subordinated pursuant to the Intercompany Subordination Agreement;

(viii) Indebtedness of a Canadian Loan Party to a US Loan Party so long as such Indebtedness is incurred within the parameters of clause (viii) of Section 9.2.4 [Loans and Investments];

(ix) Indebtedness of an Excluded Subsidiary to another Excluded Subsidiary;

(x) Guaranties permitted by Section 9.2.3 [Guaranties];

(xi) Any (i) Lender Provided Interest Rate Hedge, (ii) Lender Provided Foreign Currency Hedge or (iii) Indebtedness under any Other Lender Provided Financial Services Product; provided however, the Loan Parties shall enter into an Interest Rate Hedge or Foreign Currency Hedge only for hedging (rather than speculative) purposes; and

(xii) Any unsecured Indebtedness not otherwise permitted in items (i) through (xi) above which does not exceed Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) in the aggregate at any time outstanding.

9.2.2 Liens; Lien Covenants. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time create, incur, assume or suffer to exist any Lien on any of its property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so, except Permitted Liens.

9.2.3 Guaranties. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time, directly or indirectly, become or be liable in respect of any Guaranty, or assume, guarantee, become surety for, endorse or otherwise agree, become or remain directly or contingently liable upon or with respect to any obligation or liability of any other Person, except for (i) Guaranties of Indebtedness of the Loan Parties permitted hereunder, (ii) contingent liabilities arising from the endorsement of negotiable or other instruments for deposit or collection or similar transactions in the ordinary course of business and (iii) the obligations of MDI under that certain Parent Company Guarantee, dated on or around even date herewith, between MDI and Farmers Group, Inc. (the "**Farmers Guaranty**"), the form of which has been delivered by MDI to the Administrative Agent, pursuant to which MDI shall Guaranty the obligations of Mastech Canada under the Guaranteed Agreements (as such term is defined in the Farmers Guaranty); provided that there is no material change in the terms thereof without the prior written consent of the Administrative Agent.

9.2.4 Loans and Investments. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, at any time make or suffer to remain outstanding any loan or advance to, or purchase, acquire or own any stock, bonds, notes or securities of, or any partnership interest (whether general or limited) or limited liability company interest in, or any other investment or interest in, or make any capital contribution to, any other Person, or agree, become or remain liable to do any of the foregoing, except:

(i) trade credit extended on usual and customary terms in the ordinary course of business;

(ii) loans and advances to employees, officers, managers, directors, members or shareholders of a Loan Party in the ordinary course of business to meet expenses incurred by such Persons in the ordinary course of business (including, without limitation, relocation expenses) which shall not exceed Two Hundred Twenty Thousand and 00/100 Dollars (\$220,000.00) in the aggregate for all such loans at any one time outstanding;

(iii) Permitted Investments;

(iv) transactions permitted by Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions];

(v) loans, advances and investments by US Loan Parties in other US Loan Parties;

(vi) loans, advances and investments by Canadian Loan Parties in US Loan Parties, subject to the provisions of Section 9.2.1(vii) [Indebtedness];

(vii) (a) loans, advances and investments by Excluded Subsidiaries in other Excluded Subsidiaries and (b) loans, advances and investments by MDT in Mastech Digital Private Limited, an Indian company, existing on the Closing Date; and

(viii) loans, advances and investments by US Loan Parties in Canadian Loan Parties in an amount, measured at the time any such loan, advance or investment is made, which shall not exceed Fifty Million and 00/100 Dollars (\$50,000,000.00) in the aggregate at any one time outstanding.

9.2.5 Dividends and Related Distributions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, make or pay, or agree to become or remain liable to make or pay, any dividend or other distribution of any nature (whether in cash, property, securities or otherwise) on account of or in respect of its shares of Capital Stock, on account of the purchase, redemption, retirement or acquisition of its shares of Capital Stock (or warrants, options or rights therefor), except (i) dividends or other distributions payable to a Loan Party, and (ii) Stock Repurchases so long as both immediately before and immediately after giving effect thereto (a) there exists no Event of Default or Potential Default, (b) MDI and its Subsidiaries are, and shall continue to be, in compliance with all financial covenants set forth in Section 9.2 hereof and (c) Undrawn Availability shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00).

9.2.6 Liquidations, Mergers, Consolidations, Acquisitions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, dissolve, liquidate or wind-up its affairs, or become a party to any merger, amalgamation or consolidation, or acquire by purchase, lease or otherwise all or substantially all of the assets or capital stock of any other Person; provided that

(i) the Acquisitions and the AmberLeaf Acquisition may be consummated;

(ii) upon prior written notice by the Borrowing Agent, any Loan Party may consolidate, amalgamate or merge with or into another Loan Party so long as (a) the Administrative Agent shall have been provided with any and all documents, agreements, searches, filings or other items required by the Administrative Agent to maintain the Administrative Agent's Prior Security Interest in the assets and Lien on the property of such surviving entity and (b) such surviving entity shall have assumed all obligations of such merged or consolidated Loan Party;

(iii) upon prior written notice by the Borrowing Agent, any Excluded Subsidiary may consolidate, amalgamate or merge with or into a Loan Party so long as such Loan Party survives such consolidation, amalgamation or merger, and so long as (a) the Administrative Agent shall have been provided with any and all documents, agreements, searches, filings or other items required by the Administrative Agent to maintain the Administrative Agent's Prior Security Interest in the assets and Lien on the property of such surviving entity and (b) such surviving entity shall have assumed all obligations of such merged or consolidated Excluded Subsidiary;



(iv) upon prior written notice by the Borrowing Agent, any Loan Party may dispose of all or any of its assets (upon voluntary liquidation, dissolution winding up or otherwise) to any other Loan Party; provided that with respect to any such disposition, the consideration for such disposition shall not exceed the fair market value of such assets;

(v) any Excluded Subsidiary may (a) dispose of all or any of its assets (upon voluntary liquidation, dissolution winding up or otherwise) to any other Excluded Subsidiary or (b) consolidate or merge with or into any Excluded Subsidiary and such merged or consolidated Excluded Subsidiary may be liquidated or dissolved if the Borrowing Agent determines in good faith that such liquidation or dissolution is in the best interests of MDI and its Subsidiaries and is not materially adverse to the interests of the Administrative Agent and the Lenders; and

(vi) any Loan Party may acquire (by purchase or other acquisition) (x) all of the ownership interests of another Domestic Person or (y) all or substantially all of the assets of another Domestic Person or of a business or division of another Domestic Person (each, a “**Permitted Acquisition**”); provided that each of the following requirements is met:

(A) such Person shall join this Agreement as a Revolving Borrower and/or a Guarantor pursuant to Section 12.15 [Joinder] and the Administrative Agent shall have received all documents and other items required by Section 12.15 [Joinder];

(B) the board of directors or other equivalent governing body of such Person shall have approved such Permitted Acquisition and the Loan Parties also shall have delivered to the Administrative Agent and the Lenders written evidence of the approval of the board of directors (or equivalent body) of such Person for such Permitted Acquisition;

(C) each applicable Official Body shall have approved such Permitted Acquisition and the Loan Parties shall have delivered to the Administrative Agent and the Lenders written evidence of the approval of such Official Body or such Permitted Acquisition;

(D) the business acquired, or the business conducted by the Person whose ownership interests are being acquired, as applicable, shall be substantially the same as one or more line or lines of business conducted by the Loan Parties or reasonably related or complementary thereto and shall comply with Section 9.2.10 [Continuation of or Change in Business];

(E) the Borrowing Agent shall deliver to the Agent a compliance certificate in the form of Exhibit 9.2.6 (an “**Acquisition Compliance Certificate**”) at least five (5) days prior to such Permitted Acquisition, which shall demonstrate that (i) the Loan Parties shall be in pro forma compliance with all financial covenants contained in Section 9.2 [Negative Covenants] after giving effect to such Permitted Acquisition (including in such computation Indebtedness or other liabilities assumed or incurred in connection with such Permitted Acquisition); provided that for purposes of this clause (E), the maximum Leverage Ratio required by Section 9.2.14 [Maximum Leverage Ratio] for such pro forma calculation shall be reduced to 2.00 to 1.00 and (ii) Undrawn Availability shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00) after giving effect to such Permitted Acquisition;

(F) the Loan Parties shall deliver to the Administrative Agent at least ten (10) Business Days before (or such shorter timeframe as may be agreed to by the Administrative Agent in its sole discretion) such Permitted Acquisition copies of (x) any agreements entered into or proposed to be entered into by such Loan Parties in connection with such Permitted Acquisition, (y) such other information about such Person or its assets as the Administrative Agent or any Lender may reasonably require; and

(G) no Event of Default or Potential Default shall exist immediately prior to or after giving effect to such Permitted Acquisition.

9.2.7 Dispositions of Assets. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, sell, convey, assign, lease, abandon or otherwise transfer or dispose of, voluntarily or involuntarily, any of its properties or assets, tangible or intangible (including sale, assignment, discount or other disposition of accounts, contract rights, chattel paper, equipment or general intangibles with or without recourse, except:

(i) transactions involving (a) the sale of inventory in the ordinary course of business and (b) the transfer, license or other conveyance of intellectual property and other intangible assets in the ordinary course of business;

(ii) any sale, transfer or lease of assets in the ordinary course of business which are no longer necessary or required in the conduct of such Loan Party's or such Subsidiary's business;

(iii) any sale, transfer or lease of assets by any Loan Party or any wholly owned Subsidiary of such Loan Party to another Loan Party;

(iv) any sale, transfer or lease of assets in the ordinary course of business which are replaced by substitute assets acquired or leased within the parameters of this Agreement; provided that such substitute assets are subject to the Agent's Prior Security Interest; and

(v) any sale, transfer or lease of assets, other than those specifically excepted pursuant to clauses (i) through (iv) above; provided that (a) the aggregate value of all assets sold by MDI and its Subsidiaries shall not exceed Two Million Two Hundred Thousand and 00/100 Dollars (\$2,200,000.00) during the term of this Agreement and (b) the proceeds of any such sale, transfer or lease are applied in accordance with Section 6.7.3 [Sale of Assets].

9.2.8 Affiliate Transactions. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, enter into or carry out any transaction with any Affiliate of any Loan Party (including purchasing property or services from or selling property or services to any Affiliate of any Loan Party or other Person) unless such transaction is not otherwise prohibited by this Agreement, is entered into in the ordinary course of business upon fair and reasonable arm's-length terms and conditions which are fully disclosed to the Administrative Agent and is in accordance with all applicable Law.

9.2.9 Subsidiaries and Joint Ventures. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to own or create directly or indirectly any Subsidiaries other than:

(i) any Domestic Subsidiary which has joined this Agreement as a Revolving Borrower or a Guarantor on the Closing Date;

(ii) any Domestic Subsidiary created, acquired or otherwise formed after the Closing Date in compliance with this Agreement, so long as such Domestic Subsidiary joins this Agreement as a Revolving Borrower or Guarantor pursuant to Section 12.15 [Joinder];

(iii) any Excluded Subsidiary (a) existing as of the Closing Date or (b) formed by MDI or a Subsidiary of MDI after the Closing Date in compliance with this Agreement.

No Loan Party shall not become or agree to become a party to a Joint Venture.

9.2.10 Continuation of or Change in Business. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, engage in any business other than (i) those businesses conducted and operated by such Loan Party or Subsidiary during the fiscal year ended December 31, 2016, substantially as conducted and operated by such Loan Party or Subsidiary during the present fiscal year, and (ii) businesses reasonably related or complementary thereto, and such Loan Party or Subsidiary shall not permit any fundamental change in such business.

9.2.11 Fiscal Year. Each Loan Party shall not, and shall not permit any of its Subsidiaries to, change its fiscal year from the twelve (12) month period beginning January 1 and ending December 31.

9.2.12 Changes in Organizational Documents or Acquisition Documents. Each of the Loan Parties shall not, and shall not permit any of its Subsidiaries to, (i) amend in any respect its certificate of incorporation (including any provisions or resolutions relating to Capital Stock), by-laws, certificate of limited partnership, partnership agreement, certificate of formation, limited liability company agreement or other organizational documents without providing at least thirty (30) calendar days' prior written notice to the Administrative Agent and the Lenders and, in the event such change would be adverse to the Lenders as determined by the Administrative Agent in its sole discretion, obtaining the prior written consent of the Required Lenders or (ii) amend, waive or modify (x) the Canadian Acquisition Agreement if the effect thereof is to increase the Deferred Amount (as defined therein) or any calculation of any Deferred Amount Payment (as defined therein), or otherwise increase the amount of any deferred consideration due thereunder, or (y) any Acquisition Document or AmberLeaf Acquisition Document to the extent any such amendment, waiver or modification would be adverse to the Lenders in any material respect, as determined by the Administrative Agent in its reasonable discretion, in each case without obtaining the prior written consent of the Required Lenders.

9.2.13 Minimum Fixed Charge Coverage Ratio. The Loan Parties shall not permit the Fixed Charge Coverage Ratio to be less than 1.25 to 1.00, calculated as of September 30, 2020 and as of the end of each fiscal quarter thereafter, in each case for the four (4) fiscal quarters then ended.

9.2.14 Maximum Leverage Ratio. The Loan Parties shall not permit the Leverage Ratio to exceed 3.00 to 1.00, calculated as of September 30, 2020 and as of the end of each fiscal quarter thereafter, in each case for the four (4) fiscal quarters then ended.

9.2.15 Limitation on Negative Pledges. Each of the Loan Parties shall not, and shall not permit any Subsidiary, to enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of such Loan Party or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure the Obligations, other than (a) this Agreement and the other Loan Documents (b) with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a disposition of assets permitted under this Agreement of all or substantially all of the equity interests or assets of such Subsidiary, (c) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (d) customary provisions restricting assignment of any licensing agreement (in which a Loan Party or its Subsidiaries are the licensee) with respect to a contract entered into by a Loan Party or its Subsidiaries in the ordinary course of business and (e) customary provisions restricting subletting, sublicensing or assignment of any intellectual property license or any lease governing any leasehold interests of a Loan Party and its Subsidiaries.

9.2.16 Location of Assets in the Province of Quebec. Except for Collateral that is tangible personal property in transit in the ordinary course of business, the Canadian Revolving Borrowers shall not acquire, or permit any other Canadian Loan Party to acquire any Collateral with an aggregate value in excess of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) in the Province of Quebec or move any Collateral with an aggregate value in excess of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to the Province of Quebec, or acquire or create any location or office in the Province of Quebec, unless in each case the applicable Canadian Revolving Borrower or the applicable Canadian Loan Party has (i) first given thirty (30) days' prior written notice thereof to the Administrative Agent, and (ii) executed and delivered to the Administrative Agent all Collateral Documents and all applications for registration in form and substance satisfactory to the Administrative Agent which the Administrative Agent or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that that security interest/hypothec in favor of the Administrative Agent constitutes a perfected first priority Lien/hypothec (subject only to Permitted Liens) in the Province of Quebec together with such supporting certificates, resolutions, opinions, amendments to this credit agreement and other documents as the Administrative Agent may deem necessary or desirable in connection with such security/hypothecs and registrations, acting reasonably.

9.2.17 Anti-Corruption Laws, Anti-Money Laundering Laws, and International Trade Laws. Each Loan Party will not, and will not permit any of its Subsidiaries to do any of the following, nor permit any of its or their respective directors, officers, employees, agents, or affiliates acting on its or their behalf in connection with this Agreement to: (a) become a Sanctioned Person; (b) directly or indirectly, provide, use, or make available the proceeds of any Loan hereunder (i) to fund any activities or business of, with, or for the benefit of any Person that, at the time of such funding or facilitation, is a Sanctioned Person, (ii) to fund or facilitate any activities or business of or in any Sanctioned Jurisdiction, (iii) in any manner that could result in a

violation by any Person (including the Administrative Agent, any lead arranger, Issuing Lender, any Lender, underwriter, advisor, investor, or otherwise) of Anti-Corruption Law, Anti-Money Laundering, or International Trade Laws or (iv) in violation of any applicable Law, including, without limitation, any applicable Anti-Corruption Law, Anti-Money Laundering Law or International Trade Law; (c) repay the Loan with Blocked Property or funds derived from any unlawful activity; or (d) permit any Collateral to become Blocked Property.

9.2.18 Distribution of Proceeds of Loans. Directly or indirectly, provide or make available the proceeds of any Loan hereunder to, or allow the use of proceeds of any Loan hereunder by, any of such Loan Party's Subsidiaries that is not party to this Agreement.

9.3 Reporting Requirements. The Loan Parties will furnish or cause to be furnished to the Administrative Agent and each of the Lenders:

9.3.1 Quarterly Financial Statements. As soon as practicable and in any event not later than the earlier to occur of (x) the date by which MDI is required to file its quarterly report on form 10-Q with the SEC after the close of each of the first (1st) three (3) fiscal quarters of each fiscal year of MDI (commencing with the fiscal quarter ending June 30, 2017) and (y) the sixtieth (60<sup>th</sup>) day after the close of any such fiscal quarter, financial statements of MDI and its Subsidiaries, consisting of a consolidated and consolidating balance sheet as of the end of such fiscal quarter and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal quarter then ended and the fiscal year through that date, all in reasonable detail and certified (subject to normal year-end audit adjustments) by the Chief Executive Officer, President or Chief Financial Officer of MDI as having been prepared in accordance with GAAP, consistently applied, and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year.

9.3.2 Annual Financial Statements. As soon as practicable and in any event not later than the earlier to occur of (x) the date by which MDI is required to file its annual report on Form 10-K with the SEC after the close of each fiscal year of MDI (commencing with the fiscal year ending December 31, 2017) and (y) the one hundred twentieth (120<sup>th</sup>) day after the close of any such fiscal year of MDI, financial statements of MDI and its Subsidiaries consisting of an audited consolidated and consolidating balance sheet as of the end of such fiscal year, and related consolidated and consolidating statements of income, stockholders' equity and cash flows for the fiscal year then ended, all in reasonable detail and setting forth in comparative form the financial statements as of the end of and for the preceding fiscal year, and certified by independent certified public accountants of nationally recognized standing satisfactory to the Administrative Agent. The certificate or report of accountants shall be free of qualifications (other than any consistency qualification that may result from a change in the method used to prepare the financial statements as to which such accountants concur) and shall not indicate the occurrence or existence of any event, condition or contingency which would materially impair the prospect of payment or performance of any covenant, agreement or duty of any Loan Party under any of the Loan Documents.

9.3.3 Certificate of MDI. Concurrently with the financial statements of MDI and its Subsidiaries furnished to the Administrative Agent and to the Lenders pursuant to Sections 9.3.1 [Quarterly Financial Statements] and 9.3.2 [Annual Financial Statements], a certificate (each a “**Compliance Certificate**”) of MDI signed by the Chief Executive Officer, President or Chief Financial Officer of MDI, in the form of Exhibit 9.3.3.

9.3.4 Borrowing Base Certificate; Schedule of Receivables; Schedule of Payables. As soon as available and in any event within thirty (30) calendar days after the end of each calendar month, in each case calculated as of the last day of the immediately preceding calendar month, (i) a Borrowing Base Certificate in the form of Exhibit 9.3.4 hereto, appropriately completed, executed and delivered by an Authorized Officer of the Borrowing Agent, together with a detailed sales register, a cash receipts journal and a purchase journal showing sales, receipts and purchases for the preceding week, (ii) a Schedule of Accounts, and (iii) a Schedule of Payables.

#### 9.3.5 Notices.

9.3.5.1 Default. Promptly after any Authorized Officer of any Loan Party has learned of the occurrence of an Event of Default or Potential Default, a certificate signed by an Authorized Officer setting forth the details of such Event of Default or Potential Default and the action which such Loan Party proposes to take with respect thereto.

9.3.5.2 Litigation. Promptly after the commencement thereof, notice of all actions, suits, proceedings or investigations before or by any Official Body or any other Person against any Loan Party or Subsidiary of any Loan Party which involve a claim or series of claims in excess of Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) or which would reasonably be expected to have a Material Adverse Change.

9.3.5.3 Erroneous Financial Information. Immediately in the event that any Loan Party or its accountants conclude or advise that any previously issued financial statement, audit report or interim review should no longer be relied upon or that disclosure should be made or action should be taken to prevent future reliance.

9.3.5.4 ERISA Event. Immediately upon the occurrence of any ERISA Event.

9.3.5.5 Canadian Pension Plans. (A) Prompt written notice if any Loan Party establishes, maintains or contributes to a Canadian Pension Plan after the Closing Date, along with such additional information with respect to any such Canadian Pension Plan reasonably requested by the Administrative Agent, and (B) promptly after any Loan Party or any Subsidiary or any Affiliate knows or has reason to know of the occurrence of (i) any violation or FSCO asserted violation of any applicable Law (including any applicable provincial pension standards legislation) in any material respect with respect to any Canadian Pension Plan or; (ii) any Canadian Pension Termination Event, the Borrowing Agent will deliver to the Administrative Agent a certificate of a senior officer of the Borrowing Agent setting forth details as to such occurrence and the action, if any, that the Borrowing Agent, such Subsidiary or Affiliate is required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by the Borrowing Agent, such Subsidiary, such Affiliate, FSCO) or the Canadian Pension Plan administrator with respect thereto.

9.3.5.6 Other Reports. Promptly upon their becoming available to the Loan Parties:

(i) Annual Budget. As soon as practicable and in any event not later than the forty-fifth (45<sup>th</sup>) day after the commencement of the fiscal year to which any of the foregoing may be applicable, the annual budget of MDI and its Subsidiaries;

(ii) Management Letters. Any reports including management letters submitted to any Loan Party by independent accountants in connection with any annual or interim audit of financial statements;

(iii) SEC Reports; Shareholder Communications. Reports, including Forms 10-K, 10-Q and 8-K, registration statements and prospectuses and other shareholder communications, filed by any Loan Party with the SEC; and

(iv) Other Information. Such other reports and information as any of the Lenders may from time to time reasonably request.

Documents required to be delivered pursuant Section 9.3.1 [Quarterly Financial Statements], Section 9.3.2 [Annual Financial Statements] and Section 9.3.5.6 [Other Reports] may be delivered electronically and, if so delivered (to the extent that any Loan Party is required to file Annual Reports or Quarterly Reports with the SEC), shall be deemed to have been delivered on the date on which such documents are filed for public availability on the EDGAR website; provided that the Borrowing Agent shall (i) notify (which may be by facsimile or electronic mail) the Administrative Agent of the filing of any such documents, and (2) provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything to the contrary contained herein, in every instance the Borrowing Agent shall be required to provide paper copies of the compliance certificate required by Section 9.3.3 [Certificate of MDI] to the Administrative Agent.

## 10. DEFAULT

10.1 Events of Default. An Event of Default means the occurrence or existence of any one or more of the following events or conditions (whatever the reason therefor and whether voluntary, involuntary or effected by operation of Law):

10.1.1 Payments Under Loan Documents. Any Borrower shall fail to pay, in the Currency required hereunder (i) any principal of any Loan (including scheduled installments, mandatory prepayments or the payment due at maturity), Reimbursement Obligation or Letter of Credit or Obligation on the date on which such principal amount becomes due in accordance with the terms hereof, or (ii) any interest on any Loan, Reimbursement Obligation or Letter of Credit Obligation or any other amount owing hereunder or under the other Loan Documents within three (3) days after the date on which such interest or other amount becomes due in accordance with the terms hereof or thereof;

10.1.2 Breach of Warranty. Any representation or warranty made at any time by any of the Loan Parties herein or by any of the Loan Parties in any other Loan Document, or in any certificate, other instrument or statement furnished pursuant to the provisions hereof or thereof, shall prove to have been false or misleading in any material respect as of the time it was made or furnished;

10.1.3 Anti-Terrorism Laws. Any representation or warranty contained in Section 7.1.17 [Sanctions and other Anti-Terrorism Laws] or Section 7.1.18 [Anti-Corruption Laws] is or becomes false or misleading at any time;

10.1.4 Breach of Certain Covenants. Any of the Loan Parties shall default in the observance or performance of any covenant contained in Section 9.1.2 [Payment of Liabilities, Etc.] with respect to the payment of Priority Payables, Section 9.1.5 [Visitation Rights], Section 9.1.9 [Anti-Corruption Laws, Anti-Money Laundering Laws and International Trade Laws] or Section 9.2 [Negative Covenants];

10.1.5 Breach of Other Covenants. Any of the Loan Parties shall default in the observance or performance of any other covenant, condition or provision hereof or of any other Loan Document and such default shall continue unremedied for a period of twenty (20) days from the earlier of (x) written notice thereof from Administrative Agent or any Lender to the Borrowing Agent, and (y) any Loan Party obtaining knowledge of the occurrence of such default;

10.1.6 Defaults in Other Agreements or Indebtedness. A default or event of default shall occur at any time under the terms of any other agreement involving borrowed money or the extension of credit or any other Indebtedness under which any Loan Party or Subsidiary of any Loan Party may be obligated as a borrower or guarantor in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00) in the aggregate, and such breach, default or event of default consists of the failure to pay (beyond any period of grace permitted with respect thereto, whether waived or not) any Indebtedness when due (whether at stated maturity, by acceleration or otherwise) or if such breach or default permits or causes the acceleration of any Indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend;

10.1.7 Final Judgments or Orders. Any final judgments or orders for the payment of money in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00) in the aggregate shall be entered against any Loan Party by a court having jurisdiction in the premises, which judgment is not discharged, vacated, bonded or stayed pending appeal within a period of thirty (30) days from the date of entry;

10.1.8 Loan Document Unenforceable. Any of the Loan Documents shall cease to be legal, valid and binding agreements enforceable against the party executing the same or such party's successors and assigns (as permitted under the Loan Documents) in accordance with the respective terms thereof or shall in any way be terminated (except in accordance with its terms) or become or be declared ineffective or inoperative or shall in any way be challenged or contested or cease to give or provide the respective Liens, security interests, rights, titles, interests, remedies, powers or privileges intended to be created thereby;



10.1.9 Uninsured Losses; Proceedings Against Assets. There shall occur any material uninsured damage to or loss, theft or destruction of any of the Collateral in excess of One Million Six Hundred Fifty Thousand and 00/100 Dollars (\$1,650,000.00), or the Collateral or any other of the Loan Parties' or any of their Subsidiaries' assets are attached, seized, levied upon or subjected to a writ or distress warrant; or such come within the possession of any receiver, manager, receiver and manager, trustee, custodian or assignee for the benefit of creditors and the same is not cured within thirty (30) days thereafter; or

10.1.10 Events Relating to Pension Plans and Multiemployer Plans. (i) An ERISA Event occurs with respect to a Pension Plan which constitutes a Material Adverse Change, or MDI or any member of the ERISA Group fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, where the aggregate amount of unamortized withdrawal liability has resulted in a Material Adverse Change, or (ii) an event or condition shall occur or exist with respect to any Canadian Pension Plan and, as a result of such event or condition, together with all other such events or conditions, any Loan Party incurs a liability to a Canadian Pension Plan that could reasonably be expected to result in a Material Adverse Change or the occurrence of a Canadian Pension Termination Event which constitutes a Material Adverse Change;

10.1.11 Change of Control. A Change of Control shall occur;

10.1.12 Relief Proceedings. A Relief Proceeding shall have been instituted against any Loan Party or Subsidiary of a Loan Party and such Relief Proceeding shall remain undismissed or unstayed and in effect for a period of sixty (60) consecutive days or such court shall enter a decree or order granting any of the relief sought in such Relief Proceeding, (ii) any Loan Party or Subsidiary of a Loan Party institutes, or takes any action in furtherance of, a Relief Proceeding, or (iii) any Loan Party or any Subsidiary of a Loan Party ceases to be Solvent or admits in writing its inability to pay its debts as they mature.

## 10.2 Consequences of Event of Default.

10.2.1 Events of Default Other Than Bankruptcy, Insolvency or Reorganization Proceedings. If an Event of Default specified under Section 10.1.1 [Payments Under Loan Documents] through 10.1.11 [Change of Control] shall occur and be continuing, the Lenders and the Administrative Agent shall be under no further obligation to make Loans and the Issuing Lender shall be under no obligation to issue Letters of Credit and the Administrative Agent may, and upon the request of the Required Lenders, shall (i) by written notice to the Borrowing Agent, declare the unpaid principal amount of the Notes then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder to be forthwith due and payable, and the same shall thereupon become and be immediately due and payable to the Administrative Agent for the benefit of each Lender without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, and (ii) require the Borrowers to, and the Borrowers shall thereupon, deposit in a non-interest-bearing account with the Administrative Agent, as cash collateral for its Obligations under the Loan Documents, an amount equal to the maximum amount currently or at any time thereafter available to be drawn on all outstanding Letters of Credit, and the Borrowers hereby pledge to the Administrative Agent and the Lenders, and grant to the Administrative Agent and the Lenders a security interest in, all such cash as security for such Obligations; and

10.2.2 Bankruptcy, Insolvency or Reorganization Proceedings. If an Event of Default specified under Section 10.1.12 [Relief Proceedings] shall occur, the Lenders shall be under no further obligations to make Loans hereunder and the Issuing Lender shall be under no obligation to issue Letters of Credit and the unpaid principal amount of the Loans then outstanding and all interest accrued thereon, any unpaid fees and all other Indebtedness of the Borrowers to the Lenders hereunder and thereunder shall be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived; and

10.2.3 Set-off. If an Event of Default shall have occurred and be continuing, each Lender, the Issuing Lender, and each of their respective Affiliates and any participant of such Lender or Affiliate which has agreed in writing to be bound by the provisions of Section 6.3 [Sharing of Payments by Lenders] is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off 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, the Issuing Lender or any such Affiliate or participant to or for the credit or the account of any Loan Party against any and all of the Obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, the Issuing Lender, Affiliate or participant, irrespective of whether or not such Lender, Issuing Lender, Affiliate or participant shall have made any demand under this Agreement or any other Loan Document and although such Obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the Issuing Lender different from the branch or office holding such deposit or obligated on such Indebtedness. The rights of each Lender, the Issuing Lender and their respective Affiliates and participants under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the Issuing Lender or their respective Affiliates and participants may have. Each Lender and the Issuing Lender agrees to notify the Borrowing Agent 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; and

10.2.4 Application of Proceeds. From and after the date on which the Administrative Agent has taken any action pursuant to this Section 10.2.4 and until Payment In Full, and subject to the provisions of Section 12.13.4 [Bifurcation of Obligations], any and all proceeds received by the Administrative Agent from any sale or other disposition of the Collateral, or any part thereof, or the exercise of any other remedy by the Administrative Agent, shall be applied as follows:

(A) First, to payment of that portion of the Obligations constituting fees (other than Letter of Credit Fees), indemnities, expenses and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such, the Issuing Lender in its capacity as such and the Swing Loan Lender in its capacity as such, ratably among the Administrative Agent, the Issuing Lender and Swing Loan Lender in proportion to the respective amounts described in this clause First payable to them;

(B) Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Second payable to them;

(C) Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and Reimbursement Obligations, ratably among the Lenders and the Issuing Lenders in proportion to the respective amounts described in this clause Third payable to them;

(D) Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, Reimbursement Obligations and payment obligations then owing under Lender Provided Interest Rate Hedge, Lender Provided Foreign Currency Hedge and Other Lender Provided Financial Service Products, ratably among the Lenders, the Issuing Lender, and the Lenders or Affiliates of Lenders which provide Lender Provided Interest Rate Hedges, Lender Provided Foreign Currency Hedges and Other Lender Provided Financial Service Products, in proportion to the respective amounts described in this clause Fourth held by them;

(E) Fifth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize any undrawn amounts under outstanding Letters of Credit (to the extent not otherwise cash collateralized pursuant to this Agreement); and

(F) Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full to the Borrowers or as otherwise required by Law.

Notwithstanding anything to the contrary in this Section 10.2.4, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guaranty Agreement (including sums received as a result of the exercise of remedies with respect to such Guaranty Agreement) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities; provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Loan Parties that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 10.2.4.

## 11. THE ADMINISTRATIVE AGENT

11.1 Appointment and Authority. Each of the Lenders and the Issuing Lender hereby irrevocably appoints PNC 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. The provisions of this Section 11.1 are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Lender, and no Loan Party shall have rights as a third party beneficiary of any of such provisions.

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, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party 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.

11.3 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Potential Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated 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; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 12.1 [Modifications, Amendments or Waivers] and 10.2 [Consequences of Event of Default]) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Potential Default or Event of Default unless and until notice describing such Potential Default or Event of Default is given to the Administrative Agent by the Borrowing Agent, a Lender or the Issuing Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set

forth herein or therein or the occurrence of any Potential Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 8 [Conditions of Lending and Issuance of Letters of Credit] or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

11.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The 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 not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Lender unless the Administrative Agent shall have received notice to the contrary from such Lender or the 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 Loan Parties), 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.

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 Section 11 shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

11.6 Resignation of Administrative Agent. The Administrative Agent may at any time give notice of its resignation to the Lenders, the Issuing Lender and the Borrowing Agent. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with approval from the Borrowing Agent (so long as no Event of Default has occurred and is continuing), to appoint a successor, such approval not to be unreasonably withheld or delayed. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the Issuing Lender, appoint a successor Administrative Agent; provided that if the Administrative Agent shall notify the Borrowing Agent and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (i) the retiring 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 Lender under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until

such time as a successor Administrative Agent is appointed) and (ii) 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 the Issuing Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section 11.6. 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 retired) Administrative Agent, and the retiring 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 Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Section 11.6 and Section 12.3 [Expenses; Indemnity; Damage Waiver] shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

If PNC resigns as Administrative Agent under this Section 11.6, PNC shall also resign as an Issuing Lender. Upon the appointment of a successor Administrative Agent hereunder, such successor shall (i) succeed to all of the rights, powers, privileges and duties of PNC as the retiring Issuing Lender and Administrative Agent and PNC shall be discharged from all of its respective duties and obligations as Issuing Lender and Administrative Agent under the Loan Documents, and (ii) issue letters of credit in substitution for the Letters of Credit issued by PNC, if any, outstanding at the time of such succession or make other arrangement satisfactory to PNC to effectively assume the obligations of PNC with respect to such Letters of Credit.

11.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the Issuing Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the Issuing Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

11.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, to the extent applicable, no syndication agent, documentation agent, lead arranger or bookrunner, whether acting individually or jointly, 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 the Issuing Lender hereunder.

11.9 Administrative Agent's Fee. The Borrowers shall pay to the Administrative Agent a nonrefundable fee (the "**Administrative Agent's Fee**") under the terms of a letter (the "**Administrative Agent's Letter**") among certain of the Borrowers and Administrative Agent, as amended from time to time.

11.10 Authorization to Release Collateral and Guarantors. The Lenders and Issuing Lenders authorize the Administrative Agent to release (i) any Collateral consisting of assets or equity interests sold or otherwise disposed of in a sale or other disposition or transfer permitted under the terms of this Agreement or any other Loan Document (including pursuant to a valid waiver or consent), and (ii) any Guarantor from its obligations under the Guaranty Agreement if the ownership interests in such Guarantor are sold or otherwise disposed of or transferred to persons other than Loan Parties or Subsidiaries of the Loan Parties in a transaction permitted under Section 9.2.7 [Dispositions of Assets or Subsidiaries] or Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions].

11.11. No Reliance on Administrative Agent's Customer Identification Program. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "**CIP Regulations**"), or any other Anti-Money Laundering Law, any Anti-Corruption Law or any International Trade Law, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under the CIP Regulations or such other Laws.

11.11 ERISA Matters.

(i) 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, Administrative Agent and the Lead Arranger and their respective Affiliates, and not for the benefit of Borrower or any other Loan Party, that at least one of the following is and will be true:

(A) such Lender is not using "plan assets" (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Plans in connection with the Loans or the Commitments,

(B) the transaction exemption set forth in one or more Prohibited Transaction Exemptions ("**PTEs**"), such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(C) (a) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (b) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (c) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (d) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(D) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(ii) In addition, unless sub-clause (i) in the immediately preceding Section 11.14(a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding Section 11.14(a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and the Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Borrower, that:

(A) none of the Administrative Agent or the Lead Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by Administrative Agent under this Agreement, any Loan Document or any other documents related to hereto or thereto),

(B) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Loans),

(C) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(D) no fee or other compensation is being paid directly to the Administrative Agent or Lead Arrangers or any their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.



The Administrative Agent and the Lead Arranger hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

#### 11.12 Erroneous Payments.

(i) If the Administrative Agent notifies a Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender (any such Lender, Issuing Lender or other recipient, a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (ii)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Lender or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Issuing Lender shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (i) shall be conclusive, absent manifest error.

(ii) Without limiting immediately preceding clause (i), each Lender or Issuing Lender, or any Person who has received funds on behalf of a Lender or Issuing Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a

different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or Issuing Lender, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(A) (a) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (b) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(B) such Lender or Issuing Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.12(ii).

(iii) Each Lender or Issuing Lender hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Lender under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Issuing Lender from any source, against any amount due to the Administrative Agent under immediately preceding clause (i), or under the indemnification provisions of this Agreement.

(iv) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (i), from any Lender or Issuing Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Administrative Agent’s notice to such Lender or Issuing Lender at any time, (a) such Lender or Issuing Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “**Erroneous Payment Impacted Class**”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrowers) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Lender shall deliver any Notes evidencing such Loans to the Borrowers or the Administrative Agent, (b) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (c) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Lender shall cease to be a Lender or Issuing Lender, as

applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Lender and (d) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or Issuing Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

(v) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrowers or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrowers or any other Loan Party for the purpose of making such Erroneous Payment.

(vi) To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine.

(vii) Each party’s obligations, agreements and waivers under this Section 11.12 shall survive the resignation or replacement of the Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

## 12. MISCELLANEOUS

12.1 Modifications, Amendments or Waivers. With the written consent of the Required Lenders (or as expressly contemplated by Section 5.7 [Incremental Loans]), the Administrative Agent, acting on behalf of all the Lenders, and the Borrowing Agent, on behalf of the Loan Parties, may from time to time enter into written agreements amending or changing any provision of this Agreement or any other Loan Document or the rights of the Lenders or the Loan Parties hereunder or thereunder, or may grant written waivers or consents hereunder or thereunder. Any such agreement, waiver or consent made with such written consent shall be effective to bind all the Lenders and the Loan Parties; provided, that no such agreement, waiver or consent may be made which will:

12.1.1 Increase of Commitment. Increase the amount of the Revolving Credit Commitment or Term Loan Commitment of any Lender hereunder without the consent of such Lender;

12.1.2 Extension of Payment; Reduction of Principal Interest or Fees; Modification of Terms of Payment. Whether or not any Loans are outstanding, extend the Maturity Date, the Term Loan Maturity Date or the time for payment of principal or interest of any Loan (excluding the due date of any mandatory prepayment of a Loan), the Commitment Fee or any other fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Loan (other than as a result of waiving the applicability of any post-default increase in interest rates) or reduce the Commitment Fee or any other fee payable to any Lender, without the consent of each Lender directly affected thereby;

12.1.3 Release of Collateral or Guarantor. Except for sales of assets permitted by Section 9.2.7 [Dispositions of Assets or Subsidiaries], release all or substantially all of the Collateral or any Guarantor from its Obligations under the Guaranty Agreement without the consent of all Lenders (other than Defaulting Lenders); or

12.1.4 Miscellaneous. Amend Section 6.2 [Pro Rata Treatment of Lenders], Section 11.3 [Exculpatory Provisions] or Section 6.3 [Sharing of Payments by Lenders] or this Section 12.1, alter any provision regarding the pro rata treatment of the Lenders or requiring all Lenders to authorize the taking of any action or reduce any percentage specified in the definition of Required Lenders, in each case without the consent of all of the Lenders; provided that no agreement, waiver or consent which would modify the interests, rights or obligations of the Administrative Agent, the Issuing Lender, or the Swing Loan Lender may be made without the written consent of the Administrative Agent, the Issuing Lender or the Swing Loan Lender, as applicable, and provided, further that, if in connection with any proposed waiver, amendment or modification referred to in Sections 12.1.1 through 12.1.4 above, the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained (each a "**Non-Consenting Lender**"), then the Borrowing Agent shall have the right to replace any such Non-Consenting Lender with one or more replacement Lenders pursuant to Section 6.6.2 [Replacement of a Lender]. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender, and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding the foregoing, the Administrative Agent, with the consent of the Borrowing Agent, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct or cure any ambiguity, inconsistency or defect or correct any typographical or ministerial error in any Loan Document (provided that any such amendment, modification or supplement shall not be materially adverse to the interests of the Lenders taken as a whole).

12.2 No Implied Waivers; Cumulative Remedies. No course of dealing and no delay or failure of the Administrative Agent or any Lender in exercising any right, power, remedy or privilege under this Agreement or any other Loan Document shall affect any other or future exercise thereof or operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any further exercise thereof or of any other right, power, remedy or privilege. The enumeration of the rights and remedies of the Administrative Agent and the Lenders specified 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 reasonable 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.

12.3 Expenses; Indemnity; Damage Waiver.

12.3.1 Costs and Expenses. The Borrowers shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of one (1) primary counsel and one (1) additional local counsel per additional jurisdiction for the Administrative Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent, in connection with the syndication of the credit facilities provided for herein, 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 out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the Issuing Lender (including the fees, charges and disbursements of any one (1) primary counsel and one (1) additional local counsel per additional jurisdiction for the Administrative Agent, any Lender or the Issuing Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the 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 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, and (iv) all reasonable out-of-pocket expenses of the Administrative Agent to the extent provided in Section 9.1.5 [Visitation Rights].

12.3.2 Indemnification by the Loan Parties. The Loan Parties shall, jointly and severally, indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the Issuing Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan 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, the performance or nonperformance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the 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) breach of representations, warranties or covenants of the Loan Parties under the Loan Documents, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, including any such items or losses relating to or arising under Environmental Laws or pertaining to environmental matters, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee, (y) arise out of a material breach of the obligations of such Indemnitee or any of its respective affiliates or each of their respective officers, directors, employees, advisors and agents under this Agreement or the other Loan Documents as determined by a final and non-appealable judgment by a court of competent jurisdiction or (iii) arises out of, or in connection with, any other Indemnitee.

12.3.3 Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under Section 12.3.1 [Costs and Expenses] or Section 12.3.2 [Indemnification by the Loan Parties] to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing 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), the Issuing Lender or such Related Party, as the case may be, such Lender’s Ratable Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the Issuing 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) or Issuing Lender in connection with such capacity.

12.3.4 Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, no Loan Party shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in Section 12.3.2 [Indemnification by Loan Parties] 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.

12.3.5 Payments. All amounts due under this Section shall be payable not later than ten (10) days after demand therefor.

12.3.6 Survival. Each party's obligations under this Section 12.3 shall survive the termination of the Loan Documents and payment of the obligations hereunder.

12.4 Holidays. Whenever payment of a Loan to be made or taken hereunder shall be due on a day which is not a Business Day such payment shall be due on the next Business Day (except as provided in Section 5.2 [Interest Periods]) and such extension of time shall be included in computing interest and fees, except that all (i) Revolving Credit Loans shall be due on the Business Day preceding the Maturity Date if the Maturity Date is not a Business Day and (ii) Term Loans shall be due on the Business Day preceding the Term Loan Maturity Date if the Term Loan Maturity Date is not a Business Day. Whenever any payment or action to be made or taken hereunder (other than payment of the Loans) shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall not be included in computing interest or fees, if any, in connection with such payment or action.

#### 12.5 Notices; Effectiveness; Electronic Communication.

12.5.1 Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 12.5.2 [Electronic Communications]), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier (i) if to a Lender, to it at its address set forth in its administrative questionnaire, or (ii) if to any other Person, to it at its address set forth on Schedule 1.1(B).

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 telecopier 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 Section 12.5.2 [Electronic Communications], shall be effective as provided in such Section.

12.5.2 Electronic Communications. Notices and other communications to the Lenders and the Issuing Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender or the Issuing Lender if such Lender or the Issuing Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or any Loan Party 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); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

12.5.3 Change of Address, Etc. Any party hereto may change its address, e-mail address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

12.6 Severability. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

12.7 Duration; Survival. All representations and warranties of the Loan Parties contained herein or made in connection herewith shall survive the execution and delivery of this Agreement, the completion of the transactions hereunder and Payment In Full. All covenants and agreements of the Loan Parties contained herein relating to the payment of principal, interest, premiums, additional compensation or expenses and indemnification, including those set forth in the Notes, Section 6 [Payments] and Section 12.3 [Expenses; Indemnity; Damage Waiver], shall survive Payment In Full. All other covenants and agreements of the Loan Parties shall continue in full force and effect from and after the date hereof and until Payment In Full.



## 12.8 Successors and Assigns.

12.8.1 Successors and Assigns Generally. The provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may 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 Section 12.8.2 [Assignments by Lenders], (ii) by way of participation in accordance with the provisions of Section 12.8.4 [Participations], or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 12.8.5 [Certain Pledges; Successors and Assigns Generally] (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 Section 12.8.4 [Participations] and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

12.8.2 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 (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in clause (i)(A) of this Section 12.8.2, the aggregate amount of (x) the Commitments (which for this purpose includes Loans outstanding thereunder) or, (y) if any applicable Commitment is not then in effect, the principal outstanding balance of the Loans made under such Commitment plus the aggregate amount of any other Commitments (which for this purpose includes Loans outstanding thereunder), in each case of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption Agreement, as of the Trade Date) shall not be less than Five Million and 00/100 Dollars (\$5,000,000.00), unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrowing Agent otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except for the consent of the Administrative Agent (which shall not be unreasonably withheld or delayed) and:

(A) the consent of the Borrowing Agent (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrowing Agent shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Issuing Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding).

(iv) Assignment and Assumption Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), and 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) any Loan Party or any of such Loan Party's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof.

(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) No Assignment to Disqualified Lender. No such assignment shall be made to a Disqualified Lender.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to 12.8.3 [Register], from and after the effective date specified in each Assignment and Assumption Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption Agreement, 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 Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement 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 5.4 [Rate Unascertainable; Etc.], 6.8 [Increased Costs], and 12.3 [Expenses, Indemnity; Damage Waiver] with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.8.2 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.8.4 [Participations].

12.8.3 **Register.** The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain a record of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (such record, the “**Register**”). Such Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is in such Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. Such Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

12.8.4 **Participations.** Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than (a) a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person), (b) any Loan Party or any of such Loan Party’s Affiliates or Subsidiaries, (c) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof or (d) a Disqualified Lender) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders, and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree (other than as is already provided for herein) to any amendment, modification or waiver with respect to Sections 12.1.1 [Increase of Commitment], 12.1.2 [Extension of Payment, Etc.], or 12.1.3 [Release of Collateral or Guarantor]) that affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of Sections 5.4 [Rate Unascertainable, Etc.], 6.8 [Increased Costs], 6.10 [Indemnity] and 6.9 [Taxes] (subject to the requirements and limitations therein, including the requirements under Section 6.9.7 [Status of Lenders] (it being understood that the documentation required under Section 6.9.7 [Status of Lenders] shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.8.2 [Assignments by Lenders]; provided that such Participant (A) agrees to be subject to the provisions of Section 6.6.2 [Replacement of a Lender] and Section 6.6.3 [Designation of a Different Lending Office] as if it were an assignee under Section 12.8.2 [Assignments by Lenders]; and (B) shall not be entitled to receive any greater payment under Sections 6.8 [Increased Costs] or 6.9 [Taxes], with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowing Agent’s request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of Section 6.6.2 [Replacement of a Lender] and Section

6.6.3 [Designation of Different Lending Office] with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.2.3 [Set-off] as though it were a Lender; provided that such Participant agrees to be subject to Section 6.3 [Sharing of Payments by Lenders] as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (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.

12.8.5 Certain Pledges; Successors and Assigns Generally. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; 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.

## 12.9 Confidentiality.

12.9.1 General. Each of the Administrative Agent, the Lenders and the Issuing Lender agrees to maintain the confidentiality of the Information, except that Information may be disclosed (i) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (iii) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (iv) to any other party hereto, (v) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (vii) with the consent of the Borrowing Agent or (viii) to the extent such Information (Y) becomes publicly available other than as a result of a breach of this Section or (Z) becomes available to the Administrative Agent, any Lender, the

Issuing Lender or any of their respective Affiliates on a nonconfidential basis from a source other than a Borrower or the other Loan Parties. 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.

12.9.2 Sharing Information With Affiliates of the Lenders. Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to a Loan Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each of the Loan Parties hereby authorizes each Lender to share any information delivered to such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement to any such Subsidiary or Affiliate subject to the provisions of Section 12.9.1 [General].

#### 12.10 Counterparts; Integration; Effectiveness.

12.10.1 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof including any prior confidentiality agreements and commitments. Except as provided in Section 8 [Conditions Of Lending And Issuance Of Letters Of Credit], 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 telecopy or e-mail shall be effective as delivery of a manually executed counterpart of this Agreement.

12.10.2 Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act or any other similar state laws based on the Uniform Electronic Transactions Act.

#### 12.11 CHOICE OF LAW; SUBMISSION TO JURISDICTION; WAIVER OF VENUE; SERVICE OF PROCESS; WAIVER OF JURY TRIAL.

12.11.1 Governing Law. This Agreement shall be deemed to be a contract under the Laws of the State of New York without regard to its conflict of laws principles. Each standby Letter of Credit issued under this Agreement shall be subject either to the rules of the Uniform Customs and Practice for Documentary Credits, as most recently published by the International

Chamber of Commerce (the “**ICC**”) at the time of issuance (“**UCP**”) or the rules of the International Standby Practices (ICC Publication Number 590) (“**ISP98**”), as determined by the Issuing Lender, and each trade Letter of Credit shall be subject to UCP, and in each case to the extent not inconsistent therewith, the Laws of the State of New York without regard to its conflict of laws principles.

12.11.2 SUBMISSION TO JURISDICTION. EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE 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 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 OR THE ISSUING LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

12.11.3 WAIVER OF VENUE. EACH BORROWER AND EACH OTHER LOAN 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 THIS SECTION 12.11.1 [GOVERNING LAW]. 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 AND AGREES NOT ASSERT ANY SUCH DEFENSE.

12.11.4 SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.5 [NOTICES; EFFECTIVENESS; ELECTRONIC COMMUNICATION]. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

12.11.5 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.

12.12 USA Patriot Act Notice. Each Lender that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Loan Parties that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of Loan Parties and other information that will allow such Lender or Administrative Agent, as applicable, to identify the Loan Parties in accordance with the USA Patriot Act.

12.13 Payment of Debt; Joint and Several Obligations; Borrowing Agency; Bifurcation of Obligations.

12.13.1 US Revolving Borrowers. The US Revolving Borrowers shall be jointly and severally liable for the Obligations under this Agreement and each of the other Loan Documents. Without limiting the generality of the foregoing, each of the US Revolving Borrowers hereby acknowledges and agrees that any and all actions, inactions or omissions by any one or more, or all, of the US Revolving Borrowers in connection with, related to or otherwise affecting this Agreement or any of the other Loan Documents are the obligations of, and inure to and are binding upon, each and all of the US Revolving Borrowers, jointly and severally.

12.13.2 Canadian Revolving Borrowers. The Canadian Revolving Borrowers shall be jointly and severally liable solely for the Canadian Obligations under this Agreement and each of the other Loan Documents. Without limiting the generality of the foregoing, each of the Canadian Revolving Borrowers hereby acknowledges and agrees that any and all actions, inactions or omissions by any one or more, or all, of the Canadian Revolving Borrowers in connection with, related to or otherwise affecting this Agreement or any of the other Loan Documents are the obligations of, and inure to and are binding upon, each and all of the Canadian Revolving Borrowers, jointly and severally.

12.13.3 Designation of Borrowing Agent; Nature of Borrowing Agency. Each Loan Party hereby irrevocably designates the Borrowing Agent to be its attorney and agent and in such capacity to borrow, sign and endorse notes, and execute and deliver all instruments, documents, writings and further assurances now or hereafter required hereunder, on behalf of such Loan Party, and hereby authorizes the Administrative Agent, the Lenders and the Issuing Lender to pay over or credit all loan proceeds hereunder in accordance with the request of the Borrowing Agent. The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to the Loan Parties and at their request. The Administrative Agent, the Lenders and the Issuing Lender shall incur no liability to any Loan Party as a result thereof. To induce the Administrative Agent, the Lenders and the Issuing Lender to do so and in consideration thereof, each Loan Party hereby indemnifies the Administrative Agent, the Lenders and the Issuing Lender and holds each of them harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against the Administrative Agent, the Lenders or the Issuing Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of the Loan Parties as provided herein, reliance by Administrative Agent, the Lenders or the Issuing Lender on any request or instruction from the Borrowing Agent or any other action taken by the Administrative Agent, the Lenders or the Issuing Lender with respect to this Section 12.13.3 [Designation of Borrowing Agent, Etc.] except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

12.13.4 Bifurcation of Obligations. The parties hereto acknowledge and agree that, notwithstanding anything to the contrary in this Agreement or any of the other Loan Documents, and notwithstanding that certain Loan Parties which are US Persons (“**US Loan Parties**”) are Guarantors or are liable with respect to the Obligations of Loan Parties which are not US Persons (including, without limitation, the Canadian Loan Parties) (“**Non-US Loan Parties**”), the Obligations of the Non-US Loan Parties under this Agreement or any of the other Loan Documents shall be separate and distinct from the Obligations of any US Loan Party and shall be expressly limited to the Obligations of the Non-US Loan Parties. In furtherance of the foregoing, each of the parties hereto acknowledges and agrees that (a) the liability of any Non-US Loan Party for the payment and performance of its covenants, representations and warranties set forth in this Agreement and the other Loan Documents shall be several from but not joint with the Obligations of the US Loan Parties, (b) the Non-US Loan Parties shall not guarantee any Obligations of any US Loan Party and (c) the present and future assets of the Non-US Loan Parties shall not be subject to any Lien, claim or action by the Administrative Agent to satisfy any Obligations of any US Loan Party. No amount paid by any Non-US Loan Party or value derived from its assets shall be applied to the Obligations of any US Loan Party.

12.14 Additional Waivers of Borrowers. Each Revolving Borrower hereby waives to the full extent permitted by Law any defense it may otherwise have to the payment and performance of the Obligations based on any contention that its liability hereunder and under the other Loan Documents is limited and not joint and several to the extent set forth herein. Each Revolving Borrower acknowledges and agrees that the foregoing waivers and those set forth below serve as a material inducement to the agreement of the Administrative Agent and the Lenders to make the Loans, and that the Administrative Agent and the Lenders are relying on each specific waiver and all such waivers in entering into this Agreement. The undertakings of each Borrower hereunder secure the Obligations of itself and the other Borrowers. Each Borrower further agrees that:



(i) the Administrative Agent and the Lenders may do any of the following with notice to such Borrower and without adversely affecting the validity or enforceability of this Agreement or the Obligations (or any portion thereof): (i) release, surrender, exchange, compromise or settle the Obligations or any portion thereof, with respect to any other Borrower; (ii) change, renew or waive the terms of the Obligations, or any part thereof with respect to any other Borrower; (iii) change, renew or waive the terms of any of the Loan Documents or any other agreements relating to the Obligations, or any portion thereof, with respect to any other Borrower; (iv) grant any extension or indulgence with respect to the payment or performance of the Obligations, or any portion thereof, with respect to any other Borrower; (v) enter into any agreement of forbearance with respect to the Obligations, or any portion thereof, with respect to any other Borrower; and (vi) release, surrender, exchange, impair or compromise any security of any other Borrower held by the Administrative Agent or any Lender for the Obligations or any portion thereof. Each Borrower agrees that the Administrative Agent and the Lenders may do any of the above as the Administrative Agent and the Lenders deem necessary or advisable, in the Administrative Agent's and the Lenders' sole discretion, without giving notice to any other Borrower, and that such Borrower will remain liable for full payment and performance of the Obligations; and

(ii) each Borrower waives and agrees not to enforce any of the rights of the Administrative Agent or the Lenders against any other Borrower or any other obligor of the Obligations, or any portion thereof, unless and until all of the Obligations shall have been indefeasibly paid in full and the Borrowers' rights to borrow hereunder have terminated, including but not limited to any right of such Borrower to be subrogated in whole or in part to any right or claim of the Administrative Agent and the Lenders with respect to the Obligations or any portion thereof. Each Borrower hereby irrevocably agrees that following the occurrence of any Event of Default which has not been waived by the Administrative Agent or the Lenders, such Borrower shall not enforce any rights of contribution, indemnity or reimbursement from any other Borrower on account of such Borrower's payment of the Obligations, or any portion thereof, unless and until all of the Obligations shall have been indefeasibly paid in full and the Borrowers' rights to borrow hereunder have terminated. Each of the Borrowers hereby waives any defenses based on suretyship or the like.

12.15 Joinder. Any Person which is required to join this Agreement pursuant to Section 9.2.6 [Liquidations, Mergers, Consolidations, Acquisitions] or Section 9.2.9 [Subsidiaries and Joint Ventures] shall execute and deliver to the Administrative Agent (i) a Borrower Joinder or a Guarantor Joinder, as determined by the Administrative Agent, and (ii) documents in the forms described in Section 8.1 [Initial Loans and Letters of Credit] that the Administrative Agent may reasonably require, modified as appropriate to relate to such Subsidiary, including, without limitation, organizational documents, legal opinions and documents necessary to grant and perfect Prior Security Interests to the Administrative Agent (for its benefit and for the benefit of the Lenders) in all Collateral held by such Subsidiary; provided, however, to the extent such Subsidiary becomes a Revolving Borrower, none of such assets which become Collateral shall be included in the applicable Borrowing Base in accordance with the terms of this Agreement until such time as the Administrative Agent makes such a determination in its sole discretion. Notwithstanding the foregoing provisions of this Section 12.15, no more than sixty-five percent (65%) of the total voting power of the Capital Stock of each first tier Subsidiary of any US Loan Party that is not a US Person

shall be required to be pledged to secure, or to directly or indirectly provide security for, any Obligation owed by a US Loan Party. The Loan Parties shall deliver such Borrower Joinder or Guarantor Joinder, as applicable, and all related documents required by this Section 12.15 [Joinder] to the Administrative Agent (a) with respect to any Subsidiary incorporated or otherwise formed pursuant to Section 9.2.9 [Subsidiaries and Joint Ventures], within ten (10) Business Days after the date of the filing of such Subsidiary's articles of incorporation if the Subsidiary is a corporation, the date of the filing of its certificate of limited partnership if it is a limited partnership or the date of its organization if it is an entity other than a limited partnership or corporation, and (2) the contemporaneously with the joinder of Holdco pursuant to subsection (c), (b) with respect to any Subsidiary acquired pursuant to Section 9.2.6) [Liquidations, Mergers, Consolidations, Acquisitions], within ten (10) days after the date of consummation of the applicable acquisition.

#### 12.16 Canadian Anti-Money Laundering Legislation.

(i) Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c.17 and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Administrative Agent and the Lenders may be required to obtain, verify and record information regarding the Loan Parties and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Loan Parties, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Administrative Agent, any Lender, any Issuer or any of their respective prospective assignees or participants, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(ii) If the Administrative Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Administrative Agent:

(A) shall be deemed to have done so as an agent for itself, each Lender and each Issuer, and this Agreement shall constitute a "written agreement" in such regard between each Lender, each Issuer and the Administrative Agent within the meaning of the applicable AML Legislation; and

(B) shall provide to each Lender and each Issuer copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders and each of the Issuers agrees that the Administrative Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any of the Lenders or any of the Issuers, or to confirm the completeness or accuracy of any information it obtains from any Loan Party or any such authorized signatory in doing so.

12.17 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(i) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(ii) the effects of any Bail-in Action on any such liability, including, if applicable:

(A) a reduction in full or in part or cancellation of any such liability;

(B) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(C) 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.

12.18 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrowers acknowledge and agree that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Lenders, on the other hand, (B) the Borrowers have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Borrowers are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower or any of its Affiliates, or any other Person and (B) no Lender has any obligation to any Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrowers and their Affiliates, and no Lender has any obligation to disclose any of such interests to the Borrowers or their Affiliates. To the fullest extent permitted by law, the Borrowers hereby waive and release any claims that they may have against each of the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

12.19 Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the appropriate Business Day preceding that on which final judgment is given. The obligation of each Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the appropriate Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Loan Party in the Agreement Currency, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such Currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Loan Party (or to any other Person who may be entitled thereto under Applicable law).

[INTENTIONALLY LEFT BLANK]

---

**ANNEX 2**

See attached.

---

**ANNEX 3**

See attached.

---

**ANNEX 4**

See attached.

---

**ANNEX 5**

See attached.



---

**ANNEX 6**

See attached.

**SUMMARY OF DIRECTOR COMPENSATION ARRANGEMENTS**

Independent non-employee directors of Mastech Digital, Inc. (the “Company”) will receive an annual retainer fee of \$65,000 in 2024, other than the Chair of the Audit Committee who will receive an annual retainer fee of \$69,000 in 2024. In addition, independent non-employee directors of the Company are eligible to participate in the Company’s Stock Incentive Plan, as amended (the “Stock Incentive Plan”). On January 30, 2024, our independent non-employee directors each received a restricted share grant under the Stock Incentive Plan of 7,403 restricted shares, which shares vest over a one-year period. Additionally, our Independent non-employee directors receive retainer and meeting fees for their service on any ad hoc special committees that are established from time to time.

Non-independent directors of the Company will not receive any compensation for their service as directors of the Company.

All of the Company’s directors are reimbursed for reasonable travel expenses incurred in connection with attending Board of Directors and committee meetings.

**SUBSIDIARIES****Incorporation/Organization**

Mastech Digital Technologies, Inc.  
Mastech Digital Alliances, Inc.  
Mastech Digital Resourcing, Inc.  
Mastech Digital Services, Inc.  
Mastech Digital Consulting, Inc.  
Mastech Digital Solutions, Inc.  
Mastech Digital InfoTech, Inc.  
Mastech Digital Systems, Inc.  
Mastech Digital Data, Inc.  
Mastech Digital Pvt, Ltd.  
Mastech InfoTrellis, Inc.  
Mastech InfoTrellis Digital, Ltd.  
InfoTrellis India Pvt, Ltd.  
Mastech InfoTrellis, PTE, Ltd.  
Mastech InfoTrellis, Ltd.  
Mastech InfoTrellis Limited  
Mastech Digital Infotech Pvt, Ltd.

**Jurisdiction of**

Pennsylvania  
Pennsylvania  
Pennsylvania  
Pennsylvania  
Pennsylvania  
Pennsylvania  
Pennsylvania  
Delaware  
India  
Delaware  
Canada  
India  
Singapore  
England & Wales  
Ireland  
India

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors of  
Mastech Digital, Inc.**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-153759, 333-212413, 333-228808 and 333-240172) of Mastech Digital, Inc. of our report dated March 15, 2024, relating to the consolidated financial statements and financial statement schedule, which appear in this Annual Report on Form 10-K.

**/s/ UHY LLP**

---

Farmington Hills, Michigan  
March 15, 2024

I, Vivek Gupta, certify that:

1. I have reviewed this Annual Report on Form 10-K of Mastech Digital, 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 15(d)-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.

MASTECH DIGITAL, INC.

/s/ VIVEK GUPTA

---

**Vivek Gupta**  
*President and Chief Executive Officer*

Date: March 15, 2024

I, John J. Cronin, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Mastech Digital, 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 15(d)-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.

MASTECH DIGITAL, INC.

Date: March 15, 2024

/s/ JOHN J. CRONIN, JR.

---

**John J. Cronin, Jr.**  
**Chief 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 Annual Report of Mastech Digital, Inc. (the “Company”) on Form 10-K for the year ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Vivek Gupta, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2024

/s/ VIVEK GUPTA

---

**Vivek Gupta**  
*President and Chief Executive 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 Annual Report of Mastech Digital, Inc. (the "Company") on Form 10-K for the year ending December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John J. Cronin Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2024

/s/ JOHN J. CRONIN, JR.

---

**John J. Cronin Jr.**  
*Chief Financial Officer*



## MASTECH DIGITAL, INC.

## CLAWBACK POLICY

The Board of Directors (the “Board”) of Mastech Digital, Inc. (the “Company”) has determined that it is in the best interests of the Company to adopt this Clawback Policy (this “Policy”), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Rule 10D-1 promulgated under the Exchange Act (“Rule 10D-1”) and Section 811 of the NYSE American (the “NYSE American”) Company Guide.

**1. Definitions**

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

“*Accounting Restatement*” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

“*Clawback Period*” means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The “*date on which the Company is required to prepare an Accounting Restatement*” is the earlier to occur of (a) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

“*Erroneously Awarded Compensation*” means, in the event of an Accounting Restatement, the amount of Incentive-Based Compensation previously received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes paid by the relevant Executive Officer; provided, however, that for Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount of Erroneously Awarded Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and (b) the Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to the NYSE American.

“*Executive Officer*” means the Company’s president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the Company. An executive officer of the Company’s parent or subsidiary is deemed an “Executive Officer” if the executive officer performs such policy making functions for the Company.

“*Financial Reporting Measure*” means any measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures; provided, however, that a Financial Reporting Measure is not required to be presented within the Company’s financial statements or included in a filing with the U.S. Securities and Exchange Commission (the “SEC”) to qualify as a “Financial Reporting Measure.” For purposes of this Policy, Financial Reporting Measures include, but are not limited to, stock price and total shareholder return.

“*Incentive-Based Compensation*” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is “*received*” for purposes of this Policy in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

## **2. Policy Application.**

This Policy applies to Incentive-Based Compensation received by an Executive Officer (a) after beginning services as an Executive Officer; (b) if that person served as an Executive Officer at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange.

## **3. Policy Recovery Requirement.**

In the event the Company is required to prepare an Accounting Restatement, the Company shall reasonably promptly recoup the amount of any Erroneously Awarded Compensation received by any Executive Officer during the Clawback Period. In the event of an Accounting Restatement, the Board shall determine, in its sole discretion, the amount of any Erroneously Awarded Compensation for each Executive Officer in connection with such Accounting Restatement.

## **4. Method of Recoupment.**

The Board shall determine, in its sole discretion, the timing and method for promptly recouping such Erroneously Awarded Compensation, which may include without limitation: (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Board may affect recovery under this Policy from any amount otherwise payable to the Executive Officer, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Executive Officer.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy except to the extent the Compensation Committee of the Board has determined recovery would be impracticable solely if one (1) of the following limited reasons are met, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Company must make a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover and provide that documentation to the NYSE American;
- Recovery would violate home country law of the Company where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law of the Company, the Company must obtain an opinion of home country counsel, acceptable to the NYSE American, that recovery would result in such a violation, and must provide such opinion to the NYSE American; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

#### **5. No Indemnification of Executives Officers.**

The Company shall not indemnify any Executive Officers against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Executive Officers to fund potential clawback obligations under this Policy. Any indemnification or insurance policy or any contractual arrangement with any Executive Officer shall not include any indemnification obligation on the part of the Company to the Executive Officer against the loss of any Erroneously Awarded Compensation.

#### **6. Required Policy-Related Filings.**

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by SEC filings.

#### **7. Acknowledgement.**

Each Executive Officer shall sign and return to the Company within thirty (30) calendar days following the later of (a) the effective date of this Policy set forth below or (b) the date such individual becomes a Executive Officer, the Acknowledgement Form attached hereto as Exhibit A, pursuant to which the Executive Officer agrees to be bound by, and to comply with, the terms and conditions of this Policy.

#### **8. Administration**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

---

**9. Policy Not in Limitation**

The Board intends that this Policy shall be applied to the fullest extent of the law. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against an Executive Officer arising out of or resulting from any actions or omissions by the Executive Officer.

**10. Amendment; Termination.**

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

**11. Successors.**

This Policy is binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators or other legal representatives.

**12. Effective Date.**

This Policy shall be effective as of December 1, 2023. The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Executive Officers on or after October 2, 2023, even if such Incentive-Based Compensation was approved, awarded or granted to Executive Officers prior to such date.

**EXHIBIT A**

**MASTECH DIGITAL, INC. CLAWBACK POLICY**

**ACKNOWLEDGEMENT FORM**

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Mastech Digital, Inc. (the "Company") Clawback Policy (the "Policy").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment or service with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

EXECUTIVE OFFICER

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date